OFFERING CIRCULAR **CONFIDENTIAL**

$1,825,000,000 equivalent

bmc

Banff Merger Sub Inc.

to be merged with and into

Boxer Parent Company Inc.

$1,475,000,000 Senior Notes due 2026
€301,500,000 Senior Notes due 2026

Banff Merger Sub Inc. ("Merger Sub") is offering $1,475.0 million in aggregate principal amount of its 9.750% senior notes due 2026 (the "Dollar Notes") and €301.5 million aggregate principal amount of its 8.375% senior notes due 2026 (the "Euro Notes" and, together with the Dollar Notes, the "Notes," and each a separate "series" of Notes). The Dollar Notes have a fixed annual interest rate of 9.750%, which will be paid in cash semi-annually in arrears on March 1 and September 1 of each year, commencing on March 1, 2019. The Dollar Notes will mature on September 1, 2026. The Euro Notes have a fixed annual interest rate of 8.375%, which will be paid in cash semi-annually in arrears on March 1 and September 1 of each year, commencing on March 1, 2019. The Euro Notes will mature on September 1, 2026.

This offering is being made in connection with the proposed acquisition of Boxer Parent Company Inc. (the "Company") by entities affiliated with KKR & Co. Inc. ("KKR") (the "Merger"). Merger Sub has been formed for the sole purpose of completing the Merger and, at the closing of the Merger, will be merged with and into the Company, with the Company continuing as the surviving entity. This offering will be consummated prior to the consummation of the Merger. Merger Sub will execute and deliver an Escrow Agreement (as defined herein) and will deposit, or cause to be deposited, the gross proceeds from this offering of each series of Notes into segregated escrow accounts for the benefit of the holders of each series of Notes pending the consummation of the Merger (collectively, the "Escrow Accounts"). The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to February 26, 2019 (the "Escrow Outside Date"), and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of the Notes pursuant to a special mandatory redemption in accordance with the procedures set forth herein. The special mandatory redemption price of each series of Notes will be a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. See "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption."

Prior to the consummation of the Merger, the Notes will be solely obligations of Merger Sub and will not be guaranteed and will not otherwise be the beneficiary of any credit support from the Company or any of its subsidiaries. From and after the consummation of the Merger, each of the Company's existing and future wholly-owned domestic restricted subsidiaries will guarantee the Notes on a senior unsecured basis to the extent such subsidiary guarantees our new Credit Facilities (as defined herein) or certain of our other indebtedness, subject to certain limitations and exceptions. See "Description of Notes—Guarantees" and "Description of Notes—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries."

Prior to the consummation of the Merger, each series of Notes will be secured by a first priority security interest in the applicable Escrow Account and Escrowed Property (as defined herein). From and after the consummation of the Merger, the Notes and the note guarantees will be our and the guarantors' senior unsecured obligations and will rank senior in right of payment to all existing and future subordinated indebtedness of the Company and the guarantors, rank pari passu in right of payment with all existing and future senior indebtedness of the Company and the guarantors, be effectively subordinated to all existing and future secured indebtedness of the Company and the guarantors, including indebtedness under the Credit Facilities, to the extent of the value of the assets securing such indebtedness, and be structurally subordinated to all of the indebtedness, preferred stock and other liabilities of any of our subsidiaries that do not guarantee the Notes. To the extent lenders under our new Credit Facilities release any guarantor from its obligations, such guarantor will also be released from its obligations under its note guarantees. See "Description of Notes—Guarantees."

At any time prior to September 1, 2021, we may redeem some or all of each series of Notes at a price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date, plus a "make-whole" premium, as described in this offering circular. On or after September 1, 2021, we may redeem some or all of each series of Notes at the applicable redemption prices set forth in this offering circular applicable to each series, plus accrued and unpaid interest, if any, to, but not including, the redemption date. At any time prior to September 1, 2021, we may also redeem up to 40% of the aggregate principal amount of each series of Notes using the net cash proceeds from certain equity offerings at the redemption prices set forth in this offering circular, plus accrued and unpaid interest, if any, to, but not including, the redemption date. See "Description of Notes—Optional Redemption." The Notes of either series may be optionally redeemed in full or in part before the Notes of the other series are optionally redeemed in full (or at all).

Upon the occurrence of a Change of Control (as defined herein), we may be required to make an offer to repurchase all of the Notes then outstanding at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the purchase date. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."

Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 40 of this offering circular.

Offering Price of the Dollar Notes: 9.750%, plus accrued and unpaid interest, if any, from August 23, 2018

Offering Price of the Euro Notes: 8.375%, plus accrued and unpaid interest, if any, from August 23, 2018

The Notes and note guarantees have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. The Notes will not have the benefit of any registration rights. Unless they are registered, the Notes may be offered only in transactions that are exempt from registration under the Securities Act or the securities laws of any other jurisdiction. Accordingly, we are offering the Notes only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For further details about eligible offerees and resale restrictions, see "Notice to Investors."

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission 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.

There is currently no public market for the Notes. The Dollar Notes will not be listed on any securities exchange or automated quotation system. The Issuer intends to apply to list the Euro Notes on the Official List of The International Stock Exchange (the "Exchange"). The listing application will be subject to approval by The International Stock Exchange Authority Limited (the "Authority"), which is licensed to operate an investment exchange by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Exchange is not a regulated market for the purposes of EU Directive 2004/39/EC (as amended), or the "Markets in Financial Instruments Directive." There is no assurance that the Euro Notes will be listed and admitted to trade on the Official List of the Exchange. Consummation of the offering of the Euro Notes is not contingent on the Issuer making an application for or obtaining such listing or admission to trading.

The initial purchasers expect to deliver the Dollar Notes to investors only in book-entry form through the facilities of The Depository Trust Company and the Euro Notes only in book-entry form through Euroclear and Clearstream (each as defined herein), in each case, on or about August 23, 2018. See "Book Entry; Delivery and Form."

Joint Book-Running Managers

Goldman Sachs & Co. LLC **Credit Suisse** **KKR**

Jefferies **Macquarie Capital** **Mizuho Securities** **Barclays**

Offering Circular dated August 9, 2018

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We and the initial purchasers have not authorized anyone to provide you with any information other than that contained in this offering circular. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We and the initial purchasers are offering to sell the Notes only in places where offers and sales are permitted.

You should not assume that the information contained in this offering circular is accurate as of any date other than the date on the front cover of this offering circular. Neither the delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information in this offering circular is correct as of any date after the date on the cover of this offering circular.

NOTICE TO INVESTORS

We are furnishing this offering circular on a confidential basis in connection with an offering that is exempt from registration under the Securities Act solely to allow prospective investors to consider the purchase of the Notes. Delivery of this offering circular to any other person or any reproduction of this offering circular, in whole or in part, without our or the initial purchasers' prior consent is prohibited. The information contained in this offering circular has been provided by us and other sources identified in this offering circular. We accept responsibility for the information contained in this offering circular. We, and not the initial purchasers, have ultimate authority over such information, including its content and whether and how to communicate such information. No representation or warranty, express or implied, is made by the initial purchasers or the trustee under the indenture governing the Notes as to the accuracy or completeness of the information contained in this offering circular, and nothing contained in this offering circular is, or should be relied upon as, a promise or representation by the initial purchasers or the trustee.

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

The Issuer intends to apply to list the Euro Notes on the Official List of the Exchange within a reasonable period of time after the issue date of such Notes. The listing application will be subject to approval by the Authority. There can be no assurance that the application to list the Euro Notes on the Official List of the Exchange will be approved and settlement of the Euro Notes is not conditioned on the Issuer making an application for or obtaining such listing or admission to trading. The Exchange is not a regulated market for the purposes of the Markets in Financial Instruments Directive. Neither the admission of the Euro Notes to be listed on the Official List of the Exchange, nor the approval of this offering circular pursuant to the listing requirements of the Authority shall constitute a warranty or representation by the Authority as to the competence of the service providers to, or any other party connected with, the Issuer, the adequacy of information contained in this offering circular or the suitability of the Issuer for investment or any other purposes.

Carey Olsen Corporate Finance Limited is acting as listing agent for the Issuer and for no one else in connection with the listing of the Euro Notes or trading on the Exchange and will not be responsible to anyone other than the Issuer.

The Dollar Notes will not be listed on any securities exchange or automated quotation system.

You must comply with all applicable laws and regulations in connection with the distribution of this offering circular and the offer or sale of the Notes. See "Transfer Restrictions." You are not to construe the contents of this offering circular as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes.

We are not, and the initial purchasers are not, making any representation to you regarding the legality of an investment in the Notes by you under appropriate legal investment or similar laws.

This offering circular is being provided on a confidential basis (1) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("Rule 144A") for informational use solely in connection with their consideration of the purchase of the Notes and (2) in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act ("Regulation S"). Its use for any other purpose is not authorized. This offering circular may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided. By accepting delivery, you also acknowledge that this document contains confidential information and you agree that the use of this information for any purpose other than considering a purchase of the Notes is strictly prohibited.

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

This offering circular contains summaries, believed to be accurate, of some of the terms of certain documents, but reference is made to the actual documents, copies of which will be made available upon request following their execution and delivery. We do not have any obligation to update or supplement any information contained in this offering circular or otherwise provide similar information in the future.

For the complete information contained in those documents, see "Where You Can Find More Information." In making an investment decision regarding the Notes offered by this offering circular, you must rely on your own examination of our company and the terms of the offering, including the merits and risks involved. The offering is being made on the basis of this offering circular. Any decision to purchase Notes in the offering must be based on the information contained in this offering circular.

We reserve the right to withdraw the offering of the Notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the Notes, in whole or in part, and to allot to any prospective investor less than the full amount of the Notes subscribed for by such investor. We are making this offering subject to the terms described in this offering circular and the indenture related to the Notes.

The Dollar Notes will be available in book-entry form only. We expect that the Dollar Notes sold pursuant to this offering circular will be issued in the form of one or more global certificates, all of which will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates will be shown on, and transfers of the global certificates will be effected only through, records maintained by DTC and its direct and indirect participants. After the initial issuance of the global certificates, Dollar Notes in certificated form will be issued in exchange for the global certificates only as set forth in the indenture governing the Dollar Notes. See "Book Entry; Delivery and Form."

The Euro Notes will be available in book-entry form only. We expect that the Euro Notes sold pursuant to this offering circular will be issued in the form of one or more global certificates, all of which will be deposited and held by, or on behalf of, and registered in the name of the nominee of the common depositary for the accounts of Euroclear Bank SA/NV, or "Euroclear," and for Clearstream Banking, *société anonyme*, or "Clearstream." Beneficial interests in the global certificates relating to the Euro Notes will be shown on, and transfers of such global certificates will be effected only through, records maintained by Euroclear or Clearstream and their participants. After the initial issuance of the global certificates, Euro Notes in certificated form will be issued in exchange for the global certificates only as set forth in the indenture that will govern the Euro Notes. See "Book Entry; Delivery and Form."

This offering circular does not constitute an offer to sell or a solicitation of an offer to buy the Notes to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. For a further description of certain restrictions on the offer and sale of the Notes, see “Plan of Distribution” and “Transfer Restrictions.”

By purchasing the Notes, you will be deemed to have made acknowledgments, representations, warranties and agreements as set forth under “Notice to Investors” in this offering circular. We are not, and the initial purchasers are not, making an offer to sell the Notes in any jurisdiction except where an offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

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

We expect that delivery of the Notes will be made against payment therefor on or about August 23, 2018, which will be the tenth business day following the date of pricing of the Notes (such settlement cycle being herein referred to as “T+10”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding seven (7) business days will be required, by virtue of the fact that the Notes initially will settle T+10, 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 the period described above should consult their own advisor.

We make no representation to you that the Notes are a legal investment for you. You should not consider any information in this offering circular to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes. You should not assume that the information contained in this offering circular is accurate as of any date other than the date on the front cover of this offering circular. Neither the delivery of the offering circular nor any sale made pursuant to this offering circular implies that any information set forth in this offering circular is correct as of any date after the date of this offering circular.

In connection with this offering, the initial purchasers may, but are not required to, effect transactions that stabilize or maintain the market price of the Notes at a higher level than the Notes might otherwise achieve in the open market. Such stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see the section “Plan of Distribution” in this offering circular.

BASIS OF PRESENTATION

We are not required to, and do not intend to file a registration statement under the Securities Act for the Notes offered hereby and this offering circular does not include all the information that would be required if we were registering this offering with the SEC.

Unless otherwise indicated or the context otherwise requires, references in this offering circular to the terms below will have the following meanings:

- "BMC", "we", "our", "us" and the "Company" or similar terms refer to Boxer Parent Company and its consolidated subsidiaries;
- "Boxer Parent Company" refers to Boxer Parent Company Inc., a Delaware corporation;
- "Credit Facilities" refers collectively to (i) the Revolving Credit Facility, (ii) the USD Term Loan Facility and (iii) the Euro Term Loan Facility;
- "Euro Term Loan Facility" refers to the €930.0 million ($1,076.9 million equivalent based on an exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion) of borrowings under a senior secured first lien term loan facility to be entered into in connection with the Merger, as more fully described under "Description of Certain Other Indebtedness";
- "Existing Credit Facilities" refers to BMC's existing (i) $2,482.3 million term loans denominated in U.S. dollars and €923.6 million term loans denominated in Euros; and (ii) $137.5 million U.S. dollar revolving loans and letters of credit and $172.2 million equivalent multicurrency revolving loans and letters of credit;
- "Existing Notes" refers to (i) BMC Software Finance, Inc.'s $1,775.0 million aggregate principal amount of senior notes due July 14, 2021 ("Existing 2021 Notes"); and (ii) BMC Software, Inc.'s $37.5 million aggregate principal amount of senior notes due February 2022 ("Existing February 2022 Notes") and $27.8 million aggregate principal amount of senior notes due December 2022 ("Existing December 2022 Notes" and together with the Existing February 2022 Notes, the "Existing 2022 Notes");
- "Issuer" refers to Merger Sub prior to the Merger and to Boxer Parent Company and not to any of its subsidiaries from and after the Merger;
- "KKR" or "Sponsor" refers to KKR & Co. Inc. and certain of its affiliated entities, as well as certain limited partners of such affiliated entities, which may co-invest in the Merger following the closing of the Merger, as more fully described under "Summary—About KKR," and "The Transactions" and "Certain Relationships and Related Party Transactions";
- "Merger" has the meaning set forth in "The Transactions";
- "Merger Agreement" refers to that certain Agreement and Plan of Merger among Boxer Parent Company, Parent, Merger Sub and the Representative (as defined below), pursuant to which, at the closing of the transactions contemplated thereby, Merger Sub will be merged with and into Boxer Parent Company with Boxer Parent Company surviving the Merger;
- "Merger Sub" refers to Banff Merger Sub Inc., a Delaware corporation, and a wholly-owned indirect subsidiary of Parent;
- "Parent" refers to Banff Parent Inc., a Delaware corporation. As of the closing of the Merger, a majority of Parent's outstanding capital stock will be owned by entities affiliated with the Sponsor. The remaining minority of Parent's outstanding capital stock will be owned by Rollover Offer Participants (as defined below) and holders of Parent's PIK Preferred Equity (as defined below);
- "PIK Preferred Equity" refers to Series A preferred stock of Parent, to be issued with an initial aggregate liquidation preference of $300.0 million in connection with the Merger, as more fully described under "Summary—The Transactions" and "Certain Relationships and Related Party Transactions";

- “Representative” refers to Bain Capital Private Equity, LP, a Delaware limited partnership, and Golden Gate Private Equity, Inc., a Delaware corporation, each in their capacity as the Representative under the Merger Agreement;
- “Revolving Credit Facility” refers to a $400.0 million multicurrency senior secured first lien revolving credit facility to be entered into in connection with the Merger, as more fully described under “Description of Certain Other Indebtedness”;
- “Rollover Offer Participants” has the meaning set forth in “Principal Stockholders”;
- “Term Loan Facilities” refers collectively to the USD Term Loan Facility and the Euro Term Loan Facility;
- “Transactions” has the meaning set forth in “Summary—The Transactions”; and
- “USD Term Loan Facility” refers to the $3,300.0 million of borrowings under a senior secured first lien term loan facility to be entered into in connection with the Merger, as more fully described under “Description of Certain Other Indebtedness.”

Unless otherwise stated herein, pro forma financial information gives effect to the Transactions, as described under “Unaudited Pro Forma Condensed Consolidated Financial Information.” Certain numerical figures included in this offering circular have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

Unless otherwise specified, all references in this offering circular to years are to fiscal years. References to “fiscal year 2018” refer to the Company’s fiscal year ended March 31, 2018.

NON-GAAP FINANCIAL MEASURES

Non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow and the related ratio data, as presented in this offering circular, are supplemental measures of our performance that are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). Non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow are not measurements of our financial performance under GAAP and should not be considered as an alternative to revenue, operating income, net income (loss) or any performance measures derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of our liquidity. Additionally, non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow are not intended to be measures of cash flow in accordance with GAAP or a reflection of a comprehensive system of accounting, as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements.

We believe that the presentation of these non-GAAP financial measures provides meaningful supplemental information regarding our operating results because they exclude certain material non-cash items and certain other adjustments for items that management and the Board of Directors do not consider part of core operating results when assessing the performance of the organization, and for consistency with the manner in which our operating subsidiary, BMC Software Finance Inc., reports its operating results in its periodic reporting to its lenders under the Existing Credit Agreement. Accordingly, we believe these non-GAAP financial measures are useful to investors in allowing for greater transparency of supplemental information used by management and the Board of Directors.

We also refer to certain bookings information. Bookings represent the total contract value of customer transactions closed and recorded by us during the periods presented. Bookings in a given period are either recognized as revenue in that period or are deferred and recognized as revenue in future periods. Additionally, we evaluate our results of operations on both an as reported and constant currency basis. Accordingly, we have included certain constant currency metrics that exclude the effects of fluctuations in foreign currency exchange rates by applying constant foreign currency exchange rates to both the current and prior periods. Such exchange rates are primarily USD:EUR of 1.25, USD:GBP of 1.41, INR:USD of 64, BRL:USD of 3.2 and USD:AUD of 0.79. This calculation may differ from similarly titled measures used by others and, accordingly, the constant currency presentation is not meant to be a substitution for reported amounts presented in conformity with GAAP.

For the definitions of, and additional information about, non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow, a description of how these non-GAAP financial measures are calculated and a reconciliation of these non-GAAP financial measures to their most comparable GAAP financial measures or to other non-GAAP financial measures, as applicable, see the relevant footnotes under "Summary— Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this offering circular.

Our method of calculating non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow on both an as-reported and constant currency basis may vary from the method used by other companies. In addition, in calculating these non-GAAP financial measures, we make certain adjustments that are based on assumptions and estimates that may prove to have been inaccurate. Our presentation of non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow, which adjust for unusual or nonrecurring items, should not be construed as an inference that our future results will not be affected by unusual or nonrecurring items. We believe many issuers of non-investment grade securities also present these or similar non-GAAP financial measures and the related ratio data because investors, analysts and rating agencies consider them useful in measuring the ability of those issuers to meet debt service obligations.

Non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow have limitations as analytical tools, and you should not consider these items in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are: (i) these non-GAAP financial measures do not reflect all of our cash expenditures, future requirements for capital expenditures or contractual commitments; (ii) they do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt; (iii) they do not reflect any cash income taxes that we may be required to pay; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and these measures do not reflect any cash requirements for such replacements; (v) they do not reflect changes in, or cash requirements for, our working capital needs; (vi) they are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and (vii) other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures. Because of these limitations, non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow should not be considered as measures of discretionary cash available to us to service our indebtedness or invest in our business. We compensate for these limitations by relying primarily on our GAAP results, using these non-GAAP financial measures only for supplemental purposes and by reconciling such non-GAAP financial measures to their most comparable GAAP financial measures or to other non-GAAP financial measures, as applicable.

The SEC has adopted rules to regulate the use of non-GAAP financial measures, such as non-GAAP revenue, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Pro Forma Non-GAAP Adjusted EBITDA and Free Cash Flow, which are derived on the basis of methodologies other than in accordance with GAAP. These rules require, among other things:

- a presentation with equal or greater prominence of the most comparable financial measure or measures calculated and presented in accordance with GAAP;
- a quantitative reconciliation for historical non-GAAP measures presented and qualitative differences between non-GAAP financial measures disclosed with the most directly comparable financial measure calculated or presented in accordance with GAAP;
- a statement disclosing the purposes for which the issuer's management uses the non-GAAP financial measure; and
- a statement disclosing the reasons why the registrant's management believes that presentation of the non-GAAP financial measure provides useful information to investors regarding the registrant's financial condition and results of operations.

The rules prohibit, among other things:

- exclusion of non-cash charges or liabilities that require cash settlement or would have required cash settlement absent an ability to settle in another manner, from non-GAAP liquidity measures;
- adjustment of a non-GAAP performance measure to eliminate or smooth items identified as nonrecurring, infrequent or unusual, when the nature of the charge or gain is such that it is reasonably likely to recur;
- presentation of non-GAAP financial measures on the face of the GAAP financial statements (or notes thereto) or any pro forma financial information; and
- pro forma adjustments that are not directly attributable to the specific transactions to which pro forma effect is being given or that are not factually supported or that are not expected to have a continuing impact.

The non-GAAP financial measures presented in this offering circular may not comply with these rules. For a reconciliation of these non-GAAP financial measures to their most comparable GAAP financial measures or to other non-GAAP financial measures, as applicable, see "Summary—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

CURRENCY PRESENTATION AND EXCHANGE RATE DATA

In this offering circular, (i) $ or U.S. dollar refer to the lawful currency of the United States and (ii) € or euro refer to the lawful currency of participating member states of the European Union. We present our consolidated financial data in U.S. dollars. This offering circular contains a translation of some euro amounts into U.S. dollar amounts at specified exchange rates solely for convenience.

The following table sets forth, for the periods indicated, the average, high, low and period-end exchange rates as provided by Bloomberg. The exchange rate as of August 8, 2018 was $1.1610 per €1.00. These translations should not be construed as representations that the U.S. dollar amounts represent such euro amounts or could be converted into euros at the rate indicated as of any dates mentioned in this offering circular. The exchange rates below are used throughout this offering circular unless otherwise indicated herein. Euro-denominated borrowings described in this offering circular on a historical basis have been translated to U.S. dollars using the exchange rate in effect on March 31, 2018, which was 1.23.

	Closing Selling Rates of U.S. dollars per €1.00			
Year Ended	**Low**	**High**	**Average**	**Period End**
December 31, 2015	1.0496	1.2104	1.1102	1.0862
December 31, 2016	1.0388	1.1534	1.1069	1.0517
December 31, 2017	1.0405	1.2036	1.1300	1.2005

	Closing Selling Rates of U.S. dollars per €1.00			
Quarter Ended	**Low**	**High**	**Average**	**Period End**
March 31, 2018	1.1937	1.2510	1.2288	1.2324
June 30, 2018	1.1540	1.2380	1.1916	1.1684
September 30, 2018 (through August 8, 2018)	1.1553	1.1750	1.1665	1.1610

TRADEMARKS

This offering circular contains several of our trademarks, service marks and trade names that we use in conjunction with the operation of our business. BMC, BMC SOFTWARE and the BMC Software logo are the exclusive property of BMC Software, Inc., are registered with the U.S. Patent and Trademark Office and may be registered or pending registration in other countries. Each trademark, trade name or service mark by any other company appearing in this offering circular belongs to its holder. We disclaim proprietary interest in such marks and names of others. Solely for convenience, the trademarks, service marks and trade names referred to in this offering circular are listed without the ®, ™ and SM symbols, but we (and our licensors) will assert, to the fullest extent under applicable law, our respective rights to these trademarks, service marks and trade names.

MARKET, RANKING AND OTHER INDUSTRY DATA

This offering circular includes information with respect to market share and industry conditions from third-party sources. We refer to information regarding market data obtained from internal sources, market research, publicly available information and industry publications. The information in such third-party sources is purportedly accurate as of the original publication dates and not as of the date of this offering circular. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, and we have not omitted any facts from these third-party reports which would render the information presented from such reports misleading; however, there can be no assurance as to the accuracy or completeness of such information included in this offering circular. All industry and market data that are not cited as being from a specified source are based on the belief of our management and/or internal analyses, which belief and analysis is in part informed by, and based on, one or more third-party reports. We believe such data to be accurate as of the date of this offering circular. However, information from third-party sources and information from our internal analyses may prove to be inaccurate because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, our internal analysis is based upon our understanding of industry conditions, and such information has not been verified by any independent sources. You should be aware that market and other similar industry data included in this offering circular, and estimates and beliefs based on that data, may not be reliable. Estimates are inherently uncertain, involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors” in this offering circular. Neither we nor the initial purchasers have independently verified any data from third-party sources or ascertained the underlying economic assumptions relied upon therein. Neither we nor the initial purchasers can guarantee the accuracy or completeness of any such information contained in this offering circular. While we are not aware of any misstatements regarding any market or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Cautionary Statement About Forward-Looking Statements.”

With respect to our statements in this offering circular regarding the definition and size of the IT operations management market, and our future expectations with respect to the growth of such market, these statements are based on the belief of our management, which belief is informed by, and based on, one or more third-party reports, our management’s knowledge of the industry, our management’s experience in the markets in which we operate, information gathered from our contacts in the markets in which we operate, internal management estimates and/or other available information. However, you should be aware that, given the fact that there is no precise definition of the IT operations management market, our competitors, and other third parties, may define the market differently.

In addition, certain third-party reports and data referenced herein, including data from International Data Corporation (“IDC”), are the research and opinions of such third parties and speak only as of the date indicated.

NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS

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

NOTICE TO CERTAIN EUROPEAN ECONOMIC AREA INVESTORS

This offering circular is not a prospectus for the purposes of the Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the “Prospectus Directive”).

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For the purposes of this provision:

I. a retail investor means a person who is one (or more) of the following:

   a. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or

   b. a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   c. not a qualified investor as defined in the Prospectus Directive; and

II. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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.

Furthermore, this offering circular has been prepared on the basis that any offer of Notes in the EEA will only be made to a legal entity which is a qualified investor under the Prospectus Directive. Accordingly, any person making or intending to make an offer in the EEA of the Notes may only do so with respect to qualified investors. Neither we nor the initial purchasers have authorized the making of any offer of Notes other than to qualified investors.

MIFID II PRODUCT GOVERNANCE

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

NOTICE TO CERTAIN INVESTORS IN THE UNITED KINGDOM

This offering circular is for distribution only to, and is directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (iii) are persons falling within Articles 49(2)(a) to (d) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment banking activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of any Notes may otherwise be lawfully 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 offering circular relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this offering circular or any of its contents.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements. Statements contained in this offering circular that are not historical in nature are considered to be forward-looking statements. They include statements regarding our expectations, hopes, beliefs, estimates, intentions or strategies regarding the future. The words “may,” “will,” “expect,” “intend,” “should,” “estimate,” “anticipate,” “believe,” “target,” “plan,” “project” or “continue” and similar expressions or the negatives thereof or other variations thereon are intended to identify forward-looking statements. Statements herein regarding the Transactions (as defined herein), future financial and operating results, benefits and synergies of the Transactions, anticipated cost savings, future opportunities and any other statements about future expectations constitute forward-looking statements. Such forward-looking statements may be based on, among other things, available current market and industry material, experts’ reports and opinions, long-term trends and/or management’s expectations, beliefs and projections concerning future events impacting us. Our expectations, beliefs and projections are expressed in good faith, and we believe we have a reasonable basis to make these statements, but there can be no assurance that our management’s expectations, beliefs or projections will be achieved. All forward-looking statements in this offering circular apply only as of the date made and are expressly qualified in their entirety by the cautionary statements included in this offering circular. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances. By their nature, forward-looking statements involve risks and uncertainties because they relate to events that depend on circumstances that may or may not occur in the future. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements.

There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this offering circular. Such risks, uncertainties and other important factors include, among others, the risks, uncertainties and factors described in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this offering circular. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

Our business is subject to numerous risks described in the section entitled “Risk Factors” and elsewhere in this offering circular. You should carefully consider these risks before making an investment in the Notes. Some of these risks include:

- competition from large, powerful multi-line and small, agile single-line competitors;
- business and operational risks of our cloud and SaaS offerings;
- difficulty meeting our growth and productivity objectives under our new business initiatives in the cloud and SaaS space;
- inaccurately predicting, preparing for and responding to evolving technological and market developments;
- economic, political and market conditions;
- maintenance revenue could decline, and our success depends on customers renewing or increasing the scope of their maintenance agreements with us;
- using inaccurate estimates and assumptions to determine the size of our target market;
- changes in GAAP; and
- difficulty achieving our cash flow from operations goals.

These forward-looking statements involve known and unknown risks, inherent uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Actual results and the timing of certain events may differ materially from those contained in these forward-looking statements.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this offering circular as anticipated, believed, estimated, expected, intended, planned or projected. We discuss many of these risks in greater detail under the heading “Risk Factors.” Unless required by United States federal securities laws, we neither intend nor assume any obligation to update these forward-looking statements, which speak only as of their dates.

SUMMARY

The following summary includes highlights of the more detailed information and consolidated financial statements included elsewhere in this offering circular. This summary is not complete and is qualified in its entirety by the more detailed information and our consolidated financial statements included elsewhere in this offering circular. For a more complete understanding of us and our business, we urge you to read this offering circular carefully, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements (including notes thereto) included elsewhere in this offering circular, before making a decision to purchase the Notes.

Our Company Overview

BMC provides market-leading IT operations management ("ITOM") software solutions to help our customers monitor, manage, automate and secure their mission-critical IT workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. Our customers use our portfolio of solutions to help ensure seamless IT operations and performance across applications and infrastructure, including new technologies that power their core business capabilities. Our solutions manage the IT systems and processes that enable mission-critical business functions such as processing payment transactions at global financial institutions, managing global airline reservations, check-in and departure processes at scale in real-time and ensuring consistent inventory and pricing data across online and brick-and-mortar storefronts. We have a culture of innovation and have consistently invested in and delivered modern solutions that address our customers' evolving IT requirements. As IT paradigms have expanded from mainframe, to client-server, to mobile, to cloud, we have remained a trusted, market-leading provider of solutions for our customers' important IT challenges.

We are differentiated in our ability to provide ITOM solutions at the scale and sophistication required by the world's largest organizations. Our broad, diversified base of more than 10,000 customers spans over 120 countries and a wide range of industries, including major banks, financial services firms, government agencies, technology companies, telecommunication providers, manufacturers, educational institutions, retailers and hospitals. Our clients include 97 of the Forbes Global 100. We also count as our clients 49 of the top 50 commercial banks, all of the top 25 manufacturing companies, 23 of the top 25 insurance companies and 24 of the top 25 telecom companies, based on Forbes Global rankings. Our capability and legacy of serving this massive installed base drives stickiness of our solution and provides visibility into future bookings and opportunities to grow our product penetration. Historically, the expansion of our customers' IT infrastructures has fueled increased usage of our installed solutions within their organizations and provided new opportunities to sell additional solutions from our portfolio. Our solutions have high customer retention, which is demonstrated by approximately 80% of our non-GAAP license, maintenance and SaaS revenue (collectively, our "product revenue") for the year ended March 31, 2018 coming from customers that have maintained a relationship with us for over 10 years. Except for one customer that represented 5.3% of our non-GAAP revenue in fiscal year 2018, no customer represented more than 5% of our non-GAAP revenue in any of the past three fiscal years.

The digitization of business has placed growing demands on IT. Today, customers, employees and partners increasingly depend on speed, efficiency and security in the delivery of digital services for competitive differentiation. Across many industries, organizations are adopting hybrid and multi-cloud IT strategies to achieve cost savings, improve security, enhance agility and gain greater flexibility. Rather than replacing existing IT infrastructure, new architectures often run alongside existing infrastructure such as mainframe, adding layers of complexity and thereby compounding the demands for interoperability. In the face of these increasing business demands and architectural complexity, many organizations use ITOM solutions to move faster and improve decision making in order to compete more effectively in their markets. Enterprises increasingly require ITOM solutions that are compatible across modern and traditional infrastructures, integrate seamlessly with other software tools and do so with the reliability and performance necessary to support intricate business use cases.

We were founded in 1980 as a mainframe management software provider and we have consistently developed innovative solutions, leveraged new technologies and techniques, responded to the evolving needs of our customers and expanded our portfolio. This heritage of innovation, coupled with our portfolio that spans multiple computing paradigms, makes us well-positioned to manage the complexity of today's heterogeneous IT environments. Alongside our product innovations, we have modernized the way we license and deliver solutions to our clients. In addition to licensing our software under both perpetual and term license models for on-premises use, we also provide on-demand Software-as-a-Service ("SaaS") and managed services offerings delivered through hosted solutions. Unlike point solution providers, we offer a suite of integrated and interoperable solutions which organizations use to seamlessly manage their IT operations.

	Description	Typical Contract Types	Drivers	FY 2018 Revenue(1)	FY 2015 – FY 2018 Revenue CAGR(1)	FY 2018 Contribution Margin(1)
Mainframe	■ IBM mainframe database management tools ■ Improve performance / ensure availability / reduce costs	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 2-3 year average-duration contract terms ■ On-premises	■ Growing active installed mainframe compute capacity (measured in MIPS)	$516m (27% of total)	2%	69%
Workload Automation	■ Automation of batch processes across environments ■ Managed File Transfer across IT systems and between organizations	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 2-3 years average-duration contract terms ■ On-premises	■ Growing complexity of IT ■ Growth in number of IT processes, velocity of interactions and number of transactions	$406m (21% of total)	8%	58%
IT Service Management	■ Cognitive IT help desk ticketing ■ Enterprise IT asset and service catalogue ■ IT asset discovery and dependency mapping	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 1-2 year average-duration contract terms ■ On-premises and SaaS	■ Growing complexity of IT ■ Growth in number of users, devices and services ■ Deepening reach of technology into key business / front office use cases	$489m (25% of total)	5%	40%
Performance & Compliance	■ Datacenter automation ■ Security Operations (SecOps) ■ Performance management	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 1-2 year average-duration contract terms ■ On-premises and SaaS	■ Growing complexity of IT ■ Elevated IT security threat levels / increased board / C-level focus	$359m (18% of total)	1%	36%
Core Product				**$1,770m**	**4%**	**52%**
STG	■ Mature technologies optimized for margin			$70m (4% of total)	(18%)	84%
Professional Services	■ Services to improve customer success and aide platform adoption ■ Sold to customers across all product lines			$103m (5% of total)	(8%)	3%
Total Company				**$1,943m**	**2%**	**43%(2)**

Note: contribution margins by product group do not include corporate unallocated costs equal to 8% of revenue

(1) Non-GAAP revenue and contribution margin based on constant currency. Contribution margin reflects segment pillar Non-GAAP Adjusted EBITDA. For a description of contribution profit and contribution margin, see the relevant footnotes under "—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" in this offering circular.

(2) Represents Non-GAAP Adjusted EBITDA margin, including corporate unallocated costs, in constant currency.

We have an expansive global footprint with operations in Europe, the Middle East and Africa ("EMEA"), North America, Asia Pacific and Latin America. We market and sell our solutions primarily through a direct sales force, augmented by strategic alliances with channel partners, including resellers, distributors and systems integrators. We have approximately 5,800 employees worldwide as of March 31, 2018, with offices across 39 countries. We have research and development centers in North America, Israel and India, as well as global data center co-locations to support delivery of SaaS solutions. This worldwide coverage provides us with access to economies of scale, capital productivity through lower cost offshore operations and high-growth emerging markets, as well as the ability to support businesses that are becoming increasingly global.

Our total revenue for the years ended March 31, 2018 and 2017 was $1,848.9 million and $1,738.5 million, respectively, and our total non-GAAP revenue was $1,915.5 million and $1,862.9 million, respectively. Our Non-GAAP EBITDA for the years ended March 31, 2018 and 2017 was $814.2 million and $714.7 million, respectively. Our Non-GAAP Adjusted EBITDA for the years ended March 31, 2018 and 2017 was $824.4 million and $727.6 million, respectively. Our Pro Forma Non-GAAP Adjusted EBITDA for the year ended March 31, 2018 was $881.2 million on a constant currency basis. For a reconciliation of non-GAAP revenue to our GAAP revenue, and of our Non-GAAP EBITDA and Pro Forma Non-GAAP Adjusted EBITDA to our net loss, see the relevant footnotes under "—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures and Reconciliations."

Our Industry

The ITOM industry is seeing continued growth driven by the challenges facing large enterprises (cost containment, compliance and evolving business demands / need for continuous optimization) and several technology trends. These trends include the growing strategic importance of IT, the increasing complexity of enterprise IT architectures, the increasing challenges enterprises face in managing IT operations and the persistence of mainframe as a core computing platform. Taken together, these trends underpin the technology tailwinds driving the growth of integrated ITOM software platforms.

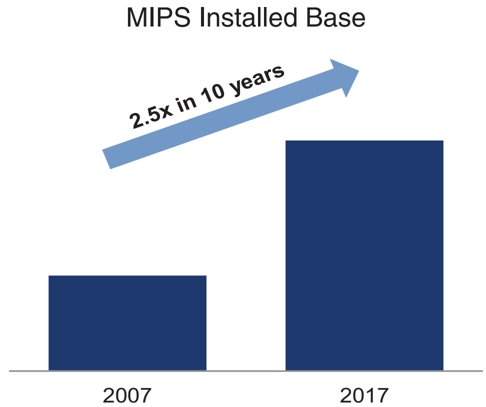
- ***Market Opportunity.*** We believe that the global ITOM market represented over $25 billion of spend in 2017 and is expected to grow to over $38 billion of spend in 2022, representing a compound annual growth rate ("CAGR") of approximately 7% to 8%. This projected market growth represents an opportunity for us to expand our services and revenues within the ITOM market. For additional information, see "Market, Ranking and Other Industry Data."
- ***Growing Strategic Importance of IT.*** The global digitization of business has evolved IT from a supporting function to a core capability for many of today's leading enterprises. How well a business can build, deliver and manage IT drives its ability to offer differentiated services and compete effectively in the global and online business environment. This evolution has elevated the strategic importance of IT resources in many enterprises and increased the scope of the digital services such enterprises are expected to deliver and manage.
- ***Increasing Complexity of Enterprise IT Architectures.*** From mainframe to client-server architecture to mobile and multi-cloud to Internet-of-Things ("IoT") devices, the evolution of new technologies over the past several decades has expanded the scope of IT. These new technologies often are being deployed alongside existing infrastructure, necessitating the inclusion of operations management in almost all IT disciplines to run a secure and performing business. The compounding complexity of modern IT architectures — coupled with the proliferation of data and increasing transaction volumes — strains IT resources and requires new solutions that enable businesses to manage their IT infrastructures securely and efficiently.

- ***Enterprises Face Increasing Challenges in Managing IT Operations.*** Modern IT organizations often need to manage disparate types of computing architectures and deployment models including multi-cloud, hybrid and on-premises. They also must maintain performance and availability of technology infrastructure to run mission-critical workloads and dynamically scale IT services to growing business demands. The resulting heterogeneity of modern IT environments has made managing IT operations a complex task for IT professionals. Key challenges include:
    - managing increasing complexity of business services running across heterogeneous, multi-cloud infrastructure;
    - securing the IT infrastructure by tracking compliance to identify, prioritize and remediate vulnerabilities;
    - containing the total cost of ownership of IT infrastructure;
    - identifying, locating and monitoring all IT assets within complex, multi-cloud environments;
    - enabling agile software development and IT operations so that organizations can build, deploy and scale applications at faster speeds; and
    - increasing efficiency, including limiting downtime, accelerating speed of delivering new services and providing faster incident resolution.
- ***Persistence of Mainframe as a Core Computing Platform.*** Mainframes are powerful servers, capable of processing large numbers of transactions simultaneously, while supporting thousands of applications, users and devices and operating with near perfect uptime. Superior speed, security and reliability constitute the core value proposition of the mainframe and differentiate the platform from other IT infrastructures such as distributed networks or cloud. Transaction processing, data retrieval and records management are among the most mission-critical mainframe workloads.

  For many of the world's largest companies, the mainframe is and will continue to be a critical part of their IT infrastructure. Data-sensitive industries such as financial services and governments require the mainframe's superior security features, and large companies with very high transaction volumes, such as commercial banks, retailers and airlines, rely on the speed and reliability of the mainframe. The central role mainframe servers play in modern IT infrastructure, the risk involved in moving mission critical workloads off the mainframe and the lack of viable alternatives for key use cases create significant barriers to migrating from the platform.

  Secular trends such as the growth of mobile transactions, proliferation of digital data and increased connectivity between IT infrastructure and endpoints are creating growth in mainframe usage. Organizations are expanding their mainframe computing capacity, measured in millions of instructions per second ("MIPS") to effectively manage these additional demands. The global installed base of MIPS has more than doubled over the last 10 years. A third-party survey found that the majority of mainframe users expect mainframe spend to increase annually over the next five years.

Growing Mainframe Installed Base



Source: Third-party data.

Today's mainframe installed base is committed to the platform, with over 90% of respondents to BMC's 2017 annual mainframe survey predicting the long-term viability of the platform and over 70% of "large shops" having capacity greater than 10,000 MIPS indicating their MIPS usage has grown over the past three years. Due to the size and the nature of their businesses, these customers have limited alternatives that will support mission-critical functions with the requisite level of reliability and security.

Our Solutions

Our portfolio of solutions enables our customers to efficiently monitor, manage, automate and secure their mission-critical IT workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. Today, our portfolio includes solutions that can be deployed at scale regardless of the infrastructure on which they run. Our solutions can operate at large scale, touching many parts of our global customers and in some cases reaching hundreds of thousands of users for a given customer. Our current wave of innovation has introduced cognitive and machine learning capabilities for the automation of IT processes that anticipate and proactively remove friction points and minimize the need for human intervention. Key benefits of our solutions include:

- ***Continuous Monitoring of IT Applications and Infrastructure to Ensure Performance and Availability.*** Our solutions provide continuous monitoring of applications and infrastructure to enable real-time visibility into the performance and rapid detection of potential bottlenecks. This visibility enables IT professionals to proactively address potential issues, ensuring the availability and performance of applications and infrastructure that support key business functions.
- ***Effective Delivery of IT Services to Business Users.*** Our tools enable employees to self-serve from a catalog of organizational services across multiple business functions, reducing the need to call a help desk. The scale of our solutions enables deployments to service large and heterogeneous IT environments.
- ***Automation of Critical Workloads and Infrastructure Management Tasks.*** Our customers use our automation solutions to automate complex, labor-intensive, repetitive IT processes and large batch workloads. Our solutions also facilitate our customers' automation of key infrastructure management tasks. These tasks include deployment of applications,

configuration of servers, compliance monitoring, performance reporting and execution of patches running across multiple locations, platforms and applications. This reduces the total cost of ownership of IT assets as fewer resources are needed to perform routine tasks and software can be deployed more rapidly.

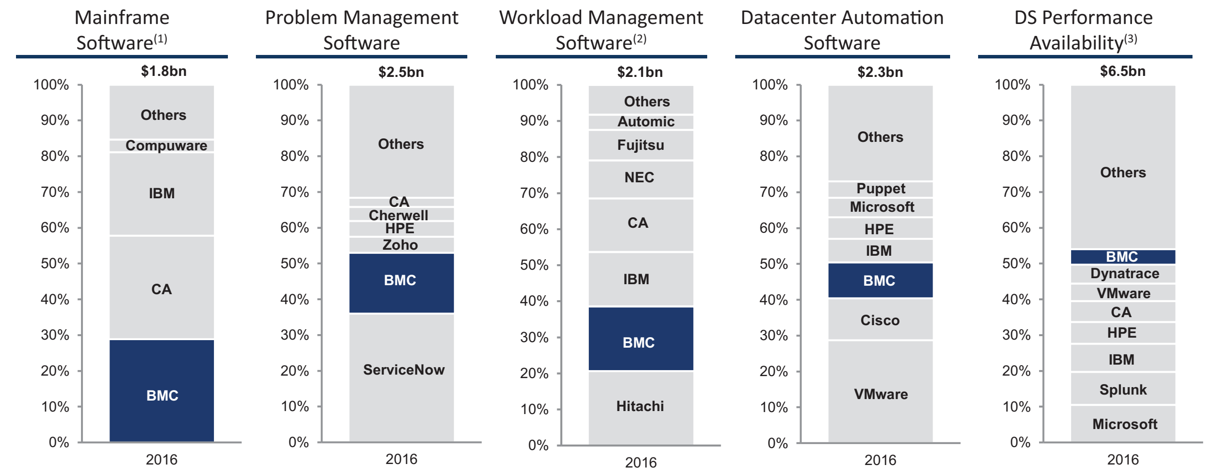
- ***Ensuring Security and Compliance of Critical Applications, Data and Infrastructure.*** Our suite of IT Operations and Security solutions can detect, identify, prioritize and remediate various vulnerabilities, thereby reducing the attack surface and preserving confidence in the integrity of IT. Our solutions also help manage and protect sensitive customer data that resides in enterprise databases and feeds a growing number of on-premises and distributed applications.
- ***Analyzing and Managing Costs of Running Workloads Across Various IT Platforms.*** Our solutions provide IT professionals with real-time insights to better plan the costs of various computing alternatives across multi-cloud, hybrid and on-premises architectures, enabling our customers to dynamically adjust capacity settings and schedule workloads to manage costs without compromising performance or the delivery and deployment of applications.
- ***Providing Developers with Effective and Familiar Tools to Deliver Better-Quality Applications Faster***. Our solutions give developers the ability to work in familiar environments and take a jobs-as-code approach to accelerate application build, testing and validation. With self-service access to pre-built automation tools and with the autonomy to code, debug and test jobs, developers can allocate more time to innovation and accelerate time from build to deployment.

Competitive Strengths

Our company has enjoyed success over the past 35 years by adapting our solutions to the needs of our customers' changing business requirements. Our competitive strengths include:

- ***Superior Technical Products.*** We have a history of quality and innovation in the software space, with 525 patents granted or pending. Representing approximately 65% of our non-GAAP revenue for the year ended March 31, 2018, we believe our enterprise solutions (workload automation, IT service management and performance and compliance) offer industry-leading capabilities. Our mainframe solutions are highly valued by our customers, as evidenced by our high renewal rates. Since our privatization in 2013, we have invested approximately $1.9 billion to improve the quality of our offerings and create new products, and today we believe we are realizing the benefits.

- ***Leadership Position in ITOM Software Markets.*** We have maintained our market position over time with a strong and consistent strategy focused on complementary products with broad functionality across all IT environments. Furthermore, we are well-positioned in the core IT segments that matter most to our customers, with more than 80% our of non-GAAP product revenue for the year ended March 31, 2018 derived from product lines with top 3 market positions. The following table shows our position within our core global markets for 2016.



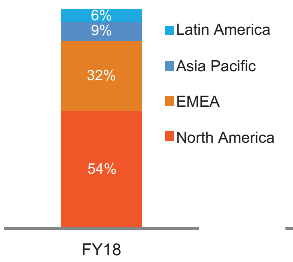
BMC Rank ***#1*** ***#2*** ***#2*** ***#3*** ***#8***

Source: *IDC 2016. Market share information for Mainframe Software and DS Performance Availability represents estimates made by BMC based on 2016 third-party data.*

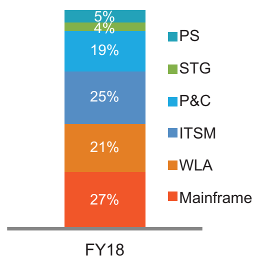
(1) Includes Mainframe Database Development and Management Tools, Performance Management and IT Event Log Management Tools.
(2) CA's number excludes the acquisition of Automic.
(3) Includes Mainframe Database Development and Management Tools, Performance Management, IT Event Log Management Tools and Performance Management Software.

- ***Broad Base of Long-Standing Customers, Diversified across Geographies and Industries****.* We serve over 10,000 customers, ranging from small and mid-market businesses to governments and the largest enterprises in the world, many with whom we maintain long-standing customer relationships. 97% of the Forbes Global 100 and 85% of the Forbes Global 500 rely on our ITOM solutions and, as a testament to our long-standing customer relationships, approximately 80% of our non-GAAP product revenue for the year ended March 31, 2018 comes from customers who have been using our products for over 10 years. In addition, our revenue base is diverse across geographies with customers in more than 120 countries. Our products are widely deployed by IT departments across a broad range of industries, with particular strengths in banking, insurance and governmental agencies. Our customer base also includes major telecommunications companies, manufacturers, educational institutions, retailers, hospitals and other industries, as well as channel partners including IT outsourcing providers, distributors and systems integrators. Except for one customer that represented 5.3% of our non-GAAP revenue in fiscal year 2018, no customer represented more than 5% of our non-GAAP revenue in any of the past three fiscal years. Our strong presence in numerous industry verticals helps to diversify our revenue base and the mission-critical nature of our products mitigates the risk of industry-specific and cyclical downturns.

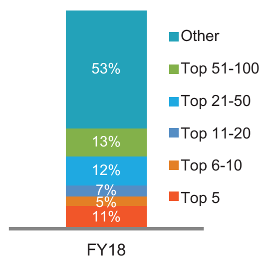
Revenue by geography(1)



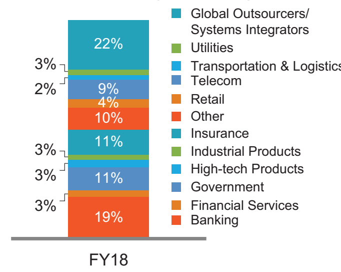
Revenue by pillar(1)



Revenue by customer spend(2)



Revenue by industry(2)



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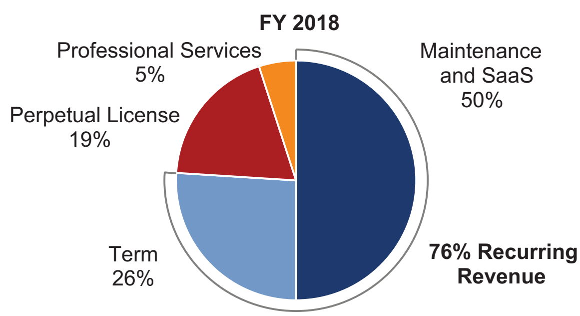
(1) *Based on non-GAAP revenue in U.S. dollars.*
(2) *Based on non-GAAP product revenue in U.S. dollars.*

- ***Business Model Driven by Recurring Revenue and Renewals.*** We derive the majority of our revenue from fixed duration maintenance contracts, term licenses and SaaS arrangements, which have provided a steady and visible revenue stream. We define recurring revenue as non-GAAP revenue, excluding professional services revenue and perpetual license revenue. During the year ended March 31, 2018, we generated approximately 76% of our non-GAAP revenue from recurring revenue sources, compared to 63% for the year ended March 31, 2013, in each case on a constant currency basis. Our software solutions are mission-critical and deeply embedded within the IT infrastructure, which drives high switching costs given the disruptive, time-consuming and resource-intensive nature of new enterprise installations. Some of our products have been embedded in customers' IT infrastructure for over a decade, making them expensive and risky to replace. Furthermore, our significant domain expertise enables a high level of end-user customization, further entrenching customers in our solutions and making switching even more difficult.

Highly Recurring Revenue Streams



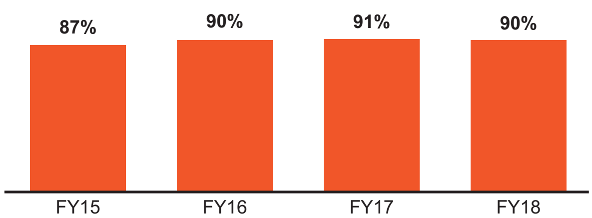
Based on non-GAAP revenue on a constant currency basis. Recurring revenue represents non-GAAP revenue, excluding professional services revenue and perpetual license revenue.

Growing recurring revenue base[1]

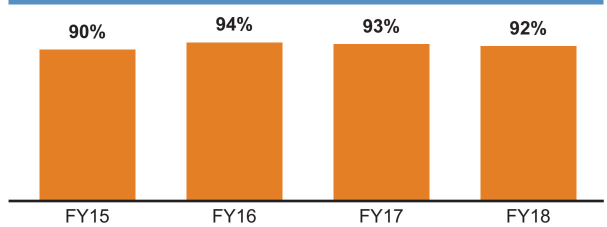
Recurring Revenue as a % of Total Non-GAAP Revenue					
FY13	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
63%	70%	72%	73%	74%	76%

High retention rates[2]

Enterprise solutions[3]



Mainframe solutions[4]



(1) *Recurring revenue represents non-GAAP revenue on a constant currency basis, excluding professional services revenue and perpetual license revenue.*
(2) *Retention rates calculated as recurring revenue (excluding initial perpetual maintenance revenue) as a percentage of prior period recurring revenue.*
(3) *Enterprise solutions defined as workload automation, IT service management and performance & compliance divisions.*
(4) *Mainframe solutions defined as all mainframe software products.*

- ***Attractive Financial Profile with Strong Free Cash Flow Generation***. Our EBITDA margins, disciplined capital expenditures and favorable working capital dynamics drive significant Free Cash Flow generation, which has enabled us to delever every quarter for the past eight quarters. From fiscal year 2015 through fiscal year 2018, we had an average conversion rate of Non-GAAP Adjusted EBITDA to Free Cash Flow of approximately 93% and we believe that our stable customer base, along with our disciplined approach to spending, will enable us to continue to generate strong Free Cash Flow. See "Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data."

Our Growth Strategy

We have experienced stable organic growth, with non-GAAP revenue in our core product lines growing at a CAGR of 4% from fiscal year 2015 to fiscal year 2018, and Non-GAAP Adjusted EBITDA margin increasing from approximately 35% at the time of our privatization in 2013 to approximately 43% for fiscal year 2018, in each case, on a constant currency basis. Our goal is to maintain and extend our industry-recognized position as a leading global ITOM solutions provider. Key elements of our growth strategy include:

- ***Further Expand Our Solution Footprint***. As our portfolio of solutions continues to expand and we enter adjacent markets, we aim to expand our customer base, as well as increase the solutions purchased by existing customers. Based on the spend rate of our single-product customers, as compared to that of our multi-product customers, and assuming we can convert our existing single-product customers into multi-product customers, we believe there is approximately $3 billion in customer growth opportunity within our existing customer base.

- ***Innovate to Expand and Enhance Our Portfolio of Solutions.*** We have invested approximately $1.9 billion in research and development initiatives, averaging 24% of non-GAAP product revenue, since our privatization in 2013. We intend to continue our longstanding commitment to research and development. We plan to expand our portfolio of innovative products and add advanced delivery and deployment capabilities to our existing solutions to meet our customers' evolving business requirements and technological challenges.

- ***Build on Our Technology Leadership with Strategic Technology Partnerships.*** We intend to further expand our partner ecosystem, particularly with leading public and private cloud infrastructure vendors, to assist existing customers migrating to the cloud and support new customers with cloud-native business services and applications.
- ***Continue to Drive Growth and Operational Efficiencies.*** The introduction of new innovative products, coupled with actioned cost savings exceeding $300 million, has enabled us to invest in high-priority growth initiatives, such as the modernization of our existing product portfolio and enhancing our go-to-market engine, along with our ongoing investments in research and development, has positioned us well to retain our existing customers and to sell new products. We have also demonstrated consistent execution and disciplined cost control, resulting in non-GAAP revenue and Non-GAAP EBITDA growth in each of the last four fiscal years. The strength of our product portfolio and the size of our installed base result in attractive operating leverage, a key driver of robust Non-GAAP EBITDA growth.

Recent Developments

Expected Results for First Quarter of Fiscal Year 2019 and Twelve Months Ended June 30, 2018

The preliminary non-GAAP other financial data presented below is estimated and not necessarily indicative of the results to be expected for any future period. The data has not been audited or reviewed by our independent auditors. The preliminary non-GAAP other financial data presented below also does not give pro forma effect to the Transactions. See "—Cautionary Statement Regarding Preliminary Results" below and "Unaudited Pro Forma Condensed Consolidated Financial Information."

The following table presents certain estimated preliminary non-GAAP financial data for the quarter ended June 30, 2018 and non-GAAP financial data for the quarter ended June 30, 2017:

	Quarter Ended June 30,	
	2018	2017
	(in millions)	
Non-GAAP other financial data (in U.S. dollars)		
Total bookings (1)	$284.5	$257.6
Non-GAAP revenue by type (2):		
Perpetual license	$ 67.0	$ 57.8
Perpetual maintenance and SaaS	233.5	231.8
Term license and maintenance	127.0	120.1
Professional services	20.9	23.1
Total non-GAAP revenue	$448.4	$432.8
Non-GAAP EBITDA (2)	$184.8	$159.7
Non-GAAP Adjusted EBITDA (2)	$187.1	$164.3

(1) Total bookings is a non-GAAP measure and is presented as a supplemental measure of our performance. Total bookings represents the total contract value of customer transactions closed and recorded by us during the periods presented. Bookings in a given period are either recognized as revenue in that period or are deferred and recognized as revenue in future periods. This measure is not prepared in accordance with GAAP, does not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies.

(2) We present non-GAAP revenue as a supplemental measure of our performance. We define non-GAAP revenue as revenue, adjusted to exclude the impact of purchase accounting adjustments to the fair value of deferred revenue as a result of the 2013 Acquisition (as defined herein) that we do not consider indicative of our operating performance.

We also present Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA as supplemental measures of our performance. We define Non-GAAP EBITDA as net income (loss) before (i) other expense (net), (ii) provision (benefit) for income taxes and (iii) depreciation and amortization expenses, further adjusted to eliminate the impact of certain items (including the removal of certain purchase accounting adjustments) that we do not consider indicative of our ongoing operating performance. Non-GAAP Adjusted EBITDA further adjusts Non-GAAP EBITDA to add back interest income on financed receivables and non-income tax expense. Our presentation of Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA should not be construed as an inference that our future results will not be affected by unusual or non-recurring items.

We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that management and the Board of Directors do not believe are indicative of our core operating results when assessing the performance of the Company. In addition, we use Non-GAAP Adjusted EBITDA because the Existing Credit Facilities and existing indentures governing our Existing Notes use measures, and the new Credit Facilities and the indenture governing the Notes will use measures, similar to Non-GAAP Adjusted EBITDA to measure compliance with certain covenants.

While we believe that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Items that are excluded from our non-GAAP financial measures can have a material impact on net income (loss). Because of these limitations, these non-GAAP financial measures should not be considered in isolation from, or as a substitute for, net income (loss), cash flow from operations or other measures of performance prepared in accordance with GAAP. For further detail, see "Non-GAAP Financial Measures" and footnote (5) under "—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data."

Our total bookings increased to approximately $284.5 million for the quarter ended June 30, 2018 from $257.6 million for the quarter ended June 30, 2017. In addition, each of the Enterprise Solutions Organization ("ESO") bookings and ZSolutions bookings increased by double-digits for the quarter ended June 30, 2018 as compared to the quarter ended June 30, 2017.

The following table presents certain estimated preliminary non-GAAP financial data for the twelve months ended June 30, 2018:

	Twelve Months Ended June 30, 2018
	(in millions)
Non-GAAP other financial data	
Non-GAAP Adjusted EBITDA(1)	$847.6
Constant currency adjustment(2):	6.7
Non-GAAP Adjusted EBITDA (in constant currency)(1)	$854.3
Actioned cost savings(3)	36.1
Pro Forma Non-GAAP Adjusted EBITDA(1)(4)	$890.4

(1) We present non-GAAP revenue as a supplemental measure of our performance. We define non-GAAP revenue as revenue, adjusted to exclude the impact of purchase accounting adjustments to the fair value of deferred revenue as a result of the 2013 Acquisition that we do not consider indicative of our operating performance.

We also present Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA as supplemental measures of our performance. We define Non-GAAP EBITDA as net income (loss) before (i) other expense (net), (ii) provision (benefit) for income taxes and (iii) depreciation and amortization expenses, further adjusted to eliminate the impact of certain items (including the removal of certain purchase accounting adjustments) that we do not consider indicative of our ongoing operating performance. Non-GAAP Adjusted EBITDA further adjusts Non-GAAP EBITDA to add back interest income on financed receivables and non-income tax expense. Our presentation of Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA should not be construed as an inference that our future results will not be affected by unusual or non-recurring items.

We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that management and the Board of Directors do not believe are indicative of our core operating results when assessing the performance of the Company. In addition, we use Non-GAAP Adjusted EBITDA because the Existing Credit Facilities and existing indentures governing our Existing Notes use measures, and the new Credit Facilities and the indenture governing the Notes will use measures, similar to Non-GAAP Adjusted EBITDA to measure compliance with certain covenants.

While we believe that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Items that are excluded from our non-GAAP financial measures can have a material impact on net income (loss). Because of these limitations, these non-GAAP financial measures should not be considered in isolation from, or as a substitute for, net income (loss), cash flow from operations or other measures of performance prepared in accordance with GAAP. See "Non-GAAP Financial Measures" and footnote (5) under "—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data."

(2) Represents adjustment to apply constant foreign currency exchange rates to current and prior periods.

(3) Represents estimated cost savings anticipated to be achieved during the fiscal year 2019 from reductions in headcount employee-related costs that have already been implemented or initiated on or before May 2018 and which had been planned independent of the Merger. These cost savings are part of and not separate from our estimated $45.0 million of actioned cost savings. See footnote (5)(m) under "—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data."

The calculation of estimated benefits from these cost savings initiatives is an estimation of benefits expected to be achieved in the future and based on assumptions and estimates regarding our future results and therefore is necessarily speculative. We cannot assure you that we will be able to attain these costs savings. Also, the pro forma adjustment to reflect these cost savings may not be permitted in an SEC filing because it is not permitted by Article 11 of Regulation S-X or otherwise. Additionally, we may be unable to realize all of these costs savings within the timeframe expected, or at all, and we may incur additional and/or unexpected costs in order to realize them. See "Risk Factors—We may not achieve all of the expected cost savings included in Pro Forma Non-GAAP Adjusted EBITDA."

(4) Represents Non-GAAP Adjusted EBITDA presented in constant currency, further adjusted to give effect to actioned cost savings indicated above.

Cautionary Statement Regarding Preliminary Results

Our estimated preliminary non-GAAP results presented above for the quarter and twelve months ended June 30, 2018 are unaudited, unreviewed and subject to completion. Such estimated results reflect management's current views and may change as a result of management's review of results and other factors, including a wide variety of significant business, economic and competitive risks and uncertainties. Such preliminary results are subject to the closing of the quarter and finalization of accounting procedures, and should not be viewed as a substitute for full quarterly financial statements prepared in accordance with GAAP. Accordingly, you should not place undue reliance upon these preliminary financial results. We further caution you that these estimates are forward-looking statements and are not guarantees of future performance or outcomes and that actual results may differ materially from the estimates described above. Factors that could cause actual results to differ from those described above are set forth in "Risk Factors" and "Cautionary Statement about Forward Looking Statements."

In addition, the preliminary financial results presented above have not been audited or reviewed by our independent auditors, Ernst & Young LLP. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto and assumes no responsibility for, and disclaims any association with, this information.

THE TRANSACTIONS

The Merger

Effective May 25, 2018, Boxer Parent Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Parent, Merger Sub and the Representative, pursuant to which, at the closing of the transactions contemplated thereby, Parent, via Merger Sub, will acquire Boxer Parent Company and Merger Sub will be merged with and into Boxer Parent Company with Boxer Parent Company surviving the merger (the "Merger").

At the effective time of the Merger, each share of Boxer Parent Company's common stock outstanding immediately prior to the effective time (other than certain shares of common stock subject to customary exceptions), and all vested and outstanding options to acquire Boxer Parent Company's common stock, pursuant to the terms of the Merger Agreement will be cancelled and converted into a right to receive cash consideration in accordance with the terms of the Merger Agreement. Certain members of Boxer Parent Company's management may agree to "roll over" a percentage of their ownership of Boxer Parent Company's common stock into Parent's common stock. The aggregate purchase price for the Company's outstanding equity will be based on a base merger consideration of $8,300.0 million in cash, subject to adjustment as set forth in the Merger Agreement.

The Merger Agreement contains customary representations and warranties by the Company, customary representations and warranties of Parent and Merger Sub and customary covenants and other agreements among Parent, Merger Sub and the Company. The closing of the Merger is subject to (i) the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, (ii) the expiration of all applicable waiting periods or receipt of required approvals under the foreign competition laws (or other laws) identified by the parties in certain specified jurisdictions, (iii) the absence of any law or order by any governmental body prohibiting the Merger or the other transactions contemplated by the Merger Agreement and (iv) other customary closing conditions.

Either Boxer Parent Company or Parent may terminate the Merger Agreement prior to the closing:

- by mutual written consent;
- if any government authority issues a law or any final and non-appealable order enjoining, restraining or otherwise prohibiting the transactions contemplated by the Merger Agreement (provided no termination may be made by a party whose breach of the Merger Agreement has primarily resulted in or caused such law or order);
- if the transactions contemplated by the Merger Agreement have not been consummated on or before November 26, 2018; *provided* that the party seeking termination has not been a primary cause thereof and; provided further that this initial end date shall be extended to February 26, 2019 at the election of either Boxer Parent Company or Parent if, as of November 26, 2018, (A) all of the closing conditions have been met (other than those that by their terms are to be satisfied at the closing) but the marketing period has not been completed (or the second business day following the completion of the marketing period has not occurred) or (B) all of the closing conditions have been met, other than those that by their terms are to be satisfied at the closing and other than the closing conditions described in clauses (i) or (ii) in the immediately preceding paragraph or the closing condition described in clause (iii) in the immediately preceding paragraph as it relates to the conditions described in clauses (i) or (ii) in the immediately preceding paragraph); or
- upon the uncured breach or failure to perform of the other party in certain circumstances.

In addition, Boxer Parent Company may terminate the Merger Agreement in certain circumstances if all closing conditions (other than those that by their terms are to be satisfied at the closing provided such conditions are capable of being satisfied at the closing) have been satisfied or waived and Parent fails to consummate the Merger within three business days of the date the closing is required to occur under the Merger Agreement. If the Merger Agreement is terminated in certain circumstances, Parent may be required to pay a termination fee to Boxer Parent Company.

Upon consummation of the Merger, the Company will be a wholly-owned indirect subsidiary of Parent. All of Parent's outstanding capital stock will be owned by entities affiliated with KKR, other than (i) any capital stock or options issued to management in connection with their "rollover" of equity of Boxer Parent Company or otherwise granted in connection with Parent's management equity plans and (ii) any PIK Preferred Equity held by investors unaffiliated with KKR. Parent will use the cash contributed by entities affiliated with KKR and the Rollover Offer Participants (collectively, the "Sponsor Equity Contribution"), cash on hand, the net proceeds of the PIK Preferred Equity contribution, borrowings under the Credit Facilities and the net proceeds from this offering of Notes to pay the Merger consideration under the Merger Agreement, repay certain existing indebtedness, pay related fees and expenses and fund cash to the balance sheet.

For a more complete description of the Merger, see "The Transactions" and "Use of Proceeds."

The Financing Transactions

Concurrently with the closing of the Merger, we anticipate the following will occur (the "Financing Transactions"):

- the entry into the Credit Facilities, including: (i) the $400.0 million Revolving Credit Facility; (ii) the USD Term Loan Facility (all $3,300.0 million of which will be borrowed to finance the Merger); and (iii) the €930.0 million Euro Term Loan Facility (all €930.0 million of which will be borrowed to finance the Merger);
- the release from escrow of the gross proceeds of the $1,475.0 million aggregate principal amount of Dollar Notes and €301.5 million aggregate principal amount of Euro Notes offered hereby;
- the contribution by Parent to Merger Sub of the net proceeds received by it from the issuance by Parent of PIK Preferred Equity in an aggregate amount of $300.0 million to affiliates of the Sponsor and/or other investors that commit to purchase a portion of PIK Preferred Equity; and
- the Sponsor Equity Contribution committed to be made to Parent by the Sponsor and the Rollover Offer Participants of $2,100.0 million, which will be contributed to Merger Sub in connection with the Merger.

This offering will be consummated prior to the consummation of the Merger. Merger Sub will execute and deliver an Escrow Agreement and will deposit, or cause to be deposited, the gross proceeds from this offering of each series of Notes into the applicable Escrow Account. The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to the Escrow Outside Date, and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of Notes pursuant to a special mandatory redemption in accordance with the procedures set forth herein. The special mandatory redemption price will be a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. See "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption." We will repay all amounts outstanding under the Existing Credit Facilities and discharge or defease the Existing Notes on the date we consummate the Merger. See "Use of Proceeds."

The consummation of the Merger and related transactions, the repayment of the Existing Credit Facilities, the discharge or defeasance of the Existing Notes, the payment of related fees and expenses and the Financing Transactions are referred to collectively in this offering circular as the "Transactions." For a more detailed description of the Transactions, see "The Transactions."

For a more detailed description of the Credit Facilities, see "Description of Certain Other Indebtedness," and for a more detailed description of the Notes offered hereby, see "Description of Notes."

SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources and uses of funds in connection with the closing of the Transactions, assuming the Transactions closed on March 31, 2018. The actual amount of sources and uses of cash as of the date of the Transactions may differ depending on several factors, including fluctuations in foreign currency exchange rates, cash on hand and differences from our estimation of fees and expenses, as well as accrued interest on existing indebtedness.

We intend to use the net proceeds from this offering, together with borrowings under our Credit Facilities, the net proceeds of the PIK Preferred Equity, the Sponsor Equity Contribution and cash on hand to fund the Merger consideration, to retire certain existing indebtedness of the Company and to pay related fees and expenses, as well as accrued interest on our outstanding debt.

This offering will be consummated prior to the consummation of the Merger. Merger Sub will execute and deliver an Escrow Agreement and will deposit, or cause to be deposited, the gross proceeds from this offering of each series of Notes into the applicable Escrow Account. The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to the Escrow Outside Date, and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of Notes pursuant to a special mandatory redemption in accordance with the procedures set forth herein. The special mandatory redemption price will be a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. See "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption."

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

SOURCES OF FUNDS	AMOUNT	USES OF FUNDS	AMOUNT
	($ in millions)		
Credit Facilities (1)	$4,377	Transaction-related payments (5)	$8,300
Notes offered hereby (2)	1,825	Estimated fees and expenses (6)	290
PIK Preferred Equity (3)	300	Cash to balance sheet	62
Sponsor equity contribution (4)	2,100		
Cash from balance sheet	50		
Total Sources	$8,652	**Total Uses**	$8,652

(1) Concurrently with the closing of the Merger, the Company will enter into the Credit Facilities. The full amount of the USD Term Loan Facility in the amount of $3,300 million and the Euro Term Loan Facility in the amount of €930 million ($1,077 million equivalent based on an exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion) will be drawn on the

closing date to fund the Merger. The Revolving Credit Facility provides for borrowings of up to $400 million from time to time and includes borrowing capacity for letters of credit. The Credit Facilities will permit us to draw under the Revolving Credit Facility an amount up to $50 million to finance the Merger plus additional amounts to fund original issue discount ("OID") or upfront fees. See "Description of Certain Other Indebtedness." We do not currently intend to draw any of the $50 million under the Revolving Credit Facility at the closing of the Transactions, but may do so as a result of a decline in cash on the balance sheet on or after the closing date, to fund additional fees or expenses or for other reasons. Euro proceeds of the Euro Term Loan Facility will be swapped for U.S. dollars on the closing date of the Merger, pursuant to certain foreign currency forward contracts.

(2) Represents the U.S. dollar equivalent of the aggregate principal amount of the Notes offered hereby, consisting of the Dollar Notes and the Euro Notes, excluding any discounts and commissions.

(3) Represents cash equity contributions associated with the issuance by Parent of $300 million of PIK Preferred Equity, excluding issuance costs, which will be contributed to Merger Sub in connection with the Merger. See "Certain Relationships and Related Party Transactions—PIK Preferred Equity."

(4) Represents cash equity contributions committed to be made by the Sponsor and the Rollover Offer Participants to Parent, which will be contributed to Merger Sub in connection with the Merger. See "The Transactions—The Merger."

(5) Reflects (i) the estimate of the total consideration to be paid for the purchase of the Company's issued and outstanding common shares (other than the rollover equity of the Rollover Offer Participants), (ii) our estimated fees and expenses associated with the Transactions of approximately $170 million, not including the fees and expenses described in footnote (7) below, and (iii) the repayment of the Company's outstanding indebtedness, including the third-party indebtedness and all premiums, fees and expenses therewith. The actual purchase price of the Company's equity will depend on the adjustments to the Merger consideration immediately prior to the effective time of the Merger. See "The Transactions—The Merger."

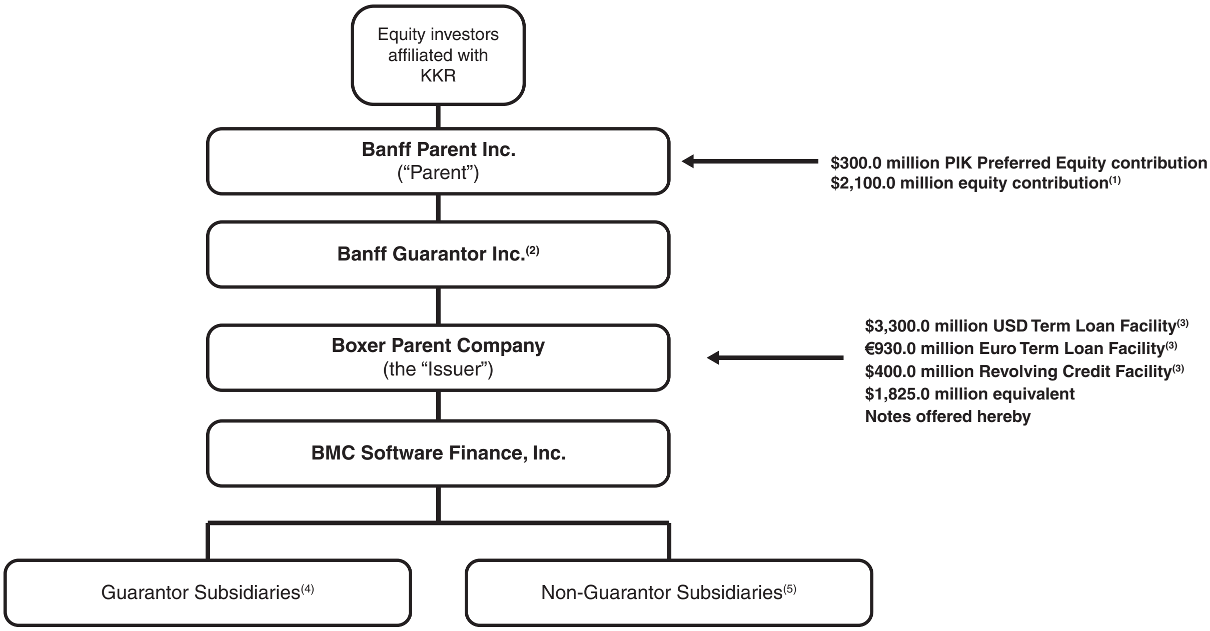
In connection with the Transactions, we intend to repay all of our outstanding indebtedness under the Existing Credit Facilities, the Existing Notes and certain stock repurchase promissory notes. As of March 31, 2018, we had the U.S. dollar equivalent of approximately $3,603 million aggregate principal amount in outstanding borrowings under the Existing Credit Facilities, approximately $1,840 million aggregate principal amount of the Existing Notes outstanding and approximately $7 million of stock repurchase promissory notes outstanding. In connection with our repayment of outstanding indebtedness, we intend to pay a premium for the redemption of and accrued interest on the Existing Notes and such stock repurchase promissory notes, which totals approximately $89 million as of March 31, 2018. Depending on the timing of the closing of the Transactions, the borrowings and accrued interest associated with the existing indebtedness may vary. Affiliates of certain of the initial purchasers of the Notes are lenders and/or agents under the Existing Credit Facilities and, accordingly, will receive a portion of the net proceeds from this offering through the repayment by us of amounts outstanding under the Existing Credit Facilities if such funds are released from escrow upon consummation of the Merger. See "Plan of Distribution."

As of March 31, 2018, we also had the following indebtedness outstanding: (i) $304 million aggregate principal amount of 9.000% / 9.750% senior contingent cash pay notes due October 14, 2019 (the "Existing PIK Notes"), which were fully redeemed during the quarter ended June 30, 2018, and (ii) derivative instruments, (x) certain of which were terminated during the quarter ended June 30, 2018 and (y) the remainder of which will mature prior to the consummation of the Merger. Accordingly, such indebtedness will not be repaid in connection with the Transactions, but will impact our cash and cash equivalents on a pro forma basis. See "Capitalization" and "Unaudited Pro Forma Condensed Consolidated Financial Information."

(6) Reflects (i) our estimated fees and expenses associated with the Financing Transactions of \$222 million, including placement fees, initial purchaser discounts, underwriting and other financing fees, our estimate of OID, and other transaction costs for advisory and professional fees, and (ii) our estimated fees and expenses associated with the remainder of the Transactions of \$68 million, including PIK Preferred Equity issuance costs, fees paid to the Sponsor and other transaction costs for advisory and professional fees. All fees, expenses and other costs are estimates and actual amounts may differ from those set forth in this offering circular.

ORGANIZATIONAL STRUCTURE

The following chart summarizes our organizational structure, equity ownership and our principal indebtedness immediately following the consummation of the Merger. This chart is provided for illustrative purposes only and does not represent all legal entities or obligations of the Company.



(1) Represents the estimated cash equity contribution committed by the Sponsor and its affiliated funds, cash equity contributions committed by third-party co-investors to vehicles controlled by affiliates of the Sponsor and the committed rollover equity contribution by the Rollover Offer Participants. See "—Sources and Uses of Funds."

(2) From and after the consummation of the Transactions, Banff Guarantor Inc. will guarantee the Credit Facilities but not the Notes.

(3) Concurrently with the closing of the Merger, the Company will enter into the Credit Facilities. The full amount of the USD Term Loan Facility in the amount of $3,300.0 million and the Euro Term Loan Facility in the amount of €930.0 million ($1,076.9 million equivalent based on an exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion) will be drawn on the closing date to fund the Merger. The Revolving Credit Facility provides for borrowings of up to $400.0 million from time to time and includes borrowing capacity for letters of credit. We do not currently intend to draw under the Revolving Credit Facility at the closing of the Transactions, but may do so as a result of a decline in cash on the balance sheet on or after the closing date, to fund additional fees or expenses or for other reasons. The Credit Facilities will permit us to draw under the Revolving Credit Facility an amount up to $50.0 million to finance the Merger plus additional amounts to fund OID or upfront fees. See "Description of Certain Other Indebtedness." Euro proceeds of the Euro Term Loan Facility will be swapped for U.S. dollars on the closing date of the Merger, pursuant to certain foreign currency forward contracts.

(4) From and after the consummation of the Transactions, the Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our existing and future wholly-owned domestic restricted subsidiaries to the extent such entity guarantees the Credit Facilities or certain of our other indebtedness. See "Description of Notes—Guarantees."

(5) On a pro forma basis after giving effect to the Transactions, excluding the effect of intercompany transactions, the non-guarantor subsidiaries would have accounted for approximately $483.8 million, or 49.0%, of our total revenue, and approximately $451.2 million, or 55.4%, of our Non-GAAP EBITDA, in each case, for the year ended March 31, 2018. Excluding the effect of intercompany balances as well as intercompany transactions, on a pro forma basis after giving effect to the Transactions, the non-guarantor subsidiaries would have accounted for approximately $3,778.1 million, or 35.8%, of our consolidated total assets, and approximately $1,125.1 million, or 13.6%, of our consolidated total liabilities, in each case, as of March 31, 2018.

Corporate Information

Our principal executive offices are located at 2103 CityWest Boulevard, Houston, Texas 77042 2827. Our telephone number is (713) 918-8800. We also maintain a website at www.bmc.com. The information on, or accessible through, our website is not part of this offering circular, and you should rely only on the information contained in this offering circular when making a decision as to whether to invest in the Notes offered hereby.

About KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading investment firm with approximately $191.3 billion in assets under management as of June 30, 2018. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. KKR & Co. Inc. is publicly traded on The New York Stock Exchange (NYSE: KKR).

THE OFFERING

The summary below describes the principal terms of each series of Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of Notes" section of this offering circular contains a more detailed description of the terms and conditions of the Notes.

Issuer	Prior to the consummation of the Merger, Merger Sub, and from and after the consummation of the Merger, Boxer Parent Company.
Notes Offered	
Dollar Notes	$1,475.0 million aggregate principal amount of 9.750% Senior Notes due 2026.
Euro Notes	€301.5 million aggregate principal amount of 8.375% Senior Notes due 2026.
Maturity Date	
Dollar Notes	September 1, 2026.
Euro Notes	September 1, 2026.
Interest	
Dollar Notes	Interest on the Dollar Notes will accrue at a rate of 9.750% per annum, payable semi-annually in cash in arrears on March 1 and September 1 of each year, commencing on March 1, 2019. Interest will accrue from August 23, 2018.
Euro Notes	Interest on the Euro Notes will accrue at a rate of 8.375% per annum, payable semi-annually in cash in arrears on March 1 and September 1 of each year, commencing on March 1, 2019. Interest will accrue from August 23, 2018.
Guarantees	Prior to the consummation of the Merger and pending the release of the Escrowed Property, the Notes will be solely obligations of Merger Sub and will not be guaranteed and will not otherwise be the beneficiary of any credit support from the Company or any of its subsidiaries but will be secured by a first priority security interest in the applicable Escrow Account and Escrowed Property. From and after the consummation of the Merger and following the release of the Escrowed Property: • each of the Company's existing and future wholly-owned domestic restricted subsidiaries will guarantee the Notes on a senior unsecured basis to the extent such subsidiary

guarantees our new Credit Facilities (as defined herein) or certain of our other indebtedness. See "Description of Notes—Guarantees."

- the Notes and the note guarantees will be unsecured and will be effectively subordinated to all of our existing and future secured indebtedness, including indebtedness under our new Credit Facilities, to the extent of the value of the assets securing such indebtedness, and structurally subordinated to all of the indebtedness, preferred stock and other liabilities of any of our subsidiaries that do not guarantee the Notes.

As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, excluding the effect of intercompany transactions, the non-guarantor subsidiaries would have accounted for approximately $483.8 million, or 49.0%, of our total revenue, and approximately $451.2 million, or 55.4%, of our Non-GAAP EBITDA. As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, excluding the effect of intercompany balances as well as intercompany transactions, the non-guarantor subsidiaries would have accounted for approximately $3,778.1 million, or 35.8%, of our consolidated total assets, and approximately $1,125.1 million, or 13.6%, of our consolidated total liabilities.

To the extent lenders under our new Credit Facilities release any guarantor from its obligations, such guarantor will also be automatically released from its obligations under its note guarantees. See "Description of Notes—Guarantees."

Ranking . . . . Prior to the consummation of the Merger, the Notes will be solely obligations of Merger Sub and will not be guaranteed and will not otherwise be the beneficiary of any credit support from the Company or any of its subsidiaries.

From and after the consummation of the Merger, the Notes and the note guarantees will be our and the guarantors' senior unsecured obligations and will:

- rank senior in right of payment to any of our and the guarantors' existing and future subordinated indebtedness;
- rank pari passu in right of payment with all existing and future senior indebtedness of the Issuer and the guarantors;
- be effectively subordinated to all existing and future secured indebtedness of the Issuer and the guarantors, including indebtedness under the Credit Facilities, to the extent of the value of the assets securing such indebtedness; and

- be structurally subordinated in right of payment to all existing and future indebtedness, preferred stock and other liabilities (including trade payables) of any non-guarantor subsidiaries of the Issuer.

As of March 31, 2018, on a pro forma basis after giving effect to the Transactions and the use of proceeds therefrom as described under "Use of Proceeds," the Issuer and the guarantors collectively would have had $4,394.1 million of secured indebtedness outstanding, and $400.0 million of availability under the Revolving Credit Facility (excluding $31.7 million of outstanding letters of credit), all of which would have ranked effectively senior to the Notes offered hereby. We also can incur additional secured indebtedness if certain specified conditions are met under the credit agreements that will govern the Credit Facilities and the indenture that will govern the Notes offered hereby.

Escrow of Proceeds; Special Mandatory Redemption . . . .

This offering will be consummated prior to the consummation of the Merger. Merger Sub will execute and deliver an Escrow Agreement and will deposit, or cause to be deposited, for the benefit of the holders of each series of Notes, the gross proceeds from this offering of each series of Notes into the applicable Escrow Account. The Issuer will grant to the Trustee, for its benefit and the benefit of the holders of the Notes, a first-priority security interest in the applicable Escrow Account for the Notes and all amounts on deposit therein to secure the obligations under the Notes pending disbursement from such Escrow Account as further described under the heading "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption."

'The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to the Escrow Outside Date, and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of Notes pursuant to a special mandatory redemption in accordance with the procedures set forth herein. The special mandatory redemption price will be a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of

	interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. See "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption."
Optional Redemption.	We may redeem some or all of each series of Notes at any time prior to September 1, 2021 at a redemption price equal to 100% of the principal amount of the applicable series of Notes redeemed, plus accrued and unpaid interest on such Notes, if any, to, but not including, the redemption date, plus a "make-whole premium," as described under "Description of Notes—Optional Redemption." At any time on or after September 1, 2021, we may redeem some or all of each series of Notes at the applicable redemption prices described under "Description of Notes—Optional Redemption," plus accrued and unpaid interest on such Notes, if any, to, but not including, the redemption date. Additionally, from time to time prior to September 1, 2021, we may redeem up to 40% of (x) the aggregate principal amount of the Dollar Notes at a redemption price equal to 109.750% of the principal amount thereof and (y) the aggregate principal amount of the Euro Notes at a redemption price equal to 108.375% of the principal amount thereof, in each case, (i) with an amount equal to or less than the net cash proceeds that we raise in one or more equity offerings, plus (ii) accrued and unpaid interest on such Notes, if any, to, but not including, the redemption date. The Notes of either series may be optionally redeemed in full or in part before the Notes of the other series are optionally redeemed in full (or at all).
Additional Amounts	Any payments made by the Issuer with respect to the Notes or the Guarantors with respect to the Guarantees will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. If withholding or deduction for such taxes is required by law with respect to a payment to holders of the Euro Notes, subject to certain exceptions, the Issuer will pay the additional amounts necessary so that the net amount received after the withholding or deductions is not less than the amount that would have been received in the absence of such withholding or deductions. See "Description of Notes—Payment of Additional Amounts on the Euro Notes."

Tax Redemption	In the event the Issuer becomes obligated to pay certain additional amounts with respect to the Euro Notes as a result of certain changes in tax laws, it may redeem the Euro Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, together with accrued and unpaid interest, if any, and additional amounts, if any, to but excluding the date of such redemption. See "Description of Notes—Redemption of Euro Notes for Tax Reasons."
Change of Control Offer	If a Change of Control (as defined in "Description of Notes") occurs, we must offer to repurchase the Notes then outstanding at a redemption price equal to 101% of the principal amount thereof plus any accrued and unpaid interest to, but not including, the repurchase date. See "Description of Notes—Repurchase at the Option of Holders—Change of Control," and "Risk Factors—Risks Relating to the Notes and Our Indebtedness—We may not be able to repurchase the Notes upon a change of control."
Certain Covenants	The indenture that will govern the Notes will contain covenants that, among other things, will limit our ability and the ability of our restricted subsidiaries to: • incur additional indebtedness; • pay dividends or distributions on our capital stock or repurchase or redeem our capital stock; • prepay, redeem or repurchase specified indebtedness; • create certain liens; • sell, transfer or otherwise convey certain assets; • make certain investments; • create dividend or other payment restrictions affecting subsidiaries; • engage in transactions with affiliates; • create unrestricted subsidiaries; and • consolidate, merge or transfer all or substantially all of our assets or the assets of our subsidiaries. These covenants are subject to important exceptions and qualifications as described under "Description of Notes—Certain Covenants." In addition, many of these covenants will cease to apply with respect to a series of the Notes during any time that such series of Notes have investment grade ratings from any two of Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("S&P") and Fitch Inc. ("Fitch") and no default with respect to the Notes has occurred and is continuing. See "Description of Notes—Certain Covenants—Effectiveness of Covenants."

Transfer Restrictions; No Registration Rights	The Notes and the note guarantees have not been registered under the Securities Act or any state or other securities laws, and we are under no obligation to so register the Notes. The Notes are subject to restrictions on transfer and 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, except that holders will not be permitted to transfer the Notes in reliance on Rule 144 even after the applicable holding period has been satisfied. See "Transfer Restrictions." We do not intend to issue registered Notes and note guarantees in exchange for the Notes and the note guarantees to be placed in this offering, and the absence of registration rights may adversely impact the transferability of the Notes. See "Notice to Investors" and "Risk Factors—Risks Relating to the Notes and our Indebtedness—We do not intend to offer to register the Notes or to exchange the Notes in a registered exchange offer."
Use of Proceeds	We intend to use the net proceeds from this offering and the contribution to us by Parent of the net proceeds of Parent's offering of PIK Preferred Equity, together with borrowings under our Credit Facilities, the Sponsor Equity Contribution and cash on hand to fund the Merger consideration, to retire certain existing indebtedness of the Company and to pay related fees and expenses. See "Use of Proceeds."
No Prior Market	Each series of 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 each series of 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, if such a market develops, that it will be maintained. See "Risk Factors—Risks Relating to the Notes and Our Indebtedness—Your ability to transfer the Notes may be limited by the absence of an active trading market, and an active trading market for the Notes may not develop."
Listing	The Issuer intends to apply to list the Euro Notes on the Official List of the Exchange within a reasonable period of time following the issue date of such Notes. The Exchange is not a regulated market for purposes of the Markets in Financial Instruments Directive. The listing application will be subject to approval by the Authority. There can be no assurance that the application to list the Euro Notes on the Official List of the Exchange will be approved. Consummation of the offering of the Euro Notes is not conditioned on our making an application

	for or obtaining such listing or admission to trading. We do not intend to list the Dollar Notes on any securities exchange. See "Risk Factors—Risks Relating to the Notes and Our Indebtedness—The Euro Notes may not become, or remain, listed on the Official List of The International Stock Exchange, and the Issuer is under no obligation to maintain the listing of the Euro Notes in certain circumstances."
Denominations	
Dollar Notes	Minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Euro Notes	Minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Trustee	The Bank of New York Mellon Trust Company, N.A.
Registrar	The Bank of New York Mellon Trust Company, N.A.
Paying Agent for Dollar Notes	The Bank of New York Mellon Trust Company, N.A.
Paying Agent for Euro Notes	The Bank of New York Mellon, London Branch.
Escrow Agent	The Bank of New York Mellon.
Listing Agent	Carey Olsen Corporate Finance Limited.
Risk Factors	Investing in the Notes involves risks. You should consider carefully the information set forth in "Risk Factors" and all other information contained in this offering circular before deciding to invest in the Notes.
Governing Law	New York.

SUMMARY HISTORICAL CONSOLIDATED AND PRO FORMA CONDENSED CONSOLIDATED FINANCIAL AND OPERATIONAL DATA

The following tables set forth our summary historical consolidated and pro forma condensed consolidated financial and operational data for the periods and as of the dates indicated. The summary historical consolidated and pro forma condensed consolidated financial data presented below for each of the years in the three-year period ended March 31, 2018, and as of March 31, 2018 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this offering circular. The summary historical consolidated balance sheet data as of March 31, 2016 has been derived from our audited consolidated financial statements not included in this offering circular. The summary historical consolidated financial data as of and for the year ended March 31, 2015 has been derived from our unaudited consolidated financial information not included in this offering circular. Such 2015 financial information has not been audited or reviewed by our independent auditors. Our audited consolidated financial statements included elsewhere in this offering circular do not reflect the impact of the Transactions.

The summary unaudited pro forma condensed consolidated statement of operations data for the year ended March 31, 2018 have been derived from our unaudited pro forma condensed consolidated financial statements included elsewhere in this offering circular and give pro forma effect to the consummation of the Transactions as if they had occurred on April 1, 2017 and the unaudited pro forma condensed consolidated balance sheet data have been derived from our unaudited pro forma condensed consolidated financial statements included elsewhere in this offering circular and give effect to the Transactions as if they had occurred on March 31, 2018. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The actual adjustments to our consolidated financial statements upon the closing of the Transactions will depend on a number of factors, including additional information available and our net assets on the closing date of the Transactions. In addition, this pro forma presentation does not contemplate changes in tax structure, accounting policies or synergy benefits. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material. The unaudited pro forma consolidated financial data is presented for informational purposes only and does not purport to represent our financial condition or our results of operations had the Transactions occurred on or as of the dates noted above or to project the results for any future date or period.

The Merger will be accounted for using the acquisition method of accounting. The pro forma adjustments reflected in our unaudited pro forma condensed consolidated financial statements included elsewhere in this offering circular (and from which the summary unaudited pro forma condensed consolidated financial data set forth in the tables below have been derived) reflect adjustments required under GAAP for business combinations and are based upon, among other things, preliminary estimates of fair market values of assets acquired and liabilities assumed and certain assumptions that we believe are reasonable. Revisions to the preliminary estimates of fair market value may have a significant impact on the pro forma amounts of total assets, total liabilities and stockholders' equity, revenue, depreciation and amortization expense, interest expense, income taxes and other items of income and expense. The actual adjustments to our consolidated financial statements upon the closing of the Merger will depend on a number of factors, including additional information available and our actual assets and liabilities on the closing date. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material. The unaudited pro forma condensed consolidated statement of operations data do not reflect any non-recurring charges or gains that we may record in connection with the Merger. However, these estimated non-recurring items will be reflected in our statement of operations for the period during which the Merger will take place.

The summary historical consolidated financial and operational data presented below are not necessarily indicative of the results to be expected for any future period. The summary historical consolidated and unaudited pro forma condensed consolidated financial and operational data set forth below should be read in conjunction with the information included under the headings "The Transactions," "Unaudited Pro Forma Condensed Consolidated Financial Information," "Selected Historical Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited consolidated financial statements and related notes thereto appearing elsewhere in this offering circular.

	HISTORICAL				PRO FORMA
	YEAR ENDED MARCH 31,				YEAR ENDED MARCH 31,
	2015 (1) (unaudited)	2016	2017	2018	2018
	($ in millions)				
Consolidated statement of operations data:					
Revenue by type:					
Perpetual license	$ 350.0	$ 359.9	$ 364.5	$ 353.0	$ 254.3
Perpetual maintenance and SaaS	757.1	819.8	895.9	936.8	514.6
Term license and maintenance	221.3	293.0	373.2	459.2	135.5
Total product revenue	$1,328.4	$ 1,472.7	$ 1,633.6	$ 1,749.0	$ 904.4
Professional services	128.7	110.1	104.9	99.9	82.2
Total revenue	$1,457.1	$ 1,582.8	$ 1,738.5	$ 1,848.9	$ 986.6
Operating expenses:					
Cost of license, maintenance and SaaS revenue	226.1	240.8	245.6	230.2	230.2
Cost of professional services revenue	138.0	110.3	94.4	89.5	89.5
Selling and marketing expenses	587.8	554.4	553.1	558.3	515.8
Research and development expenses	130.2	160.2	166.9	163.6	163.6
General and administrative expenses	206.9	184.8	165.9	184.2	184.2
Depreciation and amortization expenses	489.3	517.8	530.9	524.5	554.0
Gain on patent litigation, net	—	—	(215.0)	—	—
Total operating expenses	$1,778.3	$ 1,768.3	$ 1,541.8	$ 1,750.3	$ 1,737.3
Operating income (loss)	(321.2)	(185.5)	196.7	98.6	(750.7)
Other expense, net:					
Other income (expense), net	21.3	(4.3)	22.8	(104.8)	(1.9)
Interest expense, net (2)	(447.5)	(434.0)	(428.6)	(417.2)	(487.2)
Total other expense, net	$ (426.2)	$ (438.3)	$ (405.8)	$ (522.0)	$ (489.1)
Loss before income taxes	(747.4)	(623.8)	(209.1)	(423.4)	(1,239.8)
Benefit for income taxes	(254.4)	(184.3)	(117.1)	(116.4)	(388.7)
Net loss	$ (493.0)	$ (439.5)	$ (92.0)	$ (307.0)	$ (851.1)

	HISTORICAL				PRO FORMA
	YEAR ENDED MARCH 31,				YEAR ENDED MARCH 31,
	2015 (1) (unaudited)	2016	2017	2018	2018
			($ in millions)		
Consolidated statement of cash flows data:					
Net cash provided by (used in):					
Operating activities	$ 411.5	$ 77.9	$ 561.8	$ 218.3	
Investing activities	(180.7)	(134.7)	(61.4)	(64.9)	
Financing activities	(319.0)	(46.7)	(277.4)	(240.1)	
Consolidated balance sheet data:					
Cash, cash equivalents and restricted cash (3)	$ 512.0	$ 410.0	$ 628.8	$ 563.2	$ 575.2
Total assets	$8,472.4	$ 8,102.3	$ 7,887.4	$ 7,524.9	$10,565.7
Total borrowings (4)	$6,199.4	$ 6,185.6	$ 5,881.6	$ 5,771.0	$ 6,219.1
Total stockholders' equity (deficit)	$ (698.4)	$(1,093.7)	$(1,119.3)	$(1,439.8)	$ 2,291.3
Non-GAAP other financial data (in U.S. dollars):					
Total bookings (12)	$1,917.5	$ 1,823.8	$ 2,086.8	$ 1,928.0	$ 1,928.0
Non-GAAP revenue by type (5):					
Perpetual license	$ 397.8	$ 382.0	$ 374.0	$ 358.7	$ 358.7
Perpetual maintenance and SaaS	922.9	892.6	923.8	953.2	953.2
Term license and maintenance	438.0	430.4	459.5	503.4	503.4
Total non-GAAP product revenue (13)	1,758.7	1,705.0	1,757.3	1,815.3	1,815.3
Professional services	136.3	111.3	105.6	100.2	100.2
Total non-GAAP revenue	$1,895.0	$ 1,816.3	$ 1,862.9	$ 1,915.5	$ 1,915.5
Non-GAAP EBITDA (5)	$ 703.4	$ 640.3	$ 714.7	$ 814.2	$ 814.2
Non-GAAP Adjusted EBITDA (5)	$ 630.1	$ 640.5	$ 727.6	$ 824.4	$ 824.4
Pro Forma Non-GAAP Adjusted EBITDA (5)					$ 869.4
Ratio of Pro Forma Non-GAAP Adjusted EBITDA to pro forma interest expense (5)(6)					1.8x
Ratio of pro forma total net secured debt to Pro Forma Non-GAAP Adjusted EBITDA (5)(7)					4.4x
Ratio of pro forma total net debt to Pro Forma Non-GAAP Adjusted EBITDA (5)(8)					6.5x

	HISTORICAL			
	YEAR ENDED MARCH 31,			
	2015 (1) (unaudited)	2016	2017	2018
	($ in millions)			
Non-GAAP other financial data (in U.S. dollars):				
Free Cash Flow (5)(9)	$ 756.0	$ 435.9	$ 766.6	$ 654.6
Free Cash Flow to Non-GAAP Adjusted EBITDA conversion rate (5)(9)(10)	120%	68%	105%	79%
Non-GAAP other financial data (in constant currency) (11)**:**				
Total bookings (12)	$1,888.5	$1,880.8	$2,175.1	$1,949.6
Non-GAAP revenue by type (5):				
Perpetual license	$ 386.8	$ 393.2	$ 388.4	$ 362.6
Perpetual maintenance and SaaS	902.9	918.2	952.7	964.9
Term license and maintenance	425.8	445.1	477.5	512.5
Total non-GAAP product revenue (13)	1,715.6	1,756.5	1,818.5	1,840.0
Professional services	130.5	114.5	111.0	102.8
Total non-GAAP revenue (5)	$1,846.1	$1,871.1	$1,929.6	$1,942.8
Non-GAAP revenue by division (5):				
Mainframe	$ 485.4	$ 494.7	$ 510.3	$ 516.2
Workload Automation	325.3	339.0	392.3	405.5
IT Service Management	425.5	467.1	487.5	488.9
Performance & Compliance	345.5	350.3	340.5	359.4
Select Technologies Group	133.8	105.5	87.9	69.9
Professional Services	130.5	114.5	111.0	102.8
Total non-GAAP revenue (5)	$1,846.1	$1,871.1	$1,929.6	$1,942.8
Non-GAAP revenue growth by division (14):				
Mainframe		2%	3%	1%
Workload Automation		4	16	3
IT Service Management		10	4	—
Performance & Compliance		1	(3)	6
Select Technologies Group		(21)	(17)	(20)
Professional Services		(12)	(3)	(7)
Contribution profit by division (15):				
Mainframe	$ 325.4	$ 339.7	$ 356.8	$ 357.1
Workload Automation	171.4	178.8	219.2	235.6
IT Service Management	111.1	144.7	174.6	196.8
Performance & Compliance	75.4	106.9	94.3	128.6
Select Technologies Group	102.4	85.6	75.4	58.6
Professional Services	(12.7)	(5.1)	3.0	3.0
Total contribution profit	$ 773.0	$ 850.6	$ 923.3	$ 979.8
Contribution margin by division (16):				
Mainframe	67%	69%	70%	70%
Workload Automation	53	53	56	58
IT Service Management	26	31	34	40
Performance & Compliance	22	31	28	36
Select Technologies Group	77	81	86	84
Professional Services	(10)	(4)	3	3

	HISTORICAL			
	YEAR ENDED MARCH 31,			
	2015 (1) (unaudited)	2016	2017	2018
	($ in millions)			
Non-GAAP EBITDA (5)				
Revenue	$1,846.1	$1,871.1	$1,929.6	$1,942.8
Cost of sales	341.6	339.2	330.8	308.2
Gross profit	1,504.5	1,531.9	1,598.8	1,634.6
Selling and marketing expenses	566.0	556.5	551.8	533.9
Research and development expenses	111.5	150.9	159.1	144.0
General and administrative expenses	142.8	150.9	140.8	130.7
Non-GAAP EBITDA	$ 684.2	$ 673.6	$ 747.1	$ 826.0
Non-GAAP Adjusted EBITDA (5)(17)	$ 610.9	$ 673.8	$ 760.0	$ 836.2
Pro Forma Non-GAAP Adjusted EBITDA (5)(18)				$ 881.2

(1) The Company's historical consolidated financial data as of and for the year ended March 31, 2015 has not been audited or reviewed by our independent auditors. In addition, the non-GAAP financial information for the year ended March 31, 2015 has been reconciled to unaudited GAAP information or other non-GAAP information, as applicable.

(2) In calculating our cash interest expense for purposes of the unaudited pro forma condensed consolidated financial information presented in this offering circular, we have made certain assumptions with respect to the interest rates that would apply to each series of Notes and the Credit Facilities and other obligations we will incur at the closing of the Merger. These adjustments are set forth in "Unaudited pro forma condensed consolidated financial information." The actual interest rates on the debt we will incur at the closing of the Transactions may differ materially. Actual interest expense may be higher than pro forma interest expense shown in this offering circular.

(3) The available cash amount at closing will depend on the timing of the closing of the Transactions and our cash generation and usage between March 31, 2018 and the closing date of the Merger. Specifically, pro forma cash, cash equivalents and restricted cash as of March 31, 2018 does not reflect (i) changes in available cash that may occur prior to the closing of the Merger due to the seasonality of our operations and (ii) a cash distribution anticipated to be made to our Existing Sponsors prior to the closing of the Merger and not reflected as part of the Transactions. As a result of these factors, we anticipate that our actual available cash amount as of the closing of the Merger will be substantially lower than $575.2 million on a pro forma basis and, as reflected in "Use of Proceeds," is currently estimated to be approximately $62.0 million.

(4) Total borrowings includes current and non-current portions of principal amounts of long term borrowings, as well as $8.7 million, $8.1 million, $10.3 million and $9.3 million of accrued liabilities consisting of capital leases and other obligations as of March 31, 2015, 2016, 2017 and 2018, respectively.

(5) We present non-GAAP revenue as a supplemental measure of our performance. We define non-GAAP revenue as revenue, adjusted to exclude the impact of purchase accounting adjustments to the fair value of deferred revenue as a result of our acquisition of BMC Software, Inc. (the "2013 Acquisition") on September 10, 2013 (the "2013 Acquisition Date"), and for pro forma non-GAAP revenue, also adjusted to exclude the impact of estimated purchase accounting adjustments to the fair value of deferred revenue as a result of the Merger. We do not consider the impact of these purchase accounting adjustments so excluded in the presentation of our non-GAAP revenue and our pro forma non-GAAP revenue to be indicative of our operating performance. The adjustments to GAAP revenue to exclude the impact of purchase accounting for the years ended March 31, 2015,

2016, 2017 and 2018, increased perpetual license revenue by $47.8 million, $22.1 million, $9.5 million and $5.7 million, respectively; perpetual maintenance and SaaS revenue by $165.8 million, $72.8 million, $27.9 million and $16.4 million, respectively; term license and maintenance revenue by $216.7 million, $137.4 million, $86.3 million and $44.2 million, respectively; professional services revenue by $7.6 million, $1.2 million, $0.7 million and $0.3 million, respectively; and total revenue by $437.9 million, $233.5 million, $124.4 million and $66.6 million, respectively. The pro forma amounts for the year ended March 31, 2018 also exclude the effects of estimated purchase accounting adjustments as a result of the Merger, which further increase pro forma perpetual license revenue for fiscal year 2018 by $98.7 million, pro forma perpetual maintenance and SaaS revenue for fiscal year 2018 by $422.2 million, pro forma term license and maintenance revenue by $323.7 million and pro forma professional services revenue by $17.7 million. Such pro forma adjustments for purchase accounting are estimates and such estimates may prove to be inaccurate. Therefore, the actual adjustments may differ from the estimated pro forma adjustments, and the differences may be material. For additional information, see "Unaudited Pro Forma Condensed Consolidated Financial Information."

We also present Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA and Pro Forma Non-GAAP Adjusted EBITDA as supplemental measures of our performance. We define Non-GAAP EBITDA as net income (loss) before (i) other expense (net), (ii) provision (benefit) for income taxes and (iii) depreciation and amortization expenses, further adjusted to eliminate the impact of certain items (including the removal of certain purchase accounting adjustments) that we do not consider indicative of our ongoing operating performance. Non-GAAP Adjusted EBITDA further adjusts Non-GAAP EBITDA to add back interest income on financed receivables, non-income tax expense and, for the fiscal years 2016 and prior, to normalize the effects of capitalized software development costs to a constant capitalization of $28.9 million per year. Pro Forma Non-GAAP Adjusted EBITDA further adjusts Non-GAAP Adjusted EBITDA to give effect to actioned cost savings, as described in the footnotes below. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA and Pro Forma Non-GAAP Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA and Pro Forma Non-GAAP Adjusted EBITDA should not be construed as an inference that our future results will not be affected by unusual or non-recurring items.

We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that management and the Board of Directors do not believe are indicative of our core operating results when assessing the performance of the Company. In addition, we use Non-GAAP Adjusted EBITDA because the Existing Credit Facilities and existing indentures governing our Existing Notes use measures, and the new Credit Facilities and the indenture governing the Notes will use measures, similar to Non-GAAP Adjusted EBITDA and Pro Forma Non-GAAP Adjusted EBITDA to measure compliance with certain covenants.

While we believe that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Items that are excluded from our non-GAAP financial measures can have a material impact on net income (loss). In addition, Pro Forma Non-GAAP Adjusted EBITDA reflects estimated cost savings that may not be achieved. See “Risk Factors—We may not achieve all of the expected cost savings included in Pro Forma Non-GAAP Adjusted EBITDA.” Because of these limitations, these non-GAAP financial measures should not be considered in isolation from, or as a substitute for, net income (loss), cash flow from operations or other measures of performance prepared in accordance with GAAP. We compensate for these limitations by using these non-GAAP financial measures as a supplement to GAAP financial measures and by reconciling the non-GAAP financial measures to their most comparable GAAP financial measure. See “Non-GAAP Financial Measures” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures and Reconciliations.”

The following table reconciles revenue, the most comparable GAAP measure, to non-GAAP revenue for the periods presented:

	HISTORICAL				PRO FORMA
	YEAR ENDED MARCH 31,				YEAR ENDED MARCH 31,
	2015 (1) (unaudited)	2016	2017	2018	2018
	($ in millions)				
Revenue:	$1,457.1	$1,582.8	$1,738.5	$1,848.9	$ 986.6
Purchase accounting impact of the 2013 Acquisition (a):					
Perpetual license revenue	47.8	22.1	9.5	5.7	5.7
Perpetual maintenance and SaaS revenue	165.8	72.8	27.9	16.4	16.4
Term license and maintenance revenue	216.7	137.4	86.3	44.2	44.2
Professional services revenue	7.6	1.2	0.7	0.3	0.3
Purchase accounting impact of the Merger (b):					
Perpetual license revenue					98.7
Perpetual maintenance and SaaS revenue					422.2
Term license and maintenance revenue					323.7
Professional services revenue					17.7
Non-GAAP revenue	$1,895.0	$1,816.3	$1,862.9	$1,915.5	$1,915.5
Constant currency adjustment (c)	(48.9)	54.8	66.7	27.3	
Non-GAAP revenue (in constant currency)	$1,846.1	$1,871.1	$1,929.6	$1,942.8	

(a) Represents the net revenues that would have been recognized had the Company not recorded adjustments to fair value in connection with the purchase accounting for the 2013 Acquisition.
(b) Represents the net revenues that would have been recognized had the Company not recorded adjustments to fair value in connection with the purchase accounting for the Merger.
(c) Represents adjustment to apply constant foreign currency exchange rates to current and prior periods.

The following table reconciles net loss, the most comparable GAAP measure, to Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA and Pro Forma Non-GAAP Adjusted EBITDA for the periods presented:

	HISTORICAL				PRO FORMA
	YEAR ENDED MARCH 31,				YEAR ENDED MARCH 31,
	2015 (1) (unaudited)	2016	2017	2018	2018
	($ in millions)				
Net loss:	$(493.0)	$(439.5)	$ (92.0)	$(307.0)	$(851.1)
Benefit for income taxes	(254.4)	(184.3)	(117.1)	(116.4)	(388.7)
Interest expense, net (a)	447.5	434.0	428.6	417.2	487.2
Depreciation and amortization expenses	489.3	517.8	530.9	524.5	554.0
Other (income) expense, net	(21.3)	4.3	(22.8)	104.8	1.9
Share-based compensation expense (b)	52.8	28.1	40.1	70.5	70.5
Severance, restructuring and other costs (c)	39.3	28.0	22.6	34.8	34.8

	HISTORICAL				PRO FORMA
	YEAR ENDED MARCH 31,				YEAR ENDED MARCH 31,
	2015 (1) (unaudited)	2016	2017	2018	2018
	($ in millions)				
Sponsor management fees (d)	10.5	10.7	11.1	10.4	10.4
Patent litigation costs (e)	3.5	9.3	1.4	7.7	7.7
Gain on patent litigation, net (f)	—	—	(215.0)	—	—
Certain legal, settlement and related costs (g)	—	—	6.4	2.7	2.7
Purchase accounting impact of the 2013 Acquisition (h):					
Perpetual license revenue	47.8	22.1	9.5	5.7	5.7
Perpetual maintenance and SaaS revenue	165.8	72.8	27.9	16.4	16.4
Term license and maintenance revenue	216.7	137.4	86.3	44.2	44.2
Professional services revenue	7.6	1.2	0.7	0.3	0.3
Deferred costs and other expenses	(8.7)	(1.6)	(3.9)	(1.6)	(1.6)
Purchase accounting impact of the Merger (i):					
Perpetual license revenue					98.7
Perpetual maintenance and SaaS revenue					422.2
Term license and maintenance revenue					323.7
Professional services revenue					17.7
Deferred costs and other expenses					(42.5)
Non-GAAP EBITDA	$ 703.4	$ 640.3	$ 714.7	$ 814.2	$ 814.2
Constant currency adjustment (l)	(19.2)	33.3	32.4	11.8	11.8
Non-GAAP EBITDA (in constant currency)	$ 684.2	$ 673.6	$ 747.1	$ 826.0	$ 826.0
Non-GAAP EBITDA	$ 703.4	$ 640.3	$ 714.7	$ 814.2	$ 814.2
Interest income on financed receivables	6.4	5.6	4.8	6.5	6.5
Non-income taxes	10.4	14.1	5.0	2.2	2.2
Executive severance costs (j)	—	—	3.1	1.5	1.5
Adjustment to normalize capitalized software costs (k)	(90.1)	(19.5)	—	—	—
Non-GAAP Adjusted EBITDA	$ 630.1	$ 640.5	$ 727.6	$ 824.4	$ 824.4
Constant currency adjustment (l)	(19.2)	33.3	32.4	11.8	11.8
Non-GAAP Adjusted EBITDA (in constant currency)	$ 610.9	$ 673.8	$ 760.0	$ 836.2	$ 836.2
Non-GAAP Adjusted EBITDA					$ 824.4
Actioned cost savings (m)					45.0
Pro Forma Non-GAAP Adjusted EBITDA					$ 869.4
Constant currency adjustment (l)					11.8
Pro Forma Non-GAAP Adjusted EBITDA (in constant currency)					$ 881.2

(a) In calculating our cash interest expense for purposes of the unaudited pro forma condensed consolidated financial information presented in this offering circular, we have made certain assumptions with respect to the interest rates that would apply to each series of Notes and the Credit Facilities and other obligations we will incur at the closing of the Merger. These adjustments are set forth in "Unaudited pro forma condensed consolidated financial information." The actual interest rates on the debt we will incur at the closing of the Transactions may differ materially. Actual interest expense may be higher than pro forma interest expense shown in this offering circular.

(b) Represents share-based compensation expense related to the granting of share-based awards to key employees by the Company.

(c) Primarily represents severance, restructuring and other costs, and any subsequent changes in estimates to cost accruals, related to initiatives taken to reduce our cost structure and enhance operating effectiveness, improve profitability and eliminate certain redundancies. These activities impacted different functional areas of our operations in different locations and were undertaken to meet specific business objectives. Other costs also include acquisition integration costs, expenses associated with the

Company's adoption of new accounting standards, professional fees associated with a potential transaction and non-cash adjustments to estimated contingent consideration for an acquisition.

(d) Represents amounts paid to the affiliates of Bain Capital Private Equity, LP, Golden Gate Private Equity, Inc., Insight Venture Management, LLC and a company affiliated with GIC (Ventures) Pte. Ltd. (the "Existing Sponsors") pursuant to the terms of an advisory and payment agreement (the "Existing Sponsor Advisory Agreement") that will be terminated in connection with the closing of the Merger. Accordingly, following the termination fee payable in connection with the Merger, no additional sponsor management fee will be payable under the Existing Sponsor Advisory Agreement. However, we will be required to pay certain sponsor management fees to KKR in the future, which may be greater than the sponsor management fees pursuant to the Existing Sponsor Advisory Agreement. For additional information, see "Certain Relationships and Related Party Transactions."

(e) Represents third-party legal fees and other costs incurred to protect the Company's intellectual property.

(f) Represents proceeds received as a result of the confidential settlement agreement entered into during the year ended March 31, 2017 with ServiceNow, Inc. to resolve the patent infringement litigation, net of contingent third-party legal fees incurred.

(g) Represents legal, settlement and related costs associated with specific matters that the Company does not consider part of its core operations or operating results.

(h) Represents the net revenues and certain operating expenses (primarily representing the expense associated with deferred commissions and royalties) that would have been recognized had the Company not recorded adjustments to fair value in connection with the purchase accounting for the 2013 Acquisition. This adjustment related to deferred costs and other expenses for fiscal years 2015, 2016, 2017 and 2018 excludes $91.3 million, $61.6 million, $30.2 million and $7.7 million, respectively, of non-GAAP amortization expense related to the pre-2013 Acquisition capitalization of software development costs for internally developed products that would have been recognized in these periods, which has no impact on EBITDA.

(i) Represents the net revenues and certain operating expenses (primarily representing the expense associated with deferred commissions and royalties) that would have been recognized had the Company not recorded adjustments to fair value in connection with the purchase accounting for the Merger.

(j) Represents excluded operating expense associated with certain executive severance costs.

(k) Represents an adjustment to normalize the impact of capitalized software development costs in fiscal years 2016 and 2015 to a constant capitalization amount of $28.9 million annually.

(l) Represents adjustment to apply constant foreign currency exchange rates to current and prior periods.

(m) Represents estimated cost savings anticipated to be achieved during the fiscal year 2019 from reductions in headcount and employee-related costs that have already been implemented or initiated on or before May 2018 and which had been planned independent of the Merger, and include estimated cost savings of approximately (i) $3.0 million associated with the continued reduction in costs in non-strategic products; (ii) $9.0 million related to reduced investment in mature products, improved span of control and continued transition to lower-cost development locations; (iii) $20.0 million associated with ESO, including reductions in both support functions spend and direct investment in underperforming geographies, as well as improvement in span of control; (iv) $3.0 million in ESO customer success organization and actions within smaller ESO organizations; (v) $1.0 million related to moving more headcount to lower-cost offshore locations; (vi) $4.0 million related to transitioning North America and Latin America headcount to lower-cost locations; and (vii) $5.0 million related to the reduction in G&A headcount primarily within human resources and IT, with some IT headcount moving to India.

We have incurred restructuring costs of approximately $17 million through March 31, 2018, and expect to incur approximately $6 million in additional costs in fiscal year 2019, to achieve these cost savings. None of these $23 million in restructuring costs are netted from our actioned cost savings adjustment or otherwise have reduced our Pro Forma Non-GAAP Adjusted EBITDA as presented herein.

The calculation of estimated benefits from these cost savings initiatives is an estimation of benefits expected to be achieved in the future and based on assumptions and estimates regarding our future results and therefore is necessarily speculative. We cannot assure you that we will be able to attain these costs savings. Also, the pro forma adjustment to reflect these cost savings may not be permitted in an SEC filing because it is not permitted by Article 11 of Regulation S-X or otherwise. Additionally, we may be unable to realize all of these costs savings within the timeframe expected, or at all, and we may incur additional and/or unexpected costs in order to realize them. See "Risk Factors—We may not achieve all of the expected cost savings included in Pro Forma Non-GAAP Adjusted EBITDA."

(6) The ratio of Pro Forma Non-GAAP Adjusted EBITDA to pro forma interest expense is determined by dividing Pro Forma Non-GAAP Adjusted EBITDA by pro forma interest expense. In calculating interest expense for purposes of the unaudited pro forma condensed consolidated financial information presented in this offering

circular, we have made certain assumptions with respect to the interest rates that would apply to each series of Notes and the Credit Facilities and other obligations we will incur at the closing of the Merger. These adjustments are set forth in "Unaudited pro forma condensed consolidated financial information." The actual interest rates on the debt we will incur at the closing of the Transactions may differ materially. Actual interest expense may be higher than pro forma interest expense shown in this offering circular.

(7) The ratio of pro forma total net secured debt to Pro Forma Non-GAAP Adjusted EBITDA is determined by dividing pro forma total net secured debt of $3,818.9 million by Pro Forma Non-GAAP Adjusted EBITDA of $869.4 million. Our pro forma total net secured debt includes the USD Term Loan Facility of $3,300.0 million, the Euro Term Loan Facility of €930.0 million and $17.2 million of other secured debt. Pro forma total net secured debt is defined as pro forma total secured debt less pro forma cash, cash equivalents and restricted cash. As discussed in footnote (1) to "Capitalization," we anticipate that our actual cash, cash equivalents and restricted cash as of the closing of the Merger will be substantially lower than the amount reflected in "Capitalization" on a pro forma basis and is currently estimated to be approximately $62.0 million, not the amount reflected as pro forma cash, cash equivalents and restricted cash as of March 31, 2018. If we calculated our pro forma total net secured debt as our pro forma total secured debt less such estimated $62.0 million and not $575.2 million as shown on a pro forma basis in "Capitalization," our pro forma total net secured debt to Pro Forma Non-GAAP Adjusted EBITDA ratio would be 5.0x.

(8) The ratio of pro forma total net debt to Pro Forma Non-GAAP Adjusted EBITDA is determined by dividing pro forma total net debt of $5,643.9 million by Pro Forma Non-GAAP Adjusted EBITDA of $869.4 million. Our pro forma total net debt includes the USD Term Loan Facility of $3,300.0 million, Euro Term Loan Facility of €930.0 million, $1,825.0 million equivalent of the Notes offered hereby and $17.2 million of other debt. Pro forma total net debt is defined as pro forma total debt less pro forma cash, cash equivalents and restricted cash. As discussed in footnote (1) to "Capitalization," we anticipate that our actual cash, cash equivalents and restricted cash as of the closing of the Merger will be substantially lower than the amount reflected in "Capitalization" on a pro forma basis and is currently estimated to be approximately $62.0 million, not the amount reflected as pro forma cash, cash equivalents and restricted cash as of March 31, 2018. If we calculated our pro forma total net debt as our pro forma total debt less such estimated $62.0 million and not $575.2 million as shown on a pro forma basis in "Capitalization," our pro forma total net debt to Pro Forma Non-GAAP Adjusted EBITDA ratio would be 7.1x.

(9) We define Free Cash Flow as Non-GAAP Adjusted EBITDA as adjusted for the items included below, which is also derivable from cash flows from operating activities, less cash paid for purchases of property, equipment and capitalized software development costs, as well as the proceeds from patent litigation settlement, plus payments for interest, income taxes, share-based awards, certain merger-related costs, hurricane relief contributions and sponsor management fees. See below for a reconciliation of Non-GAAP Adjusted EBITDA to Free Cash Flow.

We present this non-GAAP financial measure because we believe it assists investors and analysts in comparing our liquidity across reporting periods on a consistent basis by excluding items that management and the Board of Directors do not believe are indicative of our core operating cash flow results when assessing the performance of the Company.

While we believe that this non-GAAP financial measure provides useful supplemental information, there are limitations associated with the use of this non-GAAP financial measure. This non-GAAP financial measure is not prepared in accordance with GAAP, does not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Because of these limitations, this non-GAAP financial measure should not be considered in isolation from, or as a substitute for, cash flow from operations or other measures of liquidity prepared in accordance with GAAP. We compensate for these limitations by using this non-GAAP financial measure as a supplement to the GAAP financial measure of cash flows from operating activities. The following table reconciles Non-GAAP Adjusted EBITDA to Free Cash Flow for the periods presented:

	HISTORICAL			
	YEAR ENDED MARCH 31,			
	2015 (1) (unaudited)	2016	2017	2018
	($ in millions)			
Non-GAAP Adjusted EBITDA:	$ 630.1	$ 640.5	$727.6	$ 824.4
Adjustments permitted under the Existing Credit Facilities (a)	(16.8)	(19.7)	(9.8)	(8.7)
Capitalized software and SaaS development costs (b)	(28.9)	(28.9)	(27.2)	(29.1)
Capital expenditures (PP&E only) (c)	(33.3)	(68.0)	(37.0)	(28.0)
Change in non-GAAP deferred revenue (d)	(184.0)	33.5	180.9	127.5
Other normalized working capital (e)	388.9	(121.5)	(67.9)	(231.5)
Free Cash Flow	$ 756.0	$ 435.9	$766.6	$ 654.6

(a) Represents adjustments for interest income on financed receivables and non-income taxes as permitted under the credit agreement governing the Existing Credit Facilities.
(b) Research and development expenses have been adjusted to normalize the effects of capitalized software development costs to a constant capitalization amount of $28.9 million annually in fiscal years 2016 and prior.
(c) Represents cash paid for property and equipment, excluding capitalized SaaS development costs.
(d) Represents the change in non-GAAP deferred revenue, which excludes the impact of purchase accounting adjustments to the fair value of deferred revenue as a result of the 2013 Acquisition.
(e) Represents the impact of other working capital adjustments.

(10) Free Cash Flow conversion rate is a percentage calculated by dividing Free Cash Flow by Non-GAAP Adjusted EBITDA.
(11) Constant currency metrics have been calculated by applying constant foreign currency exchange rates to current and prior period results. Such exchange rates are primarily USD:EUR of 1.25, USD:GBP of 1.41, INR:USD of 64, BRL:USD of 3.2 and USD:AUD of 0.79.
(12) Total bookings is a non-GAAP measure and is presented as a supplemental measure of our performance. Total bookings represents the total contract value of customer transactions closed and recorded by us during the periods presented. Bookings in a given period are either recognized as revenue in that period or are deferred and recognized as revenue in future periods. This measure is not prepared in accordance with GAAP, does not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies.
(13) We define non-GAAP product revenue as perpetual license revenue, perpetual maintenance revenue, term license revenue and SaaS revenue, each on a non-GAAP basis.
(14) Non-GAAP revenue growth by division represents year-over-year growth of non-GAAP revenue by division.
(15) Non-GAAP contribution profit by division represents Non-GAAP Adjusted EBITDA by division, excluding the effects of corporate unallocated costs.
(16) Contribution margin is a percentage calculated by dividing non-GAAP contribution profit by division by non-GAAP revenue by division.
(17) Represents Non-GAAP EBITDA as discussed in (5) above, presented in constant currency, further adjusted (i) to include adjustments permitted under the credit agreement governing the Existing Credit Facilities and (ii) for fiscal years 2016 and prior, to normalize the effects of capitalized software development costs to a constant capitalization amount of $28.9 million annually.
(18) Represents Non-GAAP Adjusted EBITDA as discussed in (17) above, presented in constant currency, further adjusted to give effect to actioned cost savings.

RISK FACTORS

You should carefully consider each of the following risk factors, together with all of the information set forth in this offering circular, before deciding to invest in the Notes. The risks and uncertainties described below are not the only risks facing us. Additional risks and uncertainties that we are unaware of, or those we currently deem immaterial, may also become important and material factors that affect us. If any of the following risks and uncertainties develops into actual events, our business, financial condition, cash flows or results of operations could be materially adversely affected and you could lose all or part of your original investment.

Risks Relating to Our Business and Industry

Competition from large, powerful multi-line and small, agile single-line competitors could have a negative impact on our business and financial results.

Some of our largest competitors, including IBM, CA and HPE/MicroFocus, have significant scale advantages. With scale comes a large installed base of customers in particular market niches, as well as the ability to develop and market software that is competitive with ours. Some of these competitors can also bundle hardware, software and services together, which is a disadvantage for us, because we are not a hardware provider and have fewer services offerings. Competitive products are also offered by numerous independent software companies that specialize in specific aspects of the highly fragmented software industry. Some, like Microsoft, Oracle and VMWare, are the leading developers and vendors in their specialized markets and others, like ServiceNow and Compuware, have recently gained significant market share in some areas in which we have product offerings. In addition, new companies enter the market on a frequent and regular basis, offering products that compete with some individual products offered by us. Market entrants utilizing alternative business models such as SaaS, cloud computing or open source software also compete against us. As the use of open source software becomes more widespread, certain open source technology could become competitive with our proprietary technology, which could cause sales of our products to decline or force us to reduce the fees we charge for our products. Other data center vendors may expand into systems management to complement their existing offerings. Additionally, many customers historically have developed their own products that compete with those offered by us. Competition from any of these sources can result in price reductions or displacement of our products, which could have a material adverse effect on our business, financial condition, operating results and cash flows.

Our cloud and SaaS offerings bring business and operational risks.

We have introduced multiple new products and technology initiatives to provide systems management solutions in the emerging area of cloud computing. We include in this category our SaaS offerings. Our SaaS offerings provide our customers with existing and new software management through a hosted service as opposed to traditional software deployments. There can be no assurance that SaaS revenue will be significant in the future despite our levels of investment. There is a risk that our SaaS offerings may reduce demand for licenses and maintenance of our traditional software products, which could impact our revenue. Additionally, margins associated with our SaaS offerings are generally lower than margins associated with our on-premises solutions. A large portion of our revenue is generated from the renewal of existing customer contracts, the rate of which is uncertain and may decline or fluctuate in the future. Our SaaS contracts typically contain non-cancelable subscription terms of one to several years, after which the contracts are generally renewable at a customer's option, and there are generally no obligations to license additional software or subscribe for additional services. This inherent uncertainty surrounding the renewal of our customer contracts, and the date of any such renewals, impacts when the combination of revenue and changes in deferred revenue in a given period are recorded and creates volatility in our quarterly results. Our customers may not renew their subscriptions after the expiration of their subscription agreements and in fact, some customers elect not to do so. In addition, our customers may opt for a lower-priced edition of our offerings or for fewer subscriptions. We have limited data with respect to rates of customer subscription renewals, in particular for our newer offerings, so we may not be able to accurately predict customer renewal rates. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their level of satisfaction with our services and their ability to continue their operations and spending levels. If we experience a decline in the renewal rates for our customers or they opt for lower-priced editions of our offerings or fewer subscriptions, our operating results may be adversely impacted. There is also a risk that our internal development and customer support teams could find it difficult or costly to support both traditional software installed by customers and SaaS. To the extent that our new SaaS offerings are defective or there are disruptions to our services, demand for our SaaS offerings could diminish and we could be subject to substantial liability. In addition, interruptions or delays in service from our third-party service delivery hosting vendors could impair the delivery of our services and harm our business. Further, if we or our third-party service delivery hosting vendors experience security breaches and unauthorized access is obtained to a customer's data or our data, our services may be perceived as not being secure, customers may curtail or stop using our services and we may incur significant legal and financial exposure and liabilities.

Our success in the emerging area of cloud computing depends on organizations and customers perceiving technological and operational benefits and cost savings associated with the increasing adoption of virtual infrastructure solutions for on-premises data centers as well as for cloud computing and end-user computing. Concerns about security, privacy, availability, data integrity, retention and ownership may negatively impact the rate of adoption of cloud computing. Cloud computing environments are complex and the deployment of our systems management solutions in the cloud may require additional professional services and implementation services which we may not have the ability to provide at an appropriate margin. In the cloud, our products are dependent upon third-party hardware, software and cloud hosting vendors, all of which must interoperate for end users to achieve their computing goals. As the cloud computing market continues to develop, we expect other companies to enter this market and to introduce their own initiatives that may compete with, or not be compatible with, our cloud solutions. Additionally, operating margins on our new initiatives may be lower than those we have achieved in our more mature product markets, and our new initiatives may not generate sufficient revenue to recoup our investments in them. If any of these events were to occur, it could adversely affect our business, results of operations and financial condition.

We may not attract new customers and meet our growth and productivity objectives under our new business opportunities in the cloud and SaaS space.

On an ongoing basis, we strive for greater agility, productivity, flexibility and cost efficiency by transforming and globally integrating our own business processes, functions and technologies to remain competitive and to enable scaling of resources and offerings in both emerging and more established markets. These various initiatives, including those taken in connection with our cloud and SaaS offerings, might not yield their intended gains in speed, quality, productivity and enablement of rapid scaling. New client adoption rates, and the renewal and adoption by our existing customers of additional services and products, and viable economic models are also less certain in these high-value, highly competitive and growing verticals, and new delivery models may unfavorably impact demand and profitability for our other products or services. These challenges may impact our competitiveness and our ability to meet growth and productivity objectives.

If we do not accurately predict, prepare for and respond promptly to rapidly evolving technological and market developments, our competitive position and business prospects may be harmed.

The markets in which we compete have evolved rapidly, and the pace of innovation will continue to accelerate, as cloud, mobile, workflow, consumer product-like user experiences, social, collaboration, machine learning, artificial intelligence, internet connected devices, robotic automation, security, cryptography, development tools and other digital technologies increasingly become the basis for customer purchases. At the same time, our customers and prospective customers are facing their own competitive imperatives to adopt digital technologies, resulting in the ongoing disruption of almost every sector of the global economy. Accordingly, to compete effectively in our rapidly changing markets, we must: identify and invest in the right emerging technologies and select them from the many technologies in which we could make investments; accurately predict our customers' changing business needs; successfully deliver new platform technologies and products that meet these business needs; efficiently integrate with other technologies within our customers' digital environments; profitably market and sell new products in markets where our sales and marketing teams have less experience; and effectively deliver, either directly or through our ecosystem of partners, the business process planning, IT systems architecture planning and product implementation services that our customers require to be successful. If we fail to meet any of these requirements, our competitive position and business prospects may be harmed.

Our revenues, operating results and quarterly cash flow are likely to fluctuate, which could materially impact our business.

We experience significant fluctuations in revenues, operating results and quarterly cash flow caused by many factors, including:

- changes in the demand for our software products and services and for the products and services of our competitors;
- reliance on bookings information, or the total value of customer transactions closed and recorded;
- market acceptance of our software products, enhancements and/or services;
- lengthening sales cycles and timing of renewals;
- delays in the introduction of software products, enhancements and/or services;
- a reduction in the size of transactions;
- the timing of transaction completion, billings and associated cash collections within a particular period;
- longer customer payment terms;
- an increase in late payments by customers;
- an increase in uncollectible accounts receivable;
- increased expenses;
- reduced net earnings;
- a significant shift from multi-year committed contracts to short-term contracts;
- a reduced ability to transfer finance receivables to third parties;
- an increase in contracts where internal costs such as sales commissions are paid upfront but payments from customers are collected over time;

- reduced renewal rates for maintenance;
- an increase in cash taxes;
- payments for legal actions, costs, fees or settlements;
- outcome and impact of tax audits and other contingencies;
- restructuring payments;
- investor perception of the Company;
- the impact of changing foreign currency exchange rates, LIBOR, EURIBOR and other applicable interest rates;
- change in the mix of international and North American revenues; and
- reduced yields on investments and cash equivalents.

A general weakening of the global economy or a continued weakening of the economy in a particular region or economic or business uncertainty could harm the financial viability of our customers and resellers, and could result in the cancellation of or delay in customer purchases. A cancellation or deferral of even a small number of license sales or services or delays in the implementation of our software products could have a material adverse effect on our business, operating results and financial condition. As a result of the timing of software product and service introductions and the rapid evolution of our business, as well as of the markets we serve, we cannot predict whether patterns or trends experienced in the past will continue. For these reasons, you should not rely upon period-to-period comparisons of our financial results to forecast future performance. Our revenues, operating results and quarterly cash flow may vary significantly.

Our sales cycles can be unpredictable, our revenue depends on customer renewal rates and our sales efforts require substantial resources.

The timing of our sales and related revenue recognition is difficult to predict because of the unpredictability of the sales cycle, particularly with respect to large organizations. Also, our revenue is cyclical and is dependent on our customer renewal cycles and renewal rates, which may decline or fluctuate in the future. In order for us to maintain or improve our results of operations, it is important that our customers renew their licenses, subscriptions or maintenance when existing contract terms expire. Our customers have no obligation to renew their contracts after the expiration of their contractual period and in the normal course of business, some customers have elected not to renew. Our sales efforts typically involve educating our prospective customers about the uses, benefits and value proposition of the systems and applications that our products support. Customers often view these commitments as significant strategic decisions and, as a result, may require time to evaluate, test and qualify our solutions prior to entering into or expanding a relationship with us.

Our sales force develops relationships directly with our customers, focusing on account penetration, account coordination, sales and overall market development. We spend substantial time and resources on our sales efforts without any assurance that our efforts will produce a sale. Platform purchases are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. As a result, it is difficult to predict whether and when a sale will be completed and when revenue from a sale will be recognized.

A significant portion of our sales is to large enterprises. Sales to larger customers involve risks that may not be present, or that are present to a lesser extent, with sales to smaller customers, which can act as a disincentive to our sales team to pursue these larger customers. These risks include:

- competition from companies that traditionally target larger enterprises and that may have pre-existing relationships or purchase commitments from such customers;

- increased purchasing power and leverage held by larger customers in negotiating contractual arrangements with us;
- more stringent requirements in our support obligations; and
- the risk that substantial resources may be spent on a potential customer that elects not to purchase our solutions.

The failure of our efforts to secure sales after investing resources in a sales process could materially and adversely affect our business and operating results.

Economic, political and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability.

Our business is influenced by a range of factors that are beyond our control and that we have no comparative advantage in forecasting. These include:

- general economic and business conditions;
- the overall demand for software and services;
- governmental budgetary constraints or shifts in government spending priorities; and
- general political developments.

Macroeconomic developments such as recessions in the U.S. and Europe and debt crises in certain countries in the European Union (the “EU”) or trade wars could negatively affect our business, operating results or financial condition. A general weakening of, and related declining corporate confidence in, the global economy or the curtailment in government or corporate spending could cause current or potential customers to reduce their IT budgets or be unable to fund software and services purchases, which could cause customers to delay, decrease or cancel purchases of our products and services or cause customers not to pay us or to delay paying us for previously purchased products and services.

In addition, political unrest in regions like the Middle East, terrorist attacks around the globe and the potential for other hostilities in various parts of the world, potential public health crises and natural disasters continue to contribute to a climate of economic and political uncertainty that could adversely affect our results of operations and financial condition, including our revenue growth and profitability.

Maintenance revenue could decline, and our success depends on customers renewing or increasing the scope of their maintenance agreements with us.

Maintenance revenue is an important source of recurring revenue, and we invest significant resources to provide maintenance and support services to our customers. A large portion of our maintenance revenue is generated by our customers’ renewal of their existing maintenance agreements. Additionally, we try to sell additional services to our customers at the time of renewal. Maintenance agreements are generally renewable at a customer’s option and/or subject to cancellation rights, and there are generally no mandatory payment obligations or obligations to increase the scope of one’s maintenance agreement or subscribe for additional services. This inherent uncertainty surrounding the renewal of contracts and ability to grow maintenance revenue by increasing the scope of these agreements at the time of renewal impacts the volatility in our operating results. Maintenance fees generally increase as the licensed capacity increases. Consequently, we generally receive higher overall maintenance fees with new license and maintenance agreements and as existing customers license our products for additional processing capacity. Price competition on enterprise transactions can lead to increased discounting for higher levels of supplemental processing capacity. The maintenance fees on a per unit of capacity basis are typically reduced in enterprise license agreements. In addition, customers are generally entitled to reduced annual maintenance fees for entering into long-term maintenance contracts. Declines in our license bookings, increases in the proportion of long-term maintenance contracts and/or increased discounting could lead to declines in our maintenance revenue and corresponding growth rates.

Should customers migrate from systems and applications that our products support, utilize alternatives to our products, including maintenance-free solutions such as on-demand, or become dissatisfied with our maintenance services, such customers may cancel their agreements or be less likely to invest in additional solutions from us in the future, which could lead to declines in our maintenance revenue. We may not be able to adjust our expense levels quickly enough to account for any such revenue losses. As maintenance revenue makes up a substantial portion of our total revenue, any failure of our customers to renew or increase the scope of their new maintenance agreements might result in a decline in our maintenance revenue, which could have a material adverse effect on our business, financial condition, operating results and cash flows.

Risks associated with our professional services business could impact our business results.

There are a number of risks associated with our professional services business, which could impact our ability to deliver high quality services and which could impact our business results. These include the availability of and our ability to engage quality labor resources, both as employees and as third-party contractors, incremental costs associated with third-party contractors, the complexity of services engagements, contractual risks, pricing and bidding risks and potential cost overruns. If we are not able to effectively manage our professional services business, it could have a material adverse effect on our reputation and our operating results, including our profit margin.

Industry consolidation could affect prices or demand for our products.

The IT industry and the market for our systems management products are very competitive due to a variety of factors. As the enterprise systems software market matures, it is consolidating. This trend could create opportunities for larger companies, such as IBM, HPE/MicroFocus, Microsoft, Oracle and other large enterprise software and hardware companies, to increase their market share through the acquisition of companies that are strong in certain lucrative market niches or that have loyal installed customer bases. In doing so, these competitors may be able to reduce prices on software that competes with our solutions, in part by leveraging their larger economies of scale. Consolidation also may permit competitors to offer a broader suite of products and more comprehensive bundled solutions, including hardware, software and services. We expect this trend towards consolidation to continue as companies attempt to maintain or extend their market and competitive positions in the rapidly changing software industry and as companies are acquired or are unable to continue operations. This industry consolidation may result in stronger competitors that are better able to compete as sole-source vendors for customers. This could lead to more variability in our operating results due to lengthening of the customer evaluation process, increased pricing pressure and/or loss of business to these larger competitors, which may materially and adversely affect our business, financial condition, operating results and cash flows.

We are subject to risks related to our business combinations and restructuring actions.

As part of our overall strategy, we have acquired or invested in, and intend to continue to acquire or invest in, complementary companies, products and technologies. Our ability to realize the benefits we anticipate from our mergers and acquisitions activities, including anticipated cost savings, may be adversely impacted by the following:

- we may not retain and integrate key technical, sales and managerial personnel;

- we may not assimilate the personnel, culture and operations of the combined companies, including back-office functions and systems, such as accounting, human resources and others, into our own back-office functions and systems;
- we may suffer unanticipated expenses or not be able to integrate the acquired technologies or products with our current products and technologies;
- our ongoing business could be disrupted, including management being distracted from other objectives, opportunities and risks;
- we may not achieve the expected benefits or maximize our financial and strategic position through the successful integration of acquired businesses;
- our policies, procedures and controls may not be applied to the acquired entity in a timely manner following the acquisition;
- relationships with the acquired entity's customers, partners or vendors might degrade, creating challenges for us to meet the objectives of the acquisition;
- potential financial and credit risks associated with acquired entity's customers;
- our pre-acquisition due diligence may fail to identify technology issues, such as problems with software code, architecture or functionality, intellectual property ownership issues, employment or management issues, customer or partner issues, errors or irregularities in the accounting or financial reporting of the target, unknown liabilities of the target, legal contingencies, compliance failures or other issues;
- revenue from acquired companies, products and technologies may not meet our expectations;
- our use of cash to pay for acquisitions may limit other potential uses of our cash;
- potential adverse tax consequences;
- in the case of foreign acquisitions, we may encounter challenges associated with lingering operations across different cultures and languages and may experience currency and regulatory risks associated with specific countries; and
- our chosen strategy leading to the acquisition may not be the appropriate strategy or our resources may be better utilized developing technology via internal product development.

In order for us to maximize the return on our investments in acquired companies, the products of these entities must be integrated with our existing products and strategies. These integrations can be difficult and unpredictable, especially given the complexity of software and that acquired technology is typically developed independently and may not have been designed to integrate with our products. The difficulties are compounded when the products involved are well-established because compatibility with the existing base of installed products must be preserved. Successful integration also requires coordination of different development and engineering teams. This too can be difficult and unpredictable because of possible cultural conflicts and different opinions on technical decisions and product roadmaps. There can be no assurance that we will be successful in our product integration efforts or that we will realize the expected benefits and cost savings of our mergers and acquisitions activities.

In response to changes in industry and market conditions, we may be required to strategically realign our resources and consider restructuring, disposing of or otherwise exiting businesses. Any decision to limit investment in or dispose of or otherwise exit businesses may result in the recording of special charges, such as technology-related write-offs, workforce reduction costs or charges relating to consolidation of excess facilities. We may not achieve expected returns and other benefits as a result of various factors, including integration and collaboration challenges, such as personnel and technology. Restructuring actions may also give rise to reputational risk, or such actions may not achieve anticipated cost savings and may result in lower margin rates. Challenges related to our ability to successfully undertake any future restructuring actions could result in a material adverse effect on our business, financial condition, operating results and cash flows.

Our products must remain compatible with ever-changing operating and database environments.

IBM, HPE/MicroFocus, Microsoft and Oracle are by far the largest suppliers of systems management and database software and, in some cases, are the manufacturers of the computer hardware systems used by most of our customers. Historically, operating and database system developers have modified or introduced new operating systems, database systems, systems software and computer hardware. Such new products could incorporate features that perform functions currently performed by our products or could require substantial modification of our products to maintain compatibility with these companies' hardware or software. There can be no assurance that we will be able to adapt our products and our business to changes introduced by hardware manufacturers and operating and database system software developers. Operating and database system software developers have in the past provided us with early access to versions of their software, before making such software generally available, to have input into the functionality and to ensure that we can adapt our software to exploit new functionality in these systems. Some companies, however, may adopt more restrictive policies in the future or impose unfavorable terms and conditions for such access. These restrictions may result in higher research and development costs for us in connection with the enhancement and modification of our existing products and the development of new products. Failure to adapt our products in a timely manner to changes in operating and database systems, or any product quality and performance issues with the underlying databases or operating systems resulting in degradation of our products' quality and performance, could influence customer decisions to forego the use of our products in favor of those with comparable functionality offered by competitors, which could result in a material adverse effect on our business, financial condition, operating results and cash flows.

Disruption, discovery of errors in or risks related to our software solutions could adversely affect our business.

The software solutions we offer are inherently complex and are designed to manage, monitor, automate and secure mission-critical IT workloads across multi-cloud, hybrid and mainframe environments. Despite testing and quality control, we cannot be certain that errors will not be found in current versions, new versions or enhancements of our software solutions after commencement of commercial delivery. If new or existing customers have difficulty deploying our products or require significant amounts of customer support, our operating margins could be harmed. In addition, any disruptions, discovery of errors, risks related to our software solutions or other performance problems could significantly harm their and our reputations and businesses. With our current solutions strategy, these risks increase because we are combining already complex products to create solutions that are even more complicated than the aggregation of their product components. Significant technical challenges could also arise with our software solutions, because our customers purchase and deploy our products across a variety of computer platforms and integrate them with a number of third-party software applications and databases. These combinations increase our risk, with respect to our customers, because, in the event of a system-wide failure, it may be difficult for the customer to determine which product is at fault; thus, we may be blamed for the failure of another supplier's products.

As a result of the foregoing, we could experience loss of or delay in revenue and loss of market share; loss of customers; damage to our reputation; an increase in our provision for doubtful accounts;

an increase in collection cycles for accounts receivable; higher development and testing and support costs; failure to achieve market acceptance; diversion of development and support resources; increased service and warranty costs; risks and expense of legal actions by customers against us, which could, whether or not successful, increase costs and distract our management; and increased insurance costs.

Future product development is dependent upon access to and reliability of third-party software products and open source software.

Certain of our software products contain components developed and maintained by third-party software vendors. We expect that we may have to incorporate software from third-party vendors in our future products. We also incorporate open source software in certain of our software products. We may not be able to replace the functionality provided by the third-party or open source software currently offered with our products if that software becomes obsolete, defective, non-compliant with third-party patent restrictions or incompatible with future versions of our products or is not adequately maintained or updated, or if our relationship with the third-party vendor terminates.

In addition, we must carefully monitor and manage our use of, and compliance with the licensing requirements of, open source software. Any significant interruption in the availability of these third-party software products on commercially acceptable terms, defects in these products, non-compliance with third-party patent restrictions or our inability to comply with the licensing terms of either third-party commercial software or open source software could delay development of future products or enhancement of existing products and could have a material adverse effect on our business, financial condition, operating results and cash flows.

Future product development is dependent on adequate research and development resources.

Both traditional and new competitors are investing heavily in the market in which we operate and competing for customers. In order to remain competitive, we must continue to develop new products and enhancements to our existing products in order to maintain or expand our market position. This is particularly true as we further expand our cloud and SaaS offerings and capabilities. We expect to continue to incur significant expenditures for development of our solutions which may not ultimately grow our business or cause long-term profitability. Maintaining adequate research and development resources to meet the demands of the market is essential, and our failure to do so could present an advantage to our competitors. If we are unable to develop products due to certain constraints, such as high employee turnover, lack of management ability or a lack of other development resources, including through third-party outsourcing firms, our competitiveness could be harmed.

If the estimates and assumptions we use to determine the size of our target market are inaccurate, our future growth rate may be impacted and our business would be harmed.

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this offering circular relating to the size and expected growth of the market for our products and services may prove to be inaccurate. Even if the market in which we compete meets our size estimates and forecasted growth, our business could fail to grow at similar rates, if at all.

The principal assumptions relating to our market opportunity include the size and expected growth rate of the global ITOM market, as well as a variety of adjacent enterprise and infrastructure software markets. Our market opportunity is also based on the assumption that the strategic approach that our software solutions enable for our potential customers will be more attractive to our customers than that offered by our competitors.

Historically, our investment in new products has expanded our market opportunity into areas of growing strategic importance, and we continue to introduce new products to increase our addressable market. However, if these assumptions prove inaccurate, our business, financial condition and results of operations could be adversely affected. For more information regarding our estimates of market opportunity and the forecasts of market growth included in this offering circular, see "Business—Our Industry."

We are subject to risks associated with our indirect distribution channels.

A portion of our revenue is derived from the sale of our products and services through indirect distribution channels such as resellers, systems integrators and strategic partners. In addition, we maintain strategic agreements with hardware vendors permitting them to sell our software solutions as part of their hardware systems. Conducting business through indirect distribution channels presents a number of risks, including:

- our indirect channel partners typically can cease marketing our products and services with limited or no notice and with little or no penalty;
- we may not be able to replace existing or recruit additional indirect channel partners if we lose any of our existing ones;
- our existing indirect channel partners may not be able to effectively sell new products and services that we may introduce;
- we do not have direct control over the business practices, compliance programs and processes or risk management policies adopted by our indirect channel partners and they may engage in inappropriate practices without our knowledge, which could result in penalties and/or reputational damage to us;
- our indirect channel partners may not be able to deliver the same quality or standard of services that we do, which may require us to engage with their customers at a direct cost to us to protect our product and services standards and reputation;
- our indirect channel partners may also offer competitive products and services through acquisition or internal development and as such, may not give priority to the marketing of our products and services as compared to our competitors' products;
- we may face conflicts between the activities of our indirect channels and our direct sales and marketing activities;
- our indirect channel partners may experience financial difficulties that may impact their ability to market our products and may lead to delays, or even default, in their payment obligations to us; and
- we also depend on our indirect channel partners for accurate and timely reporting of our channel sales; any disruption, delay or under-reporting by our indirect channel partners could have an adverse effect on our bookings, revenues and cash flows.

Changes to our sales organization can be disruptive and may negatively impact our results of operations.

From time to time, we make significant changes in the organizational structure and compensation plans of our sales organizations, which may increase the risk of sales personnel turnover. To the extent that we experience turnover within our direct sales force or sales management, there is a risk that the productivity of our sales force would be negatively impacted, which could lead to revenue declines. Turnover within our sales force can cause disruption in sales cycles leading to delay or loss of business. In addition, it can take time to implement new sales management plans and to effectively recruit and train new sales personnel. We review and modify our compensation plans for the sales organization periodically. Changes to our sales compensation plans could make it difficult for us to attract and retain top sales talent.

Changes in tax law, changes in our effective tax rate or exposure to additional income tax liabilities could affect our profitability and financial condition.

The taxing jurisdictions we are subject to or operate under may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially affect our financial position and results of operations. Many countries in Europe and Israel, as well as a number of other countries and organizations, have recently proposed or recommended changes to existing tax laws or have enacted new laws that could significantly increase our tax obligations in many countries where we do business or require us to change the manner in which we operate our business.

We carry out our business operations through entities in the U.S. and multiple foreign jurisdictions. As such, we are required to file corporate income tax returns that are subject to U.S. federal, state and foreign tax laws. Our U.S. federal, state and foreign tax liabilities are determined, in part, by the amount of operating profit generated in these different taxing jurisdictions. Our effective tax rate, earnings and operating cash flows could be adversely affected by changes in the mix of operating profits generated in countries with higher statutory tax rates as well as by the positioning of our cash balances globally. Similarly, if statutory tax rates or tax bases were to increase or if changes in tax laws, regulations or interpretations were made that impact us directly, our effective tax rate, earnings and operating cash flows could be adversely impacted. We are also required to evaluate the realizability of our deferred tax assets. This evaluation requires that our management assess the positive and negative evidence regarding sources of future taxable income. If management's assessment regarding the realizability of our deferred tax assets changes, we will be required to increase our valuation allowance, which will negatively impact our effective tax rate and earnings. We are also subject to routine corporate income tax audits in multiple jurisdictions. Our provision for income taxes includes amounts intended to satisfy income tax assessments that may result from the examination of our corporate tax returns that have been filed in these jurisdictions. The amounts ultimately paid upon resolution of these examinations could be materially different from the amounts included in the provision for income taxes and result in additional tax expense and operating cash outflows.

Further, the U.S. federal income tax legislation recently enacted as Public Law No. 115-97 (the "Tax Act") is highly complex, subject to interpretation, and contains significant changes to U.S. tax law, including, but not limited to, a reduction in the corporate tax rate, significant additional limitations on the deductibility of interest, substantial revisions to the taxation of international operations and limitations on the use of net operating losses generated in tax years beginning after December 31, 2017. The presentation of our financial condition and results of operations is based upon our current interpretation of the provisions contained in the Tax Act. In the future, the Treasury Department and the U.S. Internal Revenue Service (the "IRS") are expected to release regulations and interpretive guidance relating to the legislation contained in the Tax Act. Any significant variance of our current interpretation of such legislation from any future regulations or interpretive guidance could result in a change to the presentation of our financial condition and results of operations and could adversely affect our business.

Economic conditions and regulatory changes that may result from the United Kingdom's likely exit from the EU could adversely affect our business, financial condition and results of operations.

In June 2016, the United Kingdom (the "U.K.") held a referendum in which voters approved an exit from the EU, commonly referred to as "Brexit." The announcement of Brexit caused significant volatility in global stock markets and currency exchange rate fluctuations that resulted in the strengthening of the U.S. dollar against foreign currencies in which we conduct business. The announcement of Brexit and likely withdrawal of the U.K. from the EU may also create further global economic uncertainty, which may cause our current and future customers to closely monitor their costs and reduce their spending on our products and services.

Brexit will require negotiations regarding the future terms of the U.K.'s relationship with the EU, which could result in the U.K. losing access to certain aspects of the single EU market and the global trade deals negotiated by the EU on behalf of its members. On March 29, 2017, the U.K. gave formal notice of its intention to leave the EU. This notice triggers the process of negotiating the U.K.'s exit, which will occur in two years, unless the deadline is extended or a withdrawal agreement is negotiated sooner. Given the lack of comparable precedent, it is unclear how Brexit may negatively impact the economies of the U.K., the EU countries and other nations. Brexit and the perceptions as to the impact of the withdrawal of the U.K. may adversely affect business activity, political stability and economic conditions in the U.K., the EU and elsewhere, the impact of which could have an adverse effect on our financial condition, results of operations and cash flows.

We must protect our intellectual property rights.

We rely on a combination of copyrights, patents, trademarks, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property rights. Despite our efforts to protect our intellectual property rights, it may be possible for unauthorized third parties to misappropriate, copy or pirate certain portions of our products or to reverse engineer or obtain and use technology or other information that we regard as proprietary. Furthermore, our intellectual property protections may not prevent competitors from independently developing products and services similar to or duplicative of our products and services. Unauthorized third parties may also infringe, misappropriate or otherwise violate our intellectual property rights and there can be no assurance that our intellectual property rights would survive a legal challenge as to their validity or enforceability or provide significant protection for us, and any such legal actions could become costly. In addition, the laws of certain countries do not protect our proprietary rights to the same extent as do the laws of the U.S. Furthermore, confidentiality procedures and contractual provisions can be difficult to enforce and, even if successfully enforced, may not be entirely effective. Additionally, certain of our license arrangements have required us to place the source code for our software products into escrow for the protection of another party. Our ability to protect our intellectual property rights could also be impacted by proposed changes to existing laws, legal principles and regulations governing the protection of patents and other intellectual property. Accordingly, there can be no assurance that we will be able to protect our proprietary technology against unauthorized third-party copying or use, which could adversely affect our competitive position and revenue.

Litigation has been necessary, and may be necessary in the future, to enforce or protect our intellectual property rights. That litigation could cause us to incur substantial costs and divert resources away from our business operations, which in turn could adversely affect our business, results of operations and financial condition. Further, attempts to enforce our intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. The inability to adequately protect and enforce our intellectual property and other proprietary rights could seriously harm our business, operating results, financial condition and prospects.

Third parties may claim that our software products or services infringe their intellectual property rights, exposing us to litigation that, regardless of merit, may be costly to defend.

Our success and ability to compete are also dependent upon our ability to operate without infringing the proprietary rights of others. Claims of patent and copyright infringement are common in the software industry. Third parties may claim that our current or future products or services infringe their intellectual property rights. Third parties may claim that our current or future products or services infringe upon their intellectual property rights. Any such claim, with or without merit, could have a significant effect on our business and financial results. Defending against any future third-party claim could be time consuming, divert management's attention from our business operations and result in adverse judgments, settlements on unfavorable terms or substantial litigation costs, including any monetary damages and customer indemnification obligations that may result from such claims. In addition, parties making these claims may be able to obtain injunctive or other equitable relief affecting our ability to market and license the products that incorporate the challenged intellectual property. In addition, former employers of our employees may assert claims that such employees have improperly disclosed to us the confidential or proprietary information of these former employers. Future litigation may also involve non-practicing entities or other intellectual property owners who have no relevant product offerings and against whom our own intellectual property may therefore provide little or no deterrence. Any such claim, with or without merit, could result in costly litigation and distract management from our business operations. As a result of such claims, we may be required to obtain licenses from third parties, or develop alternative technology or redesign our products. We cannot be sure that any such licenses would be available on terms acceptable to us, if at all. If a successful claim is made against us and we are unable to develop or license alternative technology (or must spend significant amounts to do so), our business, financial condition, results of operations and cash flows could be materially adversely affected.

Certain software we use is derived from open source software, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially adversely affect our business, financial condition, operating results and cash flows.

Some of our products contain open source software. The use of such open source software in products made available to others may subject us to certain requirements, including the obligation to offer, distribute, license, or make available our proprietary source code or license our patents to third parties. Further, although some open source vendors provide warranty and support agreements, it is common for many such vendors to make their open source software available "as is" with no warranty, indemnity or support. We monitor our use of such open source software to avoid subjecting our products to requirements we do not intend. Any use of such open source software may ultimately subject some of our products to unintended conditions, which could require us to take remedial action that may divert resources away from our development efforts and which could have an adverse effect on our business, results of operations and financial condition.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with customers and other third parties typically include provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred by them as a result of claims of intellectual property infringement or other liabilities relating to or arising from our services or platform or other acts or omissions. Large indemnity payments or damage claims from contractual breaches could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers, reduce demand for our services and adversely affect our business, financial condition, results of operations and cash flows.

Cyber-attacks on our networks and actual or perceived security vulnerabilities in our products and services could have an adverse impact on our business and results of operations.

Increasingly, companies are subject to a wide variety of cyber-attacks on their systems and networks on an ongoing basis. In the course of our regular business operations and providing SaaS maintenance support services to our customers, we process and transmit proprietary information and sensitive or confidential data, including personal information of employees, customers and others. Computer programmers and hackers may be able to penetrate our network security and misappropriate, copy or pirate our confidential information or that of third parties, create system disruptions or cause interruptions or shutdowns of our internal systems and services. A number of websites have been subject to denial of service attacks, where a website is bombarded with information requests eventually causing the website to overload, resulting in a delay or disruption of service. Also, there is a growing trend of advanced persistent threats being launched by organized and coordinated groups against corporate networks to breach their security for malicious purposes. These attacks may be committed by company employees or external actors operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. If successful, any of these events could damage our computer systems and equipment or those of our third-party hosting vendors or customers. Furthermore, these attacks could disrupt or prevent us from providing timely maintenance, support and services to our customers and result in the theft or misappropriation of proprietary, personally identifiable, confidential and sensitive information of ours, our employees, our customers and our business partners and materially disrupt business for us, our customers and our business partners.

Computer programmers and hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. The costs to us to eliminate or alleviate security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and the efforts to address these problems could result in interruptions, delays, cessation of service and loss of existing or potential customers and may impede our sales, manufacturing, distribution and other critical functions. Security risks for us will also increase as we continue to grow our cloud-based offerings and services, especially in customer sectors involving particularly sensitive data.

We have outsourced a number of our business functions to third-party vendors, and our business operations also depend, in part, on the success of these third parties' own cyber security measures. Additionally, we depend upon our employees to appropriately handle confidential data and deploy our IT resources in a safe and secure manner that does not expose our network systems to security breaches and the loss of data. Our efforts to protect our data, that of our customers or the information we receive from other third parties may also be unsuccessful due to software bugs or other technical malfunctions, employee, contractor or vendor error or malfeasance, government surveillance or other threats that evolve. Because the techniques used by such individuals or entities to access, disrupt or sabotage devices, systems and networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques, and we may not become aware in a timely manner of such a security breach, which could exacerbate any damage we experience.

Affected users (including customers or third parties) or government authorities could initiate legal or regulatory actions against us in connection with any security breaches or improper disclosures of data, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. A successful cyber-attack could also negatively impact the market perception of the effectiveness of our products and harm our ability to keep existing customers and to attract new customers. Any of these events could have a material and adverse effect on our business, reputation or financial results.

Recent legislation has increased the responsibilities of software companies and their clients regarding financial security, identity theft and privacy. Our customers may not effectively implement all of the updated security features that we introduce or make all necessary changes to their operating procedures, or they may fail to implement other required security measures. Subsequent changes to applicable privacy or data security laws could also impact how we process personal information, and therefore limit the effectiveness of our products, services or features, or our ability to develop new products, services or features.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

We are party to various litigation claims and legal proceedings. We evaluate these litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and/or disclose the relevant litigation claims or legal proceedings, as appropriate. These assessments and estimates are based on the information available to us at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from those envisioned by our current assessments and estimates. In addition, we have business operations in markets with high-risk legal compliance environments. Our policies and procedures require strict compliance with all U.S. and international laws and regulations and consent orders applicable to our business operations, including those prohibiting improper payments to government officials. Nonetheless, we cannot assure you that our policies and procedures will always ensure full compliance with all applicable legal requirements. There may also be adverse publicity associated with litigation, regardless of whether the allegations are valid or whether we are ultimately found liable.

We are subject to risks related to global operations.

We are a global company that conducts sales, sales support, professional services, product development and support, marketing and product distribution services from numerous offices throughout the world. International non-GAAP revenue has historically represented approximately 50% of our total non-GAAP revenue and also represented approximately 50% of our total non-GAAP revenue in fiscal year 2018. Success in selling and developing our products throughout the world depends on a variety of factors, risks and challenges in managing an organization operating in various countries, including:

- developing and executing an effective go-to-market strategy in various locations;
- difficulties in staffing and managing international operations, including compliance with local labor and employment laws and regulations;
- non-compliance with our code of conduct or other corporate policies;
- longer payment cycles;
- increased financial accounting and reporting burdens and complexities;
- adverse tax consequences;
- adverse impact of inflation;
- changes in foreign currency exchange rates;

- restrictive local laws regarding the transfer of funds from, or the conversion of currencies in, certain countries;
- restrictions on our ability to access cash in foreign jurisdictions;
- changes in global, economic and political landscapes;
- impact from volatile or sluggish local economies or global macroeconomic conditions;
- loss of proprietary information, including intellectual property, due to piracy, misappropriation or weaker laws regarding intellectual property protection;
- the need to successfully localize our products;
- lack of appropriate local infrastructure to carry out operations;
- workforce reorganizations in various locations, including global reorganizations of sales, research and development, technical services, finance, human resources and facilities functions;
- political unrest, war or terrorism, particularly in areas in which we have employees and facilities;
- potential vulnerability to computer system, internet or other systemic attacks, such as denial of service, viruses or other malware, any of which may be caused by criminals, terrorists or other sophisticated organizations;
- compliance by us and our services providers (including unaffiliated third-party service providers) with a wide variety of complex and differing local laws, regulations and treaties, including unexpected changes in (or new) legislative or regulatory requirements, such as anti-corruption, competition, anti-money laundering, export control and data privacy laws and regulations, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the UK Bribery Act of 2010 (the "UK Bribery Act"), the EU-U.S. and Swiss-U.S. Privacy Shield Frameworks, as well as the new EU GDPR, which becomes effective in May 2018, the Network and Information Security Directive in the EU, trade controls and sanctions administered by the U.S. Office of Foreign Assets Control, and similar laws and regulations in other jurisdictions, early termination of contracts with government agencies, audits, investigations, sanctions or penalties;
- licenses, tariffs, export controls, economic sanctions and other trade barriers;
- potential changes in trade relations arising from policy initiatives implemented by the Trump administration, which has been critical of existing and proposed trade agreements; and
- natural disaster, disease or other extraordinary events impacting business continuity.

U.S. and international laws and regulations that apply to our global operations are complex and increase our cost of doing business. U.S. laws and regulations applicable to our international operations include the FCPA, economic sanctions laws and export control laws. International laws and regulations include local laws that also prohibit bribery, including commercial bribery (including the UK Bribery Act), and corrupt payments to governmental officials, as well as labor relations laws, tax laws, anti-competition regulations, import and trade restrictions and export requirements. Any change in export or import regulations, economic sanctions or related legislation, increased export and import controls stemming from Trump administration policies, retaliatory measures or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential end-customers with international operations.

Additionally, our operations are subject to complex laws, rules and regulations relating to the collection, storage, transmission, use, protection and disposal of data, and new laws in this area have been passed by several jurisdictions, while other jurisdictions are considering imposing additional restrictions. Complying with emerging and changing requirements, both domestic and international, may cause us to incur substantial costs or require us to change our business practices. We have adopted and implemented policies and procedures designed to promote compliance with U.S. laws and the laws of the jurisdictions in which we operate. Violations of these laws, rules and regulations could result in criminal or civil fines against us, our officers or our employees; restrictions on the conduct of our business; harm to our brand or reputation; and delays in potential acquisitions. Such violations could result in penalties and other restrictions that may, under certain circumstances, materially and adversely impact our operating results and financial condition.

The unique risks of operating in a particular country may require us to adopt a different business approach or strategy in that particular country, which could increase our cost of doing business or limit the type of business activities we can perform in such country. In addition, if we suffer a business disruption due to any of the risks listed above and do not have in place or are not able to implement adequate response plans, our ability to support customers and maintain normal business operations for a significant length of time could be hindered such that our competitive position could be significantly impacted. Furthermore, our financial condition could be adversely impacted if our costs to recover escalate due to such recovery occurring over a protracted period.

We maintain a significant presence in India, Israel and other emerging market countries, conducting substantial software development and support, marketing operations, IT operations and certain financial operations in those locations. Accordingly, we are directly affected by economic, political, physical and electrical infrastructure and military conditions in these countries. Any major hostilities or the interruption or curtailment of trade between these countries and their present trading partners could materially adversely affect our business, financial condition, operating results and cash flows. We maintain contingency and business continuity plans for all significant locations, and to date, various regional conflicts or other local economic or political issues have not caused any major adverse impact on our operations in these countries. Should we be unable to conduct operations in these regions in the future, and our contingency and business continuity plans are unsuccessful, our business could be adversely affected. Furthermore, as the software and technology labor market in these countries has developed at a rapid pace, with many multi-national companies competing for talent, there is a risk that wage and attrition rates will rise faster than we have anticipated, which could lead to higher costs and operational issues.

We face exposure to foreign currency exchange rates.

We conduct significant transactions, including intercompany transactions, in currencies other than the U.S. dollar, including the euro, Israeli shekel, Indian rupee and British pound, or the functional operating currency of the transactional entities, and our global subsidiaries maintain significant net assets that are denominated in currencies other than the functional operating currencies of these entities. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar can significantly affect our revenues and operating results due to transactional and translational remeasurement that is reflected in our earnings. Our foreign currency exchange rate exposures may adversely impact our operating results and operating cash flows.

We may lose key personnel, may not be able to hire enough qualified personnel or may fail to integrate replacement personnel.

Much of our future success depends on the continued service and availability of skilled personnel, including sales, technical and management resources and the availability of skilled contract labor. Experienced personnel in the IT industry are in high demand and competition for their talents is intense. Changing demographics and labor work force trends may result in a loss of knowledge and skills as experienced workers retire. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. In addition, acquisitions could cause us to lose key personnel of the acquired companies or our personnel. With rare exceptions, we do not have long-term employment agreements with our employees.

In addition, we continually focus on improving our cost structure. We have been hiring personnel and engaging third-party outsourcing firms in countries where advanced technical expertise is available at lower costs, and we frequently utilize contract labor for short-term needs. We may also experience increased competition for employees in these countries as the trend toward globalization continues, which may affect our employee retention efforts, increase our dependence on third-party outsourcing firms and contract labor and/or increase our expenses in an effort to offer a competitive compensation program for full-time employees.

We have also undertaken restructuring actions over the past several years to improve our cost structure involving significant reductions in our workforce, relocation of job functions to lower-cost overseas locations and changes to our organizational structure. We will continue to make organizational changes aimed at improving our operating margins and driving operational efficiencies. Some of these changes may result in future workforce reductions or rebalancing actions. These efforts place a strain on our management, administrative, technical, operational and financial infrastructure. Additionally, when we make adjustments to our workforce, we may incur expenses associated with workforce reductions that delay the benefit of a more efficient workforce structure.

If we fail to manage these changes effectively, it could adversely affect our ability to manage our business and our operating results.

Our business and products are dependent on the availability, integrity and security of IT systems.

Our IT systems and related software applications are integral to our business. We rely on controls and systems to ensure data integrity of critical business information and proper operation of our systems and networks. Lack of data integrity could create inaccuracies and hinder our ability to perform meaningful business analysis and make informed business decisions. Despite network security, disaster recovery and systems management measures in place, our disaster recovery planning may not be sufficient for all situations, and we may encounter unexpected general systems outages or failures that may affect our ability to conduct research and development, provide maintenance and support of our products, manage our contractual arrangements, accurately and efficiently maintain our books and records, record our transactions, provide critical information to our management and prepare our financial statements. Additionally, these unexpected systems outages or failures may require additional personnel and financial resources, disrupt our business or cause delays in the reporting of our financial results. We may also be required to modify, enhance, upgrade or implement new systems, procedures and controls to reflect changes in our business or technological advancements, which could cause us to incur additional costs and require additional management attention, placing burdens on our internal resources. Delays in modifying, enhancing, upgrading or implementing our IT systems could limit the success or result in the failure of those initiatives and impair the effectiveness of our internal controls. We also outsource certain IT-related functions to third parties that are responsible for maintaining their own network security, disaster recovery and systems management procedures. If we, or our third-party IT vendors, fail to manage our respective IT systems and related software applications effectively, it could adversely affect our business operations, operating results and cash flows. Failure to adequately address these issues, as well as to manage and protect our infrastructure, could result in the diversion of management's attention and resources and adversely affect our ability to manage our business and to meet our obligations to our customers.

The European Union's General Data Protection Regulation, or the GDPR, became effective on May 25, 2018. If we are found to be in non-compliance with the GDPR, we could be subject to substantial monetary forfeitures and other penalties. Our business reputation could also suffer.

The EU adopted the GDPR, which became effective on May 25, 2018, replacing the Data Protection Directive 95/46/EC. The GDPR provides for more significant forfeitures and penalties for noncompliance than the regulation it replaces. Much remains unknown with respect to how regulators will interpret and implement the GDPR. Should we be found to not be in compliance with the GDPR, we could be subject to substantial monetary forfeitures and other penalties that could negatively impact our operating results. Our business reputation could also suffer.

Changes in revenue recognition guidance will, and other generally accepted accounting principles may, materially adversely affect our reported results of operations or financial condition.

From time to time, the Financial Accounting Standards Board (the "FASB") issues new accounting principles. In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*, with subsequent amendments in 2015, 2016 and 2017, which created new Accounting Standards Codification Topic 606 ("Topic 606") that will replace most existing revenue recognition guidance in GAAP when it becomes effective for us. While we are continuing to assess all potential effects of the new standard, we currently anticipate that this standard will have a material effect on our consolidated financial statements, revenue recognition policies and financial statement disclosures, and believe the most significant impact relates to the timing of the recognition of our software license revenue. Under Topic 606, more judgment and estimates will be required within the revenue recognition process than are required under existing GAAP.

We anticipate a significant reduction in deferred revenue upon adoption of Topic 606, principally relating to the recognition of substantially all license revenue upon software transfer to our customers (as opposed to recognition over time under existing accounting standards). We currently believe that the point-in-time recognition requirement of Topic 606 will increase the volatility of our revenue and earnings period to period.

Under Topic 606, a larger portion of our sales commissions and other incremental costs to acquire contracts will be subject to capitalization as compared to our application of existing GAAP. However, incremental costs related to software license deliverables will be expensed as incurred whereas under our application of current GAAP, a portion of such costs are capitalized and amortized commensurate with the timing of software license revenue recognition. Additionally, we currently anticipate that we will amortize incremental costs related to new customer business over an expected period of benefit of approximately five years, which is generally longer than amortization periods utilized under our application of existing GAAP.

We are also currently assessing the income tax impacts related to Topic 606, mostly relating to the potential impacts from earlier recognition of revenue and the associated reduction in deferred revenue under the standard. Subject to our overall tax attributes and other factors, the adoption of Topic 606 could result in an increase in income taxes payable and accelerated cash tax payment requirements in periods subsequent to adoption of the standard in comparison to existing tax treatment.

Market practices with respect to accounting policies and disclosures are still evolving, and securities analysts and investors may not fully understand the implications of our accounting policies and disclosures or how or why they may differ from similar disclosures by other companies. Changes to existing rules, or changes to the interpretations of existing rules, including, but not limited to, the changes within Topic 606, could lead to changes in our accounting policies and systems. Such changes could materially adversely affect our reported financial results.

We may encounter events or circumstances that would require us to record an impairment charge relating to our goodwill or capitalized software and other intangible assets balances.

Under GAAP, we are required to evaluate our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. We test goodwill for impairment at least annually, and more frequently if impairment indicators are present. In future periods, we may be subject to factors that may constitute a change in circumstances, indicating that the carrying value of our goodwill exceeds its fair value or our intangible assets may not be recoverable. These changes may consist of, but are not limited to, declines in our stock price and market capitalization, reduced future cash flow estimates and slower growth rates in our industry. Any of these factors, or others, could require us to record a significant non-cash impairment charge in our financial statements during a period. Acquisitions can result in additional goodwill or intangible assets balances subject to impairment risk. If we determine that a significant impairment of our goodwill or intangible assets has occurred in any of our operating segments, this could materially adversely affect our business, financial condition and results of operations.

We have not been, and after this offering will not be, subject to the Sarbanes-Oxley Act of 2002 and, therefore, will not be required to provide a management report of our internal controls and our internal and disclosure controls may not be as robust as they would be if we were subject to this law or similar laws.

Although we have devoted management and financial resources to enhance our internal controls over financial reporting, all internal control systems, no matter how well-designed, have inherent limitations. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of changing conditions such as the integrations of acquisitions, the effectiveness of our internal controls may vary over time and we must continue to maintain and upgrade our internal controls. Significant costs are involved with maintaining our technology and internal control infrastructure. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our internal controls may become ineffective or vulnerable. Any failure in the effectiveness of our internal controls over financial reporting could have a material effect on our financial reporting, which could negatively impair our ability to execute our business strategy and our ability to deliver accurate and timely financial information.

We have not been subject to the Sarbanes-Oxley Act of 2002 (“SOX”) or any similar law or regulation and, because we will not register the Notes under the Securities Act after this offering, we will not be subject to SOX or similar laws after this offering. SOX requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information and to have management review the effectiveness of those controls on a quarterly basis. The Securities Act also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements and to have management review the effectiveness of those controls on an annual basis (and have the independent registered public accounting firm attest to the effectiveness of such internal controls). We will not be required to, and we do not intend to voluntarily, comply with these requirements. Consequently, we may have material weaknesses or significant deficiencies in our internal controls that we are not able to detect and this could have a material effect on our financial reporting, the accuracy of our financial statements or cause us to fail to meet reporting obligations. As a result, investor confidence in our financial reports could decline, and the trading price of the Notes could be adversely impacted.

Following the completion of the Transactions, we will be controlled by the Sponsor, whose interests may not be aligned with ours or yours.

Following the completion of the Transactions, we will be controlled by the Sponsor, which has the power to control our affairs and policies, including entering into mergers, sales of all or substantially all of our assets and other extraordinary transactions, as well as decisions to issue shares, declare dividends, pay advisory fees and make other decisions, even though such transactions may involve risk to you as a holder of the Notes. Neither the Sponsor nor its affiliates have any obligation to contribute additional funds (directly or indirectly) to us. The Sponsor will not have any liability for any obligations under the Notes and its interests could conflict with your interests in material respects. Furthermore, the Sponsor is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us, as well as businesses that represent major customers of our businesses. The Sponsor 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. So long as the Sponsor continues to own a significant amount of our outstanding equity they will continue to be able to strongly influence or effectively control our decisions. For information concerning our arrangements with the Sponsor following the Transactions, see "Certain Relationships and Related Party Transactions."

Risks Relating to the Notes and Our Indebtedness

Our substantial indebtedness could adversely affect our financial condition, limit our ability to raise additional capital to fund our operations and prevent us from fulfilling our obligations under the Notes.

After giving effect to the Transactions, we will have a significant amount of indebtedness. As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, we would have had total outstanding indebtedness of $6,219.1 million, including the Euro Notes and Dollar Notes offered hereby, our USD Term Loan Facility in the principal amount of $3,300.0 million, the Euro Term Loan Facility in the principal amount of €930.0 million and $17.2 million of other debt. Additionally, we would have had availability under our Revolving Credit Facility of $400.0 million (excluding $31.7 million of outstanding letters of credit). Upon the satisfaction of certain conditions, including but not limited to, the agreement of lenders to provide such facilities or commitments, we will also have the option under our Credit Facilities to add one or more incremental term loan or revolving credit facilities or increase commitments under our Revolving Credit Facility, in an aggregate amount not to exceed (i) the sum of (a) the greater of (i) $700.0 million and (ii) 85% of Consolidated EBITDA (as calculated pursuant to the credit agreement that will govern the Credit Facilities) and (b) the aggregate amount of voluntary prepayments of loans and voluntary commitment reductions (in each case, to the extent not funded with the proceeds of long-term debt), plus (ii) an additional unlimited amount subject to compliance with certain leverage-based criteria set forth in the Credit Facilities. The Existing Credit Facilities will be repaid and terminated upon consummation of the Merger. The indenture governing the Notes will allow for even greater "incremental" secured debt capacity than permitted under our Credit Facilities. See "Description of Notes."

Our high level of debt could have important consequences to us and to the holders of the Notes, including:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt;
- an event of default if we fail to satisfy our obligations with respect to the Notes or our other indebtedness or fail to comply with the financial and other restrictive covenants contained in the indenture that will govern the Notes or agreements governing other indebtedness, which event of default could result in acceleration of the indebtedness outstanding under the indenture and

in a default with respect to, and an acceleration of, our other indebtedness, and could permit our lenders to foreclose on any of our assets securing such debt;

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, investments or acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, investments or acquisitions or other general corporate purposes;
- increasing our vulnerability to adverse changes in general economic, industry and competitive conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our Credit Facilities, bear interest at variable rates, which could further adversely impact our cash flows;
- limiting our flexibility in planning for and reacting to changes in our business and the industry in which we compete;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- impairing our ability to obtain additional financing in the future;
- preventing us from raising the funds necessary to repurchase all Notes tendered to us upon the occurrence of certain changes of control, which failure to repurchase would constitute an event of default under the indenture that will govern the Notes;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

The occurrence of any one of these events could have an adverse effect on our business, financial condition, cash flows, results of operations and ability to satisfy our obligations in respect of our outstanding debt.

Despite our substantial level of indebtedness, the Credit Facilities and the indenture governing the Notes will permit us and our subsidiaries to incur substantially more debt, including senior secured indebtedness, which could increase the risks associated with the Notes.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including senior secured indebtedness. Although the credit agreement that will govern the Credit Facilities and the indenture that will govern the Notes will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. Also, these restrictions do not prevent us or our subsidiaries from incurring obligations that do not constitute indebtedness. If we incur any additional indebtedness that ranks equally with the Notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company, subject to any collateral arrangements. This may have the effect of reducing the amount of proceeds paid to you. In addition, as of March 31, 2018, on a pro forma basis after giving effect to the Transactions, we would have had $6,219.1 million in total indebtedness consisting of (i) $4,376.9 million equivalent senior secured indebtedness, including $3,300.0 million under our USD Term Loan Facility and $1,076.9 million equivalent under our Euro Term Loan Facility (based on an exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion), (ii) $1,825.0 million equivalent of senior unsecured debt consisting of the Euro Notes and the Dollar Notes offered hereby and (iii) $17.2 million of other debt. We would also have availability under our Revolving Credit Facility of $400.0 million (excluding $31.7 million of outstanding letters of credit). Any such borrowings and the borrowings under our USD Term Loan Facility and Euro Term Loan Facility would be secured indebtedness and therefore would be effectively senior to the Notes and the note guarantees by the guarantors to the extent of the value of the assets securing such debt. To the extent we and our subsidiaries incur further indebtedness, the substantial risks related to our level of indebtedness would increase. See “Description of Certain Other Indebtedness” and “Description of Notes.”

To service our indebtedness, we will require a significant amount of cash, which depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the Notes, and to fund working capital needs and planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control.

If we do not generate sufficient cash flow from operations to satisfy our debt service obligations or we are unable to borrow additional debt, we may have to undertake alternative financing plans, such as:

- refinancing or restructuring our debt, including the Notes;
- selling assets;
- reducing or delaying scheduled expansions and capital investments; or
- seeking to raise additional capital.

We cannot assure you that we would be able to enter into these alternative financing plans on commercially reasonable terms or at all. Moreover, any alternative financing plans that we may be required to undertake may not be successful and, even if successful, may still not guarantee that we would be able to meet our debt service obligations. Our Credit Facilities, the indenture governing the Notes offered hereby, will restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. Our inability to generate sufficient cash flow to satisfy our debt obligations, including our obligations under the Notes, or to obtain alternative financing, could materially and adversely affect our business, financial condition, results of operations and business prospects. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

We will need to repay or refinance borrowings under our Credit Facilities prior to the maturity of the Notes. Failure to do so could have a material adverse effect upon us.

We expect that our USD Term Loan Facility, our Euro Term Loan Facility and our Revolving Credit Facility will mature in 2025, 2025 and 2023, respectively. As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, we would have had $3,300.0 million of term loan borrowings under the USD Term Loan Facility and €930.0 million of term loan borrowings under the Euro Term Loan Facility, with $400.0 million of availability (excluding $31.7 million of outstanding letters of credit) under our Revolving Credit Facility. See “Use of Proceeds” and “Capitalization.”

Consequently, prior to the maturity of the Notes, we will need to repay, refinance, replace or otherwise extend the maturity of our Credit Facilities. Our ability to repay, refinance, replace or extend will be dependent on, among other things, business conditions, our financial performance and the general condition of the financial markets. If a financial disruption were to occur at the time that we are required to repay indebtedness outstanding under our Credit Facilities, we could be forced to undertake alternate financings, negotiate for an extension of the maturity of our Credit Facilities or sell assets and delay capital expenditures in order to generate proceeds that could be used to repay indebtedness under our Credit Facilities. We cannot assure you that we will be able to consummate any such transaction on terms that are commercially reasonable, on terms acceptable to us or at all. Our failure to repay, refinance, replace or otherwise extend the maturity of our Credit Facilities could result in an event of default under the indenture that will govern the Notes and our Credit Facilities, which could lead to an acceleration or repayment of substantially all of our outstanding debt.

The covenants in the credit agreement that will govern our Credit Facilities and the indenture that will govern the Notes will impose restrictions that may limit our operating and financial flexibility and may limit our ability to make payments on the Notes.

The credit agreement that will govern our Credit Facilities and the indenture that will govern the Notes will contain a number of significant restrictions and covenants that limit our and our restricted subsidiaries' ability, among other things, to:

- incur additional indebtedness;
- pay dividends or distributions on our capital stock or repurchase or redeem our capital stock;
- prepay, redeem or repurchase specified indebtedness;
- create certain liens;
- sell, transfer or otherwise convey certain assets;
- make certain investments;
- create dividend or other payment restrictions affecting subsidiaries;
- engage in transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of our assets or the assets of our subsidiaries.

In the event that an amount over a specified threshold is borrowed and outstanding under the Revolving Credit Facility, for so long as any such amount is outstanding, we will be required to comply with a total net first lien secured leverage ratio. See "Description of Notes" and "Description of Certain Other Indebtedness."

These covenants could materially and adversely affect our ability to finance our future operations or capital needs. Furthermore, they may restrict our ability to expand, pursue our business strategies and otherwise conduct our business. Our ability to comply with these covenants may be affected by circumstances and events beyond our control, such as prevailing economic conditions and changes in regulations, and we cannot assure you that we will be able to comply with such covenants. These restrictions also limit our ability to obtain future financings to withstand a future downturn in our business or the economy in general. In addition, complying with these covenants may also cause us to take actions that are not favorable to holders of the Notes and may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

A breach of any covenant in the Credit Facilities or the agreements and indentures governing any other indebtedness that we may have outstanding from time to time, including the indenture that will govern the Notes, would result in a default under that agreement or indenture after any applicable grace periods. A default, if not waived, could result in acceleration of the debt outstanding under the agreement and in a default with respect to, and an acceleration of, the debt outstanding under other debt agreements. If that occurs, we may not be able to make all of the required payments or borrow sufficient funds to refinance such debt. Even if new financing were available at that time, it may not be on terms that are acceptable to us or terms as favorable as our current agreements. If our debt is in default for any reason, our business, financial condition and results of operations could be materially and adversely affected. See "Description of Certain Other Indebtedness" and "Description of Notes—Events of Default and Remedies."

Your right to receive payments on the Notes and the note guarantees is effectively junior to those lenders who have a security interest in our assets including lenders under our Credit Facilities.

Our obligations under the Notes and our guarantors' obligations under their guarantees of the Notes are unsecured, but our obligations under our Credit Facilities and each guarantor's obligations under its guarantee of the Credit Facilities are secured by a security interest in substantially all of our tangible and intangible assets, including the stock and assets of certain of our current and certain future subsidiaries. As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, we would have had $3,300.0 million in secured debt under the USD Term Loan Facility, €930.0 million in secured debt under the Euro Term Loan Facility and our Revolving Credit Facility would have provided for unused availability of $400.0 million, all of which would have been effectively senior to the Notes, in addition to $17.2 million in other debt, to the extent of the value of the assets securing such indebtedness. If we are declared bankrupt or insolvent, or if we default under our Credit Facilities, the lenders thereunder could declare all of the funds borrowed under our Credit Facilities, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the Notes, even if an event of default exists under the indenture that will govern the Notes offered hereby at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any subsidiary guarantor under the Notes, then that guarantor will be released from its guarantee of the Notes automatically and immediately upon such sale. In any such event, because the Notes will not be secured by any of our or our subsidiaries' assets, including the equity interests in subsidiary guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully. See "Description of Certain Other Indebtedness." As a result, you may lose a portion of or the entire value of your investment in the Notes.

In addition, the indenture that will govern the Notes offered hereby will permit us and our restricted subsidiaries to incur substantial additional indebtedness in the future, including additional senior secured indebtedness.

The Issuer's ability to service and repay its debt, including the Notes, will be dependent in part on the cash flows generated by its subsidiaries.

Repayment of our indebtedness, including the Notes, will depend in part on our subsidiaries' generation of cash flow and our subsidiaries' ability to make such cash available to us, by dividend, debt repayment or otherwise. Subsidiaries that are not guarantors will not have any obligation to pay amounts due on the Notes or to make funds available for that purpose. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from them. While the Credit Facilities and the indenture that will govern the Notes will limit the ability of our non-guarantor subsidiaries to incur consensual encumbrances that include restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive cash from our subsidiaries, we will be unable to make required principal, premium, if any, and interest payments on our indebtedness, including the Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Your claims to our assets will be structurally subordinated to all of the creditors of any non-guarantor subsidiaries.

We conduct a substantial portion of our business through our subsidiaries. Claims of creditors of our non-guarantor subsidiaries, including trade creditors, will generally have priority with respect to the assets and earnings of such subsidiaries over the claims of our creditors, including holders of the Notes. For the year ended March 31, 2018, on a pro forma basis after giving effect to the Transactions, the non-guarantors accounted for approximately $483.8 million or 49.0% of our total revenue, $451.2 million, or 55.4%, of our Non-GAAP EBITDA, excluding intercompany transactions, and as of March 31, 2018, on a pro forma basis after giving effect to the Transactions, our non-guarantors accounted for approximately $3,778.1 million, or 35.8%, of our consolidated assets, and approximately $1,125.1 million, or 13.6%, of our consolidated liabilities, each excluding intercompany balances.

The Notes will only be guaranteed by our present and future direct and indirect domestic subsidiaries that serve as a guarantor or obligor under our Credit Facilities or other capital markets debt securities. Other subsidiaries are not required to guarantee the Notes and will have no obligation, contingent or otherwise, to pay any amount due pursuant to the Notes, or to make any funds available therefor, whether by dividends, loans, distributions or other payments. Accordingly, claims of holders of the Notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries, including trade payables, will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the Notes.

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

Any default under the agreements governing our indebtedness, including a default under the Credit Facilities, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the Notes and substantially decrease the market value of the Notes. If we 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 otherwise fail to comply with the various covenants in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness, including our Credit Facilities and the indenture that will govern the Notes offered hereby. 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 our Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Credit Facilities to avoid being in default. If we breach our covenants under our Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

We may enter into certain transactions that would not constitute a change of control but that result in an increase of our indebtedness.

Subject to limitations under the indenture that will govern the Notes offered hereby and the Credit Facilities, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control under the indenture that will govern the Notes and the Credit Facilities, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings in a way that adversely affects the holders of the Notes. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."

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

A change of control, as defined in the indenture that will govern the Notes, will require us to make an offer to repurchase all outstanding Notes. The definition of change of control includes a phrase relating to the sale, lease or transfer of "all or substantially all" of our assets. There is no precisely established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase their Notes as a result of a sale, assignment, transfer, lease, conveyance or disposition of all or substantially all of our properties or assets to another individual, group or entity may be uncertain.

We may not be able to repurchase the Notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest. We may not be able to repurchase the Notes upon a change of control because we may not have sufficient financial resources to purchase all of the Notes that are tendered upon a change of control. Additionally, under the Credit Facilities, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and terminate their commitments to lend. The source of funds for any purchase of the Notes and repayment of borrowings under our Credit Facilities would be our available cash or cash generated from other sources, including borrowings, sales of assets, sales of equity or funds provided by our existing or new stockholders. We may not be able to repurchase the Notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. Further, we may be contractually restricted under the terms of our Credit Facilities or the documentation governing our other indebtedness from repurchasing all of the Notes tendered by holders upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase the Notes unless we are able to refinance or obtain waivers under our Credit Facilities. Our failure to repurchase the Notes upon a change of control would cause a default under the indenture that will govern the Notes and a cross-default under the Credit Facilities. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Notes may be limited by law. In addition, certain corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a "change of control" under the indenture even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the Notes. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."

We face risks related to rating agency downgrades.

We expect one or more rating agencies to rate the Notes. If such rating agencies either assign the Notes a rating lower than the rating expected by the investors or reduce the rating in the future, the market price of the Notes would be adversely affected, and you may not be able to resell your Notes at favorable prices or at all. In addition, if any of our other outstanding debt is rated and subsequently downgraded, raising capital will become more difficult, borrowing costs under our Credit Facilities and other future borrowings may increase and the market price of the Notes may decrease.

Many of the covenants in the indenture that will govern the Notes will not apply to us if the Notes are rated investment grade by any two of Moody's, S&P and Fitch.

Many of the covenants in the indenture that will govern the Notes will cease to apply to the Notes during such time, if any, as the Notes are rated investment grade by any two of Moody's, S&P and Fitch and no default with respect to the Notes has occurred and is continuing. Such covenants restrict, among other things, our ability to pay distributions, incur debt and enter into certain other transactions. Although there can be no assurance that the Notes will ever be rated investment grade, any suspension of such covenants under the indenture would allow us to engage in certain transactions that would not be permitted when such covenants were in force. To the extent any suspended covenants are subsequently reinstated, any actions taken by us while the covenants were suspended would not result in an event of default under the indenture on the basis that such actions would have been prohibited by the covenants. See "Description of Notes—Certain Covenants—Effectiveness of Covenants."

There are circumstances other than the repayment or discharge of the Notes under which the notes guarantees will be released automatically, including that the lenders under the Credit Facilities will have the discretion to release the guarantors under the Credit Facilities in a variety of circumstances.

Under various circumstances, the notes guarantees will be released automatically. The notes guarantee of a guarantor will be automatically released to the extent such guarantor is released in connection with a sale, exchange, transfer or other disposition of the equity interests or all or substantially of the assets of such guarantor in a transaction not prohibited by the indenture that will govern the Notes. The indenture will also permit us to designate one or more of the Issuer's restricted subsidiaries that is a guarantor of the Notes as an unrestricted subsidiary, which will result in the notes guarantee of such guarantor being automatically released.

In addition, if a guarantor is released from its guarantee of the Credit Facilities, other than in connection with a refinancing of the Credit Facilities or a payment under such guarantee, such subsidiary's guarantee of the Notes will be automatically released as well. While any obligations under the Credit Facilities remain outstanding, any guarantee of the Notes may be released without action by, or consent of, any holder of the Notes or the Trustee under the indenture governing the Notes, at the discretion of lenders under the Credit Facilities as a result of such guarantor being released as a guarantor of the Credit Facilities, subject to certain exceptions. The lenders under the Credit Facilities will have the discretion to release the guarantees under the Credit Facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the Notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of holders of the Notes. For a description of all circumstances in which a notes guarantee will be automatically released, see "Description of Notes—Guarantees."

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

You have the benefit of the note guarantees of the subsidiary guarantors. However, the note guarantees by the guarantors are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor's liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such guarantor. Further, under the circumstances discussed more fully below, a court under federal and state fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. See "—Federal and state fraudulent transfer laws may permit a court to void the Notes and note guarantees, and, if that occurs, you may not receive any payments on the Notes." In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under "Description of Notes—Guarantees."

Federal and state fraudulent transfer laws may permit a court to void the Notes and note guarantees, and, if that occurs, you may not receive any payments on the Notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the Notes and the incurrence of the note guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, the Notes and the note guarantees may be voided, or claims in respect of the Notes and the note guarantees may be subordinated to all of our other debt if, among other things, the issuance of the Notes or a guarantee was found to have been made for less than reasonably equivalent value or fair consideration and we, at the time we incurred the indebtedness evidenced by the Notes, or a guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- was insolvent or rendered insolvent by reason of such incurrence; or
- was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature; or
- was a defendant in an action for money damages, or had a judgment for money damages docketed against it, if in either case, after final judgment, the judgment is unsatisfied.

A court might also void the issuance of the Notes or a guarantee, without regard to the above factors, if the court found that we issued the Notes or the guarantor entered into its guarantee with actual intent to hinder, delay or defraud its creditors.

A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the Notes or its guaranty if we or the guarantor did not substantially benefit directly or indirectly from the issuance of the Notes. Because the note guarantees are for our benefit and only indirectly for the benefit of the guarantors, a court could conclude that the guarantors received less than fully equivalent value.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

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

- if 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 they become due.

Each guaranty contains a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guaranty to be a fraudulent transfer. This provision may not be effective to protect the note guarantees from being voided under fraudulent transfer law, or may reduce or eliminate the guarantor's obligation to an amount that effectively makes the guaranty worthless. In a Florida bankruptcy case (which was reinstated by the United States Court of Appeals for the Eleventh Circuit in 2012 on other grounds), this type of provision was found to be ineffective to protect guarantors.

We cannot assure you as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard. Sufficient funds to repay the Notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the guarantor. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any payment on the Notes. Further, the voidance 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 such debt.

We do not intend to offer to register the Notes or to exchange the Notes in a registered exchange offer.

The Notes have not been registered under the Securities Act or any state securities laws and, unless so registered, may not be re-offered or re-sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. We do not intend to register the Notes under the Securities Act or to offer to exchange the Notes for Notes that have been registered under the Securities Act in an exchange offer. As a result, for so long as the Notes remain outstanding, they may be transferred or re-sold only in transactions exempt from the securities registration requirements of federal and applicable state laws. In addition, we will not be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and holders of Notes will only be entitled to receive the information about us specified in "Description of Notes—Certain Covenants—Reports and Other Information," including the information required by Rule 144A(d)(4). The information about the Company will be provided on a confidential basis and may not be copied or reproduced, nor may it be distributed or any of its contents disclosed, to anyone other than holders of the Notes and prospective purchasers of the Notes pursuant to Rule 144A(d)(4).

We are not providing all of the information that would be required if this offering were being registered with the SEC.

This offering circular does not include all of the information that would be required if we were registering the offering of the Notes with the SEC. In particular, this offering circular does not contain the ratio of earnings to fixed charges, certain executive compensation information or the guarantor/non-guarantor footnote that would be required under Rule 3-10 of Regulation S-X. In addition, this offering circular includes pro forma adjustments to certain financial measures that may not be permitted in an SEC filing because they are not permitted by Article 11 of Regulation S-X or otherwise. We urge you to consider this factor in connection with your evaluation of your investment in the Notes. For additional information, see "Non-GAAP Financial Measures."

The pro forma and non-GAAP financial information included in this offering circular is presented for informational purposes only and may not be an indication of our financial condition or results of operations in the future.

The unaudited pro forma financial information included in this offering circular is presented for informational purposes only. The assumptions used in preparing the pro forma financial information may not prove to be accurate and other factors may affect our financial condition or results of operations. Accordingly, our financial condition and results of operations in the future may not be consistent with, or evident from, such pro forma financial information. The non-GAAP financial information included in this offering circular includes information that we use to evaluate our past performance, but you should not consider such information in isolation from or as an alternative to measures of our performance determined under GAAP. For further information regarding such limitations, see "Summary—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data."

We may not achieve all of the expected cost savings included in Pro Forma Non-GAAP Adjusted EBITDA.

Pro Forma Non-GAAP Adjusted EBITDA presented in this offering circular includes certain adjustments related to anticipated benefits and cost savings. These adjustments are described in the footnotes to the summary historical information under the heading "Summary—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" in this offering circular and reflect items that will generally be permitted by the indenture that will govern the Notes and the credit agreement that will govern the Credit Facilities, and may not comply with the SEC's rules governing the use of non-GAAP financial measures. See "Non-GAAP Financial Measures and Reconciliations."

Such anticipated but unrealized benefits are necessarily speculative and subject to certain management estimates and assumptions, and our ability to realize the expected benefits or cost savings also depends on factors beyond our control, such as operating difficulties, increased operating costs, competitors and customers, delays in implementing initiatives and general economic or market conditions. Moreover, our implementation of these initiatives may disrupt our operations and performance and our reputation and results of operations could be harmed if employee morale, engagement or productivity decline as a result of these changes.

We have incurred restructuring costs of approximately $17 million through March 31, 2018, and expect to incur approximately $6 million in additional costs in fiscal year 2019, to achieve these anticipated cost savings. None of these $23 million in restructuring costs are netted from our actioned cost savings adjustment or otherwise have reduced our Pro Forma Non-GAAP Adjusted EBITDA as presented herein. If, for any reason, the benefits we realize are less than our estimates, or our improvement initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove inaccurate, our business, financial condition and results of operations may be materially adversely affected. These actions may not provide the expected benefits and could lead to disruption of our operations, loss of or inability to recruit key personnel, decline in employee productivity, weakening of internal standards, controls or procedures and impairment of key customer and supplier relationships. As such, we cannot assure you that we will be successful in achieving these cost savings.

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

As described under "Description of Notes—Optional Redemption," we have the right to redeem either series of Notes in whole or in part beginning on September 1, 2021, at the redemption prices set forth in this offering circular, and the Notes of either series may be optionally redeemed in full or in part before the Notes of the other series are optionally redeemed in full (or at all). Prior to September 1, 2021, we may also redeem (1) up to 100% of each series of Notes at a redemption price of 100% of the principal amount of such Notes plus a make-whole premium and accrued interest and (2) up to 40% of each series Notes at a redemption price of 100% of the principal amount of such Notes plus the annual coupon of the applicable series of Notes and accrued interest. We may choose to exercise this redemption right when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Your ability to transfer the Notes may be limited by the absence of an active trading market, and an active trading market for the Notes may not develop.

The Notes and note guarantees have not been and will not be registered under the Securities Act and are, and will be, subject to transfer restrictions. Accordingly, there will not be an established public market for the Notes. We do not intend to have the Dollar Notes listed on a national securities exchange or to arrange for quotation on any automated dealer quotation systems. We intend to apply to list the Euro Notes on the Official List of The International Stock Exchange. This listing application for the Euro Notes will be subject to approval by the Authority. There are no assurances that the Euro Notes will be listed on the Official List of and admitted to trade on the Exchange. Certain of the initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable laws and regulations; however, such initial purchasers are not obligated to make a market in any of the Notes, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for any of the Notes may not develop, and if a market for any of the Notes does develop, that market may not continue. In addition, subsequent to their initial issuance, the Notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar Notes, our performance and other factors. The liquidity of any market for the Notes will depend on a number of factors, including the number of holders of Notes, our operating performance and financial condition, the market for similar securities, the interest of securities dealers in making a market in the Notes and prevailing interest rates.

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. The market, if any, for any of the Notes may be subject to similar disruptions, and any such disruptions may adversely affect the prices at which you may sell your Notes.

The Euro Notes may not become, or remain, listed on the Official List of The International Stock Exchange, and the Issuer is under no obligation to maintain the listing of the Euro Notes in certain circumstances.

Although the Issuer will seek to have the Euro Notes listed on the Official List of the Exchange within a reasonable period after the issue date of such notes, the Issuer cannot assure you that the Euro Notes will become or remain listed on the Official List of the Exchange. The Issuer is under no obligation to maintain the listing of the Euro Notes on the Official List of Exchange and may cause the Euro Notes to be de-listed in circumstances where, among others, the continued listing would require preparation of financial statements in accordance with standards other than those accounting principles generally accepted in the United States or we determine that maintenance of such listing otherwise becomes burdensome. In such cases, the Issuer will be obliged to use commercially reasonably efforts to seek an alternative listing for the Euro Notes on another stock exchange. However, if, among others, such an alternative listing is not available to us or is, in our opinion, unduly burdensome, an alternative listing for the Euro Notes may not be obtained. See "Description of Notes—Maintenance of Listing." The Issuer may cease to make or maintain such listing on the Official List of the Exchange and may seek to obtain and maintain the listing of the Euro Notes on another stock exchange, although there can be no assurance that we will be able to do so. Although no assurance is made as to the liquidity of the Euro Notes as a result of listing on the Official List of the Exchange or another recognized listing exchange for comparable issuers in accordance with the indenture that will govern the Euro Notes, failure to be approved for listing or the delisting of Euro Notes from the Official List of the Exchange or another listing exchange in accordance with such indenture may have a material adverse effect on a holder's ability to sell the Euro Notes. Consummation of the offering of the Euro Notes is not contingent on the Issuer making an application for or obtaining such listing or admission to trading.

The Issuer does not currently control BMC and its subsidiaries and will not control BMC and its subsidiaries until completion of the Merger.

The Issuer does not currently control BMC and its subsidiaries and will not control BMC and its subsidiaries until completion of the Merger. Until that time, the Issuer cannot assure you that BMC's business will be operated in the way it would be under the Issuer's control.

The right of holders of the Notes to receive any premium on the Notes under circumstances other than an optional redemption is unclear under applicable law.

The case law surrounding the right, if any, of holders to receive any premium on the Notes under circumstances other than an optional redemption is unclear under applicable law. Accordingly, any right to receive the premium, including any premium described under the second paragraph under "Description of Notes—Optional Redemption," in circumstances other than an optional redemption by us of the Notes pursuant to the provisions of the Notes described under "Description of Notes—Optional Redemption" (including as a remedy in connection with an Event of Default or otherwise), is unclear under applicable law, and will likely depend upon the particular facts and circumstances.

If the conditions to the escrow are not satisfied, the Issuer will be required to redeem each series of Notes, which means that you may not obtain the return you expect on the Notes.

The gross proceeds from this offering of each series of Notes will be deposited into the applicable Escrow Account. The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to the Escrow Outside Date, and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of Notes pursuant to a special mandatory redemptions described in "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption" and you may not obtain the return you expect to receive on the Notes.

The special mandatory redemption price will be a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. There can be no assurance that such funds or partnerships will have sufficient funds necessary to pay any shortfall required to fund a special mandatory redemption.

Between the time of the issuance of the Notes and the consummation of the Merger, the parties to the Merger Agreement may agree to modify or waive the terms or conditions of such document without noteholder consent.

Prior to the consummation of the Merger, the parties to the Merger Agreement may agree to amendments or waivers of, or consents to departures or deviations from, the terms thereof and holders of the Notes will not have the ability to veto any such actions. Although no such amendment, waiver or consent is presently contemplated, if the parties to the Merger Agreement decide to make changes to the terms thereof (including to the purchase price) or to waive conditions thereunder, the holders of the Notes will not be able to prevent the release of the Escrowed Property to fund the Merger as a result of any such action and will not have any veto or consent rights in respect of any such actions.

Prior to the consummation of the Merger, the Issuer will have limited assets and the Company and its subsidiaries will not guarantee the Notes and the Company and its subsidiaries will not be subject to the restrictive covenants in the indenture that will govern the Notes.

Prior to the consummation of the Merger, holders of the Notes will not have any recourse to the Company or any of its subsidiaries as the Notes will be the obligations of Merger Sub only. Merger Sub does not conduct any material operations and has no material assets (other than the escrowed proceeds). Prior to the consummation of the Merger, the Company and its restricted subsidiaries will not be subject to any of the covenants set forth in the indenture that will govern the Notes. Pursuant to the Merger Agreement, the Company and its subsidiaries generally are required to operate in the ordinary course of business prior to the consummation of the Merger.

In a bankruptcy proceeding, the holders of Notes might not be able to apply the escrowed funds to repay the Notes without bankruptcy court approval.

If we commence a bankruptcy or reorganization case, or one is commenced against us, while the Escrow Account remains funded, bankruptcy law may prevent the trustee under the indenture governing the Notes from using the escrowed funds to pay the special mandatory redemption. The court adjudicating that case might find that the Escrow Account is the property of the bankruptcy estate. Although the amounts in the Escrow Account will be pledged as security for the Notes during the term of the escrow, the automatic stay provisions of the federal bankruptcy laws generally prohibit secured creditors from foreclosing upon or disposing of a debtors' property without bankruptcy court approval. As a result, holders of the Notes may not be able to have the funds in the Escrow Account applied at the time or in the manner contemplated by the indenture that will govern the Notes and could suffer a loss as a result. If the court adjudicating that case finds that the Escrowed Property is the property of the bankruptcy estate, the court could authorize the use of such funds by the bankruptcy estate or the bankruptcy trustee, if one is appointed, with or without restrictions. As a result, the holders of the Notes could become unsecured creditors of the bankruptcy estate. In such event, the only remedy available to the holders of the Notes would be to sue for payment on the Notes.

If, after the release of the funds from escrow, we file a bankruptcy petition, or if a bankruptcy petition is filed against us, you may receive a lesser amount for your claim under the Notes than you would have been entitled to receive under the Indenture governing the Notes.

If, after the release of the funds from escrow, we file a bankruptcy petition under the U.S. Bankruptcy Code after the issuance of the Notes, or if such a bankruptcy petition is filed against us, your claim against us for the principal amount of your Notes may be limited to an amount equal to:

- the original issue price for the Notes; and

- the portion of original issue discount that does not constitute "unmatured interest" for purposes of the U.S. Bankruptcy Code.

Any original issue discount that was not amortized as of the date of any bankruptcy filing would constitute unmatured interest. Accordingly, under these circumstances, you may receive a lesser amount than you would have been entitled to receive under the terms of the Indenture governing the Notes, even if sufficient funds are available.

An investment in the Euro Notes by a purchaser whose home currency is not euro entails significant risks.

All payments of interest on and the principal of the Euro Notes and any redemption price for the Euro Notes will be made in euros. These risks include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the holder's currency) and the risk that authorities with jurisdiction over the holder's currency may impose or modify exchange controls. An investment in the Euro Notes by a purchaser whose home currency is not euro entails significant risks.

These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply of and demand for the relevant currencies. In the past, rates of exchange between euro and certain currencies have been highly volatile, and each holder should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of the Euro Notes. An appreciation in the value of the holder's currency relative to the euro would decrease the holder's currency-equivalent yield on the Euro Notes, the holder's currency-equivalent value of the principal payable on the Euro Notes and the holder's currency-equivalent market value of the Euro Notes, and, in certain circumstances, could result in a loss to the holder. See "Currency Presentation and Exchange Rate Data." Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Euro Notes may receive less interest or principal than expected, or no interest or principal.

The terms of the Euro Notes provided for in the indenture governing such Notes will permit us to make payments in U.S. dollars if the Issuer is unable to obtain euros in certain circumstances, which could adversely affect the value of the Euro Notes.

The terms of the Euro Notes will permit us to make payments in U.S. dollars if the euro is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond the Issuer's control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the Euro Notes and the related note guarantees as required pursuant to the indenture that will govern the Euro Notes will be made in U.S. dollars until the euro is again available for the Issuer to be used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars on the basis of the then most recently available market exchange rate for euros, as the case may be.

Any payment so made in respect of the Euro Notes and the related note guarantees as required pursuant to the indenture that will govern the Euro Notes in U.S. dollars will not constitute an event of default under such indenture. Neither the trustee under such indenture nor the paying agent thereunder will have any responsibility for effecting any such conversion.

There may be risks associated with foreign currency judgments in a lawsuit for payment on the Euro Notes, for which an investor may bear currency exchange risk.

The indenture that will govern the Euro Notes and the Euro Notes themselves will be governed by the laws of the State of New York. Under New York law, a New York state court rendering a judgment on the Euro Notes would be required to render the judgment in euros.

However, in such a situation, the judgment would then be converted into U.S. dollars at the exchange rate prevailing on the date of entry of such judgment by the New York State court. Consequently, in a lawsuit for payment on the Euro Notes, investors of such Euro Notes would bear currency exchange risk until a New York state court judgment is entered, which could be a long time. In addition, a federal court in New York presiding over a dispute arising in connection with the Euro Notes may apply the foregoing New York law or in certain circumstances may render the judgment in U.S. dollars.

In courts outside of New York, investors of such Euro Notes may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the Euro Notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of euros into U.S. dollars would depend upon various factors, including which court renders the judgment and when the judgment is rendered.

You should consult your own financial and legal advisors as to the risks entailed by an investment in the Euro Notes. The Euro Notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

The Issuer cannot assure you that the procedures for book-entry interests to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of your rights under the Euro Notes.

Unless and until Notes in definitive registered form are issued in exchange for global notes, owners of book-entry interests will not be considered owners or holders of the Euro Notes except in the limited circumstances provided in the indenture governing such Euro Notes. The common depositary for Euroclear and Clearstream (or its nominee) will be the sole registered holder of the global notes representing the Euro Notes. After payment to the common depositary, the Issuer will have no responsibility or liability for the payment of interest, principal, or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture governing such Euro Notes. See “Book Entry; Delivery and Form.”

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

Similarly, upon the occurrence of an event of default under the indenture governing the Euro Notes, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Euro Notes.

Holders of the Notes will have not have contract claims against our foreign subsidiaries and, even if they did, they may not be able to effect service of process or enforce judgments obtained against us outside of the United States.

Holders of the Notes will only have contract claims for payment under the indenture and the Notes against the Issuer and the guarantors of the Notes, all of which will be organized in the United States. We have subsidiaries organized outside the United States that hold a significant portion of our consolidated assets and represent a majority of our Non-GAAP EBITDA. These subsidiaries organized outside the United States will not be required to provide guarantees of the Euro Notes or the Dollar Notes and will not have any obligations under, or in respect of, the indenture and the Notes. As a result, holders of the Notes will not have any claims for payment against these subsidiaries. Moreover, even if our subsidiaries were to provide guarantees in respect of the Notes even without an obligation to do so, it may not be possible for holders of the Notes to effect service of process on them or enforce judgments obtained against them outside the United States.

The indenture that will govern the Notes will not be qualified under the U.S. 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.

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. 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.

THE TRANSACTIONS

The Merger

Effective May 25, 2018, Boxer Parent Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Parent, Merger Sub and the Representative, pursuant to which, at the closing of the transactions contemplated thereby, Parent, via Merger Sub, will acquire Boxer Parent Company and Merger Sub will be merged with and into Boxer Parent Company with Boxer Parent Company surviving the merger (the "Merger").

At the effective time of the Merger, each share of Boxer Parent Company's common stock outstanding immediately prior to the effective time (other than certain shares of common stock subject to customary exceptions), and all vested and outstanding options to acquire Boxer Parent Company's common stock, pursuant to the terms of the Merger Agreement, will be cancelled and converted into a right to receive cash consideration in accordance with the terms of the Merger Agreement. Certain members of Boxer Parent Company's management may agree to "roll over" a percentage of their ownership of Boxer Parent Company's common stock into Parent's common stock. The aggregate purchase price for the Company's outstanding equity will be based on a base merger consideration of $8,300.0 million in cash, subject to adjustment as set forth in the Merger Agreement.

The Merger Agreement contains customary representations and warranties by the Company, customary representations and warranties of Parent and Merger Sub and customary covenants and other agreements among Parent, Merger Sub and the Company. The closing of the Merger is subject to (i) the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, (ii) the expiration of all applicable waiting periods or receipt of required approvals under the foreign competition laws (or other laws) identified by the parties in certain specified jurisdictions, (iii) the absence of any law or order by any governmental body prohibiting the Merger or the other transactions contemplated by the Merger Agreement and (iv) other customary closing conditions.

Either Boxer Parent Company or Parent may terminate the Merger Agreement prior to the closing:

- by mutual written consent;
- if any government authority issues a law or any final and non-appealable order enjoining, restraining or otherwise prohibiting the transactions contemplated by the Merger Agreement (provided no termination may be made by a party whose breach of the Merger Agreement has primarily resulted in or caused such law or order);
- if the transactions contemplated by the Merger Agreement have not been consummated on or before November 26, 2018; *provided* that the party seeking termination has not been a primary cause thereof and; provided further that this initial end date shall be extended to February 26, 2019 at the election of either Boxer Parent Company or Parent if, as of November 26, 2018, (A) all of the closing conditions have been met (other than those that by their terms are to be satisfied at the closing) but the marketing period has not been completed (or the second business day following the completion of the marketing period has not occurred) or (B) all of the closing conditions have been met, other than those that by their terms are to be satisfied at the closing and other than the closing conditions described in clauses (i) or (ii) in the immediately preceding paragraph or the closing condition described in clause (iii) in the immediately preceding paragraph as it relates to the conditions described in clauses (i) or (ii) in the immediately preceding paragraph); or
- upon the uncured breach or failure to perform of the other party in certain circumstances.

In addition, Boxer Parent Company may terminate the Merger Agreement in certain circumstances if all closing conditions (other than those that by their terms are to be satisfied at the closing provided such conditions are capable of being satisfied at the closing) have been satisfied or waived and Parent fails to consummate the Merger within three business days of the date the closing is required to occur under the Merger Agreement. If the Merger Agreement is terminated in certain circumstances, Parent may be required to pay a termination fee to Boxer Parent Company.

Upon consummation of the Merger, the Company will be a wholly-owned indirect subsidiary of Parent. All of Parent's outstanding capital stock will be owned by entities affiliated with KKR, other than (i) any capital stock or options issued to management in connection with their "rollover" of equity of Boxer Parent Company or otherwise granted in connection with Parent's management equity plans and (ii) any PIK Preferred Equity held by investors unaffiliated with KKR. Parent will use the cash from the Sponsor Equity Contribution, cash on hand, the net proceeds of the PIK Preferred Equity contribution, borrowings under the Credit Facilities and the net proceeds from this offering of Notes to pay the Merger consideration under the Merger Agreement, repay certain existing indebtedness, pay related fees and expenses and fund cash to the balance sheet.

Upon consummation of the Merger, we will enter into certain arrangements with entities related to KKR. Please refer to "Certain Relationships and Related Party Transactions" for more information regarding these arrangements.

The Financing Transactions

Concurrently with the closing of the Merger, we anticipate the following will occur:

- the entry into the Credit Facilities, including: (i) the $400.0 million Revolving Credit Facility (which we expect to remain undrawn at the closing of the Merger); (ii) the USD Term Loan Facility (all $3,300.0 million of which will be borrowed to finance the Merger); and (iii) the €930.0 million Euro Term Loan Facility (all €930.0 million of which will be borrowed to finance the Merger);
- the release from escrow of the gross proceeds of the $1,475.0 million aggregate principal amount of Dollar Notes and €301.5 million aggregate principal amount of Euro Notes offered hereby;
- the contribution by Parent to Merger Sub of the net proceeds received by it from the issuance by Parent of PIK Preferred Equity in an aggregate amount of $300.0 million to affiliates of the Sponsor and/or other investors that commit to purchase a portion of PIK Preferred Equity; and
- the Sponsor Equity Contribution committed to be made to Parent by the Sponsor and the Rollover Offer Participants of $2,100.0 million, which will be contributed to Merger Sub in connection with the Merger.

This offering will be consummated prior to the consummation of the Merger. Merger Sub will execute and deliver an Escrow Agreement and will deposit, or cause to be deposited, the gross proceeds from this offering of each series of Notes into the applicable Escrow Account. The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to the Escrow Outside Date, and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of Notes pursuant to a special mandatory redemption in accordance with the procedures set forth herein. The special mandatory redemption price will be a price equal to

100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. See "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption." We will repay all amounts outstanding under the Existing Credit Facilities and discharge or defease the Existing Notes on the date we consummate the Merger. See "Use of Proceeds."

For a more detailed description of the Credit Facilities, see "Description of Certain Other Indebtedness," and for a more detailed description of the Notes offered hereby, see "Description of Notes."

USE OF PROCEEDS

The following table summarizes the estimated sources and uses of funds in connection with the closing of the Transactions, assuming the Transactions closed on March 31, 2018. The actual amount of sources and uses of cash as of the date of the Transactions may differ depending on several factors, including fluctuations in foreign currency exchange rates, cash on hand and differences from our estimation of fees and expenses, as well as accrued interest on existing indebtedness.

We intend to use the net proceeds from this offering, together with borrowings under our Credit Facilities, the net proceeds of the PIK Preferred Equity, the Sponsor Equity Contribution and cash on hand to fund the Merger consideration, to retire certain existing indebtedness of the Company and to pay related fees and expenses, as well as accrued interest on our outstanding debt.

This offering will be consummated prior to the consummation of the Merger. Merger Sub will execute and deliver an Escrow Agreement and will deposit, or cause to be deposited, the gross proceeds from this offering of each series of Notes into the applicable Escrow Account. The release of escrow proceeds to Merger Sub to consummate the Merger will be subject to the satisfaction of certain conditions, including the closing of the Merger on the same day as the release of such escrowed funds. The consummation of the Merger is subject to certain conditions, including regulatory approval. If the Merger is not consummated on or prior to the Escrow Outside Date, and upon the occurrence of certain other events, the escrow proceeds of each series of Notes will not be released to Merger Sub to consummate the Merger but instead will be released to the trustee under the indenture for the purpose of redeeming each series of Notes pursuant to a special mandatory redemption in accordance with the procedures set forth herein. The special mandatory redemption price will be a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest from the issue date of the Notes to, but not including, the special mandatory redemption date. Additional cash in respect of interest that would accrue on each series of Notes from and after the issue date of the Notes will not be pre-funded into the applicable Escrow Account on the issue date of the Notes but KKR and its affiliates will commit on or prior to the date of the consummation of this offering to, in the event of a special mandatory redemption, fund the difference between the amounts in each Escrow Account that are available to be applied to redeem the applicable series of Notes pursuant to the special mandatory redemption and the special mandatory redemption price. See "Description of Notes—Escrow of Proceeds; Special Mandatory Redemption."

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

SOURCES OF FUNDS	AMOUNT	USES OF FUNDS	AMOUNT
	($ in millions)		
Credit Facilities (1)	$4,377	Transaction-related payments (5)	$8,300
Notes offered hereby (2)	1,825	Estimated fees and expenses (6)	290
PIK Preferred Equity (3)	300	Cash to balance sheet	62
Sponsor equity contribution (4)	2,100		
Cash from balance sheet	50		
Total Sources	$8,652	**Total Uses**	$8,652

(1) Concurrently with the closing of the Merger, the Company will enter into the Credit Facilities. The full amount of the USD Term Loan Facility in the amount of $3,300 million and the Euro Term Loan Facility in the amount of €930 million ($1,077 million equivalent based on an exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion) will be drawn on the closing date to fund the Merger. The Revolving Credit Facility provides for borrowings of up to

$400 million from time to time and includes borrowing capacity for letters of credit. The Credit Facilities will permit us to draw under the Revolving Credit Facility an amount up to $50 million to finance the Merger plus additional amounts to fund OID or upfront fees. See "Description of Certain Other Indebtedness." We do not currently intend to draw any of the $50 million under the Revolving Credit Facility at the closing of the Transactions, but may do so as a result of a decline in cash on the balance sheet on or after the closing date, to fund additional fees or expenses or for other reasons. Euro proceeds of the Euro Term Loan Facility will be swapped for U.S. dollars on the closing date of the Merger, pursuant to certain foreign currency forward contracts.

(2) Represents the U.S. dollar equivalent of the aggregate principal amount of the Notes offered hereby, consisting of the Dollar Notes and the Euro Notes, excluding any discounts and commissions.

(3) Represents cash equity contributions associated with the issuance by Parent of $300 million of PIK Preferred Equity, excluding issuance costs, which will be contributed to Merger Sub in connection with the Merger. See "Certain Relationships and Related Party Transactions—PIK Preferred Equity."

(4) Represents cash equity contributions committed to be made by the Sponsor and the Rollover Offer Participants to Parent, which will be contributed to Merger Sub in connection with the Merger. See "The Transactions—The Merger."

(5) Reflects (i) the estimate of the total consideration to be paid for the purchase of the Company's issued and outstanding common shares (other than the rollover equity of the Rollover Offer Participants), (ii) our estimated fees and expenses associated with the Transactions of approximately $170 million, not including the fees and expenses described in footnote (7) below, and (iii) the repayment of the Company's outstanding indebtedness, including the third-party indebtedness and all premiums, fees and expenses therewith. The actual purchase price of the Company's equity will depend on the adjustments to the Merger consideration immediately prior to the effective time of the Merger. See "The Transactions—The Merger."

In connection with the Transactions, we intend to repay all of our outstanding indebtedness under the Existing Credit Facilities, the Existing Notes and certain stock repurchase promissory notes. As of March 31, 2018, we had the U.S. dollar equivalent of approximately $3,603 million aggregate principal amount in outstanding borrowings under the Existing Credit Facilities, approximately $1,840 million aggregate principal amount of the Existing Notes outstanding and approximately $7 million of stock repurchase promissory notes outstanding. In connection with our repayment of outstanding indebtedness, we intend to pay a premium for the redemption of and accrued interest on the Existing Notes and such stock repurchase promissory notes, which totals approximately $89 million as of March 31, 2018. Depending on the timing of the closing of the Transactions, the borrowings and accrued interest associated with the existing indebtedness may vary. Affiliates of certain of the initial purchasers of the Notes are lenders and/or agents under the Existing Credit Facilities and, accordingly, will receive a portion of the net proceeds from this offering through the repayment by us of amounts outstanding under the Existing Credit Facilities if such funds are released from escrow upon consummation of the Merger. See "Plan of Distribution."

As of March 31, 2018, we also had the following indebtedness outstanding: (i) $304 million aggregate principal amount of Existing PIK Notes, which were fully redeemed during the quarter ended June 30, 2018, and (ii) derivative instruments, (x) certain of which were terminated during the quarter ended June 30, 2018 and (y) the remainder of which will mature prior to the consummation of the Merger. Accordingly, such indebtedness will not be repaid in connection with the Transactions, but will impact our cash and cash equivalents on a pro forma basis. See "Capitalization" and "Unaudited Pro Forma Condensed Consolidated Financial Information."

(6) Reflects (i) our estimated fees and expenses associated with the Financing Transactions of $222 million, including placement fees, initial purchaser discounts, underwriting and other financing fees, our estimate of OID, and other transaction costs for advisory and professional

fees, and (ii) our estimated fees and expenses associated with the remainder of the Transactions of $68 million, including PIK Preferred Equity issuance costs, fees paid to the Sponsor and other transaction costs for advisory and professional fees. All fees, expenses and other costs are estimates and actual amounts may differ from those set forth in this offering circular.

CAPITALIZATION

The following table sets forth our cash, cash equivalents and restricted cash and capitalization as of March 31, 2018 on an actual basis and on a pro forma basis to give effect to the Transactions and the use of proceeds therefrom as described in "Use of Proceeds." This table should be read with our consolidated financial statements and the related notes thereto, "Use of Proceeds," "The Transactions," "Unaudited Pro Forma Condensed Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this offering circular.

	As of March 31, 2018	
	Actual	Pro Forma
	(unaudited) ($ in millions)	
Cash, cash equivalents and restricted cash (1)	$ 563.2	$ 575.2
Long-term indebtedness (including current portion):		
Existing Debt:		
Term loans under Existing Credit Facilities (2)	$ 3,602.5	$ —
Revolving loans under Existing Credit Facilities (2)	—	—
Existing Notes and Existing PIK Notes (3)	2,144.2	—
Other indebtedness (4)	24.3	17.2
New Debt:		
Revolving Credit Facility (5)	—	—
USD Term Loan Facility (6)	—	3,300.0
Euro Term Loan Facility (7)	—	1,076.9
Notes offered hereby (8)	—	1,825.0
Total debt	5,771.0	6,219.1
Total stockholders' equity (deficit) (9)	(1,439.8)	2,291.3
Total capitalization	$ 4,331.2	$8,510.4

(1) The available cash amount at closing will depend on the timing of the closing of the Transactions and our cash generation and usage between March 31, 2018 and the closing date of the Merger. Specifically, pro forma cash, cash equivalents and restricted cash as of March 31, 2018 does not reflect (i) changes in available cash that may occur prior to the closing of the Merger due to the seasonality of our operations and (ii) a cash distribution anticipated to be made to our Existing Sponsors prior to the closing of the Merger and not reflected as part of the Transactions. As a result of these factors, we anticipate that our actual available cash amount as of the closing of the Merger will be substantially lower than the amount reflected above on a pro forma basis and, as reflected in "Use of Proceeds," is currently estimated to be approximately $62.0 million.

(2) Excludes $31.7 million of outstanding letters of credit under the Existing Credit Facilities. The Existing Credit Facilities provide for term loan borrowings, revolving loan borrowings and letters of credit, guarantees and similar instruments. Any amounts outstanding under the Existing Credit Facilities at the closing of the Transactions will be repaid in full, and the Existing Credit Facilities will be terminated at such time.

(3) As of March 31, 2018, we had $303.9 million aggregate principal amount of Existing PIK Notes, $1,775.0 million aggregate principal amount of Existing 2021 Notes, $37.5 million aggregate principal amount of Existing February 2022 Notes and $27.8 million aggregate principal amount of Existing December 2022 Notes. In May 2018, we issued a redemption notice to holders of the Existing PIK Notes to redeem the remaining principal and interest outstanding thereof, which was paid during the quarter ended June 30, 2018.

(4) As of March 31, 2018, we had $24.3 million outstanding for capital leases and other obligations, including (i) approximately $7.0 million of stock repurchase promissory notes, which will be repaid in connection with the Transactions, and (ii) $9.3 million of accrued liabilities.

(5) On the closing date, we will enter into the Revolving Credit Facility with a syndicate of lenders to provide for borrowings of up to $400.0 million from time to time. We do not currently intend to draw under the Revolving Credit Facility at the closing of the Transactions, but may do so as a result of a decline in cash on the balance sheet on the closing date, to fund additional fees or expenses or for other reasons. The Credit Facilities will permit us to draw up to $50.0 million under the Revolving Credit Facility to finance the Merger and additional amounts to fund OID and upfront fees and expenses.

(6) Represents the full amount of the USD Term Loan Facility drawn on the closing date.

(7) Represents the full amount of the Euro Term Loan Facility drawn on the closing date. U.S. Dollar equivalent based on USD:EUR exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion. Euro proceeds of the Euro Term Loan Facility will be swapped for U.S. dollars on the closing date of the Merger, pursuant to certain foreign currency forward contracts.

(8) Represents the U.S. dollar equivalent of the aggregate principal amount of the Dollar Notes and the Euro Notes offered hereby and does not reflect any discounts or commissions. The amount of Euro Notes offered hereby is based on an exchange rate published by Bloomberg of $1.1610 per €1.00 as of August 8, 2018.

(9) Pro forma total stockholders' equity as of March 31, 2018 reflects the anticipated equity contributions (i) to be made by Parent in connection with Parent's issuance of PIK Preferred Equity, (ii) to be made by the Sponsor and (iii) to be made by the Rollover Offer Participants, in each case as part of the Transactions.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial statements have been developed by applying pro forma adjustments to our historical audited consolidated financial statements appearing elsewhere in this offering circular. The unaudited pro forma condensed consolidated balance sheet gives effect to the Transactions as if they had occurred on March 31, 2018. The unaudited pro forma condensed consolidated statement of operations gives effect to the Transactions as if they had occurred on April 1, 2017. All pro forma adjustments and the assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with these unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma adjustments reflected herein are preliminary and based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma consolidated financial data is presented for informational purposes only. The unaudited pro forma condensed consolidated financial data does not purport to represent what our results of operations or financial condition would have been had the Transactions actually occurred on the dates indicated, nor do they purport to project our results of operations or financial condition for any future period or as of any future date. The unaudited pro forma condensed consolidated financial data should be read in conjunction with the information included under "The Transactions," "Use of Proceeds," "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes included elsewhere in this offering circular.

The Merger will be accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification ("ASC") Topic 805, *Business Combinations,* under GAAP. Under the acquisition method of accounting, the total estimated purchase price of an acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. Such valuations are based on available information and certain assumptions that we believe are reasonable. Management has made a preliminary allocation of the estimated purchase price to the tangible and intangible assets acquired and liabilities assumed based on various preliminary estimates. This estimate may differ materially from the actual allocation after the completion of the Transactions. The actual adjustments to our consolidated financial statements upon the closing of the Transactions will depend on a number of factors, including additional information available and our net assets on the closing date of the Transactions. In addition, this pro forma presentation does not contemplate changes in tax structure, accounting policies or synergy benefits. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material. The unaudited pro forma condensed consolidated statement of operations does not reflect any non-recurring charges or gains that we may record in connection with the Transactions; however, these estimated non-recurring items will be reflected in our statement of operations for the period during which the Transactions will take place.

The final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. As of the date of this offering circular, we have not completed the valuation studies necessary to finalize the estimates of the fair values of the assets we will acquire and liabilities we will assume and the related allocation of the purchase price. We have allocated the total estimated purchase price, calculated as described in note 2(e) to the unaudited pro forma condensed consolidated financial information, to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of a final valuation, which may be prepared by third-party appraisers. There are no assurances that the final estimate of fair value of the acquired assets and assumed liabilities will not be materially different from the estimated fair value after a more detailed review is performed. This final valuation will be based on the actual tangible and identifiable intangible assets acquired and liabilities assumed as of the closing date of the Merger. Any final adjustment will change the allocations of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma condensed consolidated financial statements, including a change to goodwill, a change to the amortization of tangible and identifiable intangible assets and a change to revenue. Any such changes could differ materially from the valuations and purchase price allocations presented in the accompanying unaudited pro forma condensed consolidated financial information.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
March 31, 2018
($ in millions)

	Boxer Parent Co. (a)	Pro Forma Adjustments	Pro Forma
ASSETS			
Current assets:			
Cash and cash equivalents	$ 530.4	$ 12.0 (b)	$ 542.4
Restricted cash	32.8	—	32.8
Trade accounts receivable, net	547.2	—	547.2
Trade finance receivables, net	107.3	—	107.3
Other current assets	106.0	(48.3)(c)	57.7
Total current assets	1,323.7	36.3	1,287.4
Property and equipment, net	123.1	—	123.1
Software development costs, net	39.9	(39.9)(d)	—
Long-term trade finance receivables, net	64.8	—	64.8
Intangible assets, net	1,584.4	2,915.6 (e)	4,500.0
Goodwill	4,248.7	242.0 (e)	4,490.7
Deferred tax assets, net	20.4	—	20.4
Other long-term assets	119.9	(40.6) (f)	79.3
Total assets	$ 7,524.9	$ 3,040.8	$10,565.7
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Trade accounts payable	$ 23.5	$ —	$ 23.5
Finance payables	8.3	—	8.3
Accrued liabilities	333.9	(49.4)(g)	284.5
Deferred revenue	1,287.0	(907.1)(h)	379.9
Current portion of long-term borrowings	35.6	6.9 (i)	42.5
Total current liabilities	1,688.3	(949.6)	738.7
Long-term deferred revenue	1,416.2	(1,051.4)(h)	364.8
Deferred tax liabilities, net	83.6	1,006.4 (j)	1,090.0
Long-term borrowings	5,641.1	354.0 (i)	5,995.1
Other long-term liabilities	135.5	(49.7)(k)	85.8
Total liabilities	8,964.7	(690.3)	8,274.4
Total stockholders' equity (deficit)	(1,439.8)	3,731.1 (l)	2,291.3
Total liabilities and stockholders' equity (deficit)	$ 7,524.9	$ 3,040.8	$10,565.7

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Year ended March 31, 2018
($ in millions)

	Boxer Parent Co. (m)	Pro Forma Adjustments		Pro Forma
Revenue:				
Perpetual license	$ 353.0	$ (98.7)	(n)	$ 254.3
Perpetual maintenance and SaaS	936.8	(422.2)	(n)	514.6
Term license and maintenance	459.2	(323.7)	(n)	135.5
Professional services	99.9	(17.7)	(n)	82.2
Total revenue	1,848.9	(862.3)	(n)	986.6
Operating expenses:				
Cost of license, maintenance and SaaS revenue	230.2	—		230.2
Cost of professional services revenue	89.5	—		89.5
Selling and marketing expenses	558.3	(42.5)	(o)	515.8
Research and development expenses	163.6	—		163.6
General and administrative expenses	184.2	—		184.2
Depreciation and amortization expenses	524.5	29.5	(p)	554.0
Total operating expenses	1,750.3	(13.0)		1,737.3
Operating income (loss)	98.6	(849.3)		(750.7)
Other expense, net:				
Other expense, net	(104.8)	102.9	(q)	(1.9)
Interest expense	(417.2)	(70.0)	(r)	(487.2)
Total other expense, net	(522.0)	32.9		(489.1)
Loss before income taxes	(423.4)	(816.4)		(1,239.8)
Income tax benefit	(116.4)	(272.3)	(s)	(388.7)
Net loss	$ (307.0)	$(544.1)		$ (851.1)

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Note 1 – Basis of Presentation

Effective May 25, 2018, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Banff Parent Inc. ("Parent"), Banff Merger Sub Inc. ("Merger Sub"), Bain Capital Private Equity, LP and Golden Gate Private Equity, Inc., pursuant to which, at the closing of the transactions contemplated thereby, Parent, via Merger Sub, will acquire the Company and Merger Sub will be merged with and into the Company with the Company surviving the merger (the "Merger"). Parent and Merger Sub are affiliates of KKR & Co. Inc. (the "Sponsor").

At the effective time of the Merger, each outstanding share of Boxer Parent Company's common stock and all outstanding options to acquire Boxer Parent Company's common stock will be cancelled and converted into a right to receive cash consideration in accordance with the terms of the Merger Agreement. Certain members of Boxer Parent Company's management may agree to "roll over" a percentage of their ownership of Boxer Parent Company's common stock into Parent's common stock. The aggregate purchase price for the Company's outstanding equity will be based on a base merger consideration of $8,300.0 million in cash.

Parent has entered into a debt commitment letter with a syndicate of commercial banks to provide up to $6.6 billion in financing, inclusive of the new senior secured U.S. dollar and Euro first lien term loan facilities (collectively the "Term Loan Facilities"), the multicurrency senior secured first lien revolving credit facility (the "Revolving Credit Facility" and together with the Term Loan Facilities, the "Credit Facilities") governed by a credit agreement and the Notes offered hereby, to fund the Merger. Parent has also entered into a preferred equity commitment letter with investors to provide up to $300.0 million of preferred equity of Parent ("PIK Preferred Equity") to fund the Merger.

The purchase price for the Merger is estimated as listed below. The purchase price will be allocated to the fair value of the Company's assets acquired and liabilities assumed, valued as of the date of the Merger. The pro forma purchase price allocation below has been developed based on preliminary estimates of fair value using the historical consolidated financial statements of the Company as of March 31, 2018. In addition, the allocation of the purchase price to acquired identifiable assets and assumed liabilities is based on management's preliminary estimates of the values of the tangible and identifiable intangible assets acquired and liabilities assumed used by management to prepare the unaudited pro forma condensed consolidated financial information. The pro forma information will be revised based upon management's final analyses, with the assistance of valuation advisors, as additional information becomes available as of the closing date of the Merger and upon the completion of purchase price adjustments. Such final adjustments, including changes to deferred revenue and amortizable tangible and intangible assets, may be material. The preliminary purchase price and purchase price allocation are presented as follows:

	March 31, 2018
	(in millions)
Preliminary purchase price	**$ 8,300.0**
Preliminary purchase price allocation:	
Current assets	$ 1,275.5
Other non-current assets	278.6
Total tangible assets acquired	1,554.1
Identified intangible assets acquired	4,500.0
Current liabilities assumed	(696.2)
Long-term liabilities assumed	(1,548.6)
Total assets acquired in excess of liabilities assumed	3,809.3
Goodwill	4,490.7
Total preliminary purchase price	**$ 8,300.0**

Note 2 – Pro Forma Adjustments and Assumptions

Unaudited pro forma consolidated balance sheet

(a) Represents the historical consolidated balance sheet of the Company as of March 31, 2018.

(b) Represents the net change in cash and cash equivalents, calculated as presented below. As discussed in footnote (1) to "Capitalization," we anticipate that our actual cash, cash equivalents and restricted cash as of the closing of the Merger will be substantially lower than $575.2 million on a pro forma basis and is currently estimated to be approximately $62.0 million, not the amount reflected as pro forma cash, cash equivalents and restricted cash as of March 31, 2018.

	March 31, 2018
	(in millions)
Proceeds from the Credit Facilities (1)	$ 4,376.9
Proceeds from the Notes offered hereby (2)	1,825.0
Sponsor equity contribution (3)	2,100.0
Proceeds from PIK Preferred Equity (3)	300.0
Purchase of the Company's equity (4)	(2,224.1)
Payment of debt and PIK Preferred Equity issuance costs, estimated fees and expenses (5)	(290.0)
Repayment of existing long-term debt, accrued interest and the change in control premium	(5,855.5)
Payment for termination of derivative instruments, net (6)	(50.6)
Payment of estimated seller fees and expenses associated with the Transactions (7)	(169.7)
Net adjustment to cash and cash equivalents	**$ 12.0**

(1) The Credit Facilities will consist of (i) the $3,300.0 million USD Term Loan Facility and the €930.0 million ($1,076.9 million equivalent based on an exchange rate of 1.158 used for purposes of the Euro Term Loan Facility conversion) Euro Term Loan Facility with a 7-year maturity and (ii) the $400.0 million Revolving Credit Facility with a 5-year maturity. The Revolving Credit Facility will be undrawn at closing.
(2) Represents the principal amount of the Notes offered hereby, including (i) $1,475.0 million aggregate principal amount of Dollar Notes with an 8-year maturity and (ii) €301.5 million aggregate principal amount of Euro Notes with an 8-year maturity ($350.0 million equivalent based on an exchange rate published by Bloomberg of $1.1610 per €1.00 as of August 8, 2018).
(3) Represents equity contributions by Parent which consist of (i) $2,100.0 million cash equity contributions committed to be made to Parent by the Sponsor and the Rollover Offer Participants, which will be contributed to Merger Sub in connection with the Merger and (ii) $300.0 million gross proceeds from Parent's issuance of PIK Preferred Equity.
(4) Reflects the total consideration to be paid to holders of outstanding shares of the Company's common stock and vested and outstanding stock options.
(5) Represents the payment of debt and PIK Preferred Equity issuance costs and original issuance discount related to the Notes offered hereby, the Credit Facilities and PIK Preferred Equity, along with costs and expenses associated with the Merger.
(6) Represents payments to terminate derivative instruments related to the Existing Credit Facilities based on their historical fair values as of March 31, 2018.
(7) Represents the seller's payments of costs and expenses associated with the Transactions.

(c) Represents the adjustment to eliminate historical short-term deferred commission and deferred royalty balances of $46.5 million in connection with the preliminary purchase price allocation and historical debt issuance costs of $1.8 million associated with the existing revolving credit facility.

(d) Represents the adjustment to eliminate historical capitalized software development costs, which have been included in the estimation of the fair value of acquired intangible assets in note (e) below.

(e) Represents the preliminary net adjustment for the fair value of the identifiable intangible assets that are being acquired along with the goodwill as determined in Note 1. The Merger will be accounted for using the acquisition method of accounting. The excess of the preliminary purchase price over the estimated fair values of the assets acquired and liabilities assumed has been allocated to goodwill. The estimated fair values of the identifiable intangible assets are based on management's best estimates for the preparation of the unaudited pro forma condensed consolidated financial information and are subject to the final management analyses, with the assistance of valuation advisors, at the completion of the Merger. The preliminary net adjustment has been calculated as follows:

	March 31, 2018 (in millions)
Preliminary fair value of acquired assets	$ 4,500.0
Elimination of the Company's pre-Merger intangible assets	(1,584.4)
Net adjustment to intangible assets	**$ 2,915.6**
Goodwill (as determined in Note 1)	$ 4,490.7
Elimination of the Company's pre-Merger goodwill	(4,248.7)
Net adjustment to goodwill	**$ 242.0**

(f) Represents the net adjustment to other long-term assets which includes (i) an adjustment to eliminate historical long-term deferred commission and deferred royalty balances of $46.2 million in connection with the preliminary purchase price allocation, (ii) an adjustment related to the termination of the Company's existing foreign currency call option of $3.4 million and (iii) new debt issuance costs related to the Revolving Credit Facility of $9.0 million.

(g) Represents the net adjustment to accrued liabilities, calculated as follows:

	March 31, 2018 (in millions)
Payment of accrued interest on the Company's existing long-term borrowings that will not remain in the capital structure	$(45.1)
Termination of derivative instruments related to the Existing Credit Facilities	(4.3)
Net adjustment to accrued liabilities	**$(49.4)**

(h) Represents the adjustment to record deferred revenue at estimated fair value in connection with the preliminary purchase price allocation. The estimated fair value of the deferred revenue is based on management's best estimate of the fair value for the preparation of the unaudited pro forma condensed consolidated financial information and is subject to the final management analyses, with the assistance of valuation advisors, at the completion of the Merger.

(i) Represents the net adjustment to long-term borrowings associated with the issuance of the Notes offered hereby, the Credit Facilities and the repayment of the existing debt, calculated as follows (net of discounts and issuance costs):

	March 31, 2018 (in millions)
Proceeds from the current portion of the Credit Facilities	$ 42.5
Less: Repayment of existing current portion of the Existing Credit Facilities	(35.6)
Net adjustment to the current portion of long-term borrowings	**$ 6.9**
Proceeds from the Notes offered hereby (1)	$ 1,783.9
Proceeds from the long-term portion of the Credit Facilities	4,203.7
Less: Repayment of existing long-term borrowings	(5,633.1)
Net adjustment to long-term borrowings	**$ 354.0**

(1) Represents aggregate proceeds from the Notes offered hereby of $1,825.0 million less estimated debt issuance costs of $41.1 million.

(j) Represents the net change in long-term deferred tax liabilities associated with the unaudited pro forma adjustments, calculated at the applicable statutory rate for the jurisdictions to which the unaudited pro forma adjustments are estimated to relate, based on the Company's current structure.

(k) Represents the net adjustment to eliminate the historical balance related to the derivative instruments related to the Existing Credit Facilities.

(l) Represents the net adjustment to total stockholders' equity in conjunction with the Merger, calculated as follows:

	March 31, 2018
	(in millions)
Sponsor equity contributions	$2,100.0
PIK Preferred Equity	300.0
Non-capitalizable transaction costs charged to equity	(108.7)
Less: Historical Company stockholders' deficit	1,439.8
Net adjustment to total stockholders' equity	**$3,731.1**

Unaudited pro forma condensed consolidated statement of operations

(m) Represents the historical consolidated results of operations of the Company for the year ended March 31, 2018.

Adjustments (n) through (r) to the statement of operations for the year ended March 31, 2018 include pro forma adjustments related to changes in preliminary fair value of the assets acquired along with pro forma adjustments related to financing activities including the Notes offered hereby and the Credit Facilities.

(n) Represents the elimination of revenues, recognized by the Company in fiscal year 2018 from deferred revenue balances, which have been reduced as a result of the adjustment to the fair value of deferred revenue balances as required under GAAP, as if the Merger had been completed on April 1, 2017.

(o) Represents the elimination of certain selling and marketing expenses, recognized by the Company in fiscal year 2018 from deferred commission balances, which have been reduced as a result of the adjustment to the fair value of deferred commission balances as required under GAAP, as if the Merger had been completed on April 1, 2017.

(p) Represents the adjustments to amortization expense related to the change in fair value of new identifiable intangible assets acquired in the Merger. The revised amortization expense was calculated using the range of estimated useful lives of 7 to 20 years. The amounts allocated to the identifiable intangible assets and the estimated useful lives are based on preliminary fair value estimates. The preliminary purchase price allocation was made only for the purpose of presenting unaudited pro forma condensed consolidated financial information. The calculation of the adjustment to amortization expense is as follows:

	Year ended March 31, 2018
	(in millions)
Amortization of acquired intangible assets	$ 498.9
Less: Historical amortization of pre-Merger intangible assets	(407.9)
Less: Historical amortization of pre-Merger capitalized software development costs	(61.5)
Net adjustment to depreciation and amortization expenses	**$ 29.5**

(q) Represents the elimination of the historical amounts related to (i) the net losses on the Company's derivative instruments related to the Existing Credit Facilities of $69.6 million and (ii) the expenses associated with refinancing activities in fiscal year 2018 related to the Existing Credit Facilities of $33.3 million.

(r) Represents the net adjustment to interest expense related to the Notes offered hereby and the Credit Facilities, calculated as follows:

	Year ended March 31, 2018
	(in millions)
Interest expense on the Notes offered hereby and Credit Facilities (1)	$ 436.5
Amortization of debt issuance costs and the original issuance discount related to the Notes offered hereby and the Credit Facilities	49.3
Pro forma interest expense, net	486.2
Elimination of historical interest expense, net	(416.2)
Net adjustment to interest expense	**$ 70.0**

(1) Represents the interest expense related to the Notes offered hereby and the Credit Facilities in an aggregate principal amount of $6,201.9 million. The interest expense has been determined using a weighted average interest rate of 7.0% per annum. Each 1/8% fluctuation in the interest rate of the Notes offered hereby and the Credit Facilities would change pro forma interest expense by approximately $8 million per annum. For the calculation of pro forma interest expense, we have assumed that the Revolving Credit Facility is undrawn and our existing capital lease obligations remain in place.

(s) Represents the adjustment to income taxes to reflect the unaudited pro forma adjustments at the applicable statutory tax rate for the jurisdictions to which the unaudited pro forma adjustments are estimated to relate, based on the Company's current structure.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The selected historical consolidated financial data presented below for each of the years in the three-year period ended March 31, 2018 and as of March 31, 2018 and 2017 has been derived from our audited consolidated financial statements presented elsewhere in this offering circular. The selected historical consolidated financial data presented below as of March 31, 2016 has been derived from our audited consolidated financial statements not included in this offering circular.

You should read the selected consolidated financial data set forth below in conjunction with "Risk Factors," "Unaudited Pro Forma Condensed Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited consolidated financial statements and accompanying notes thereto included elsewhere in this offering circular. Our historical operating results are not necessarily indicative of future operating results.

	HISTORICAL		
	MARCH 31,		
	2016	2017	2018
	($ in millions)		
Consolidated statement of operations data:			
Revenues:			
Perpetual license	$ 359.9	$ 364.5	$ 353.0
Perpetual maintenance and SaaS	819.8	895.9	936.8
Term license and maintenance	293.0	373.2	459.2
Professional services	110.1	104.9	99.9
Total revenue	1,582.8	1,738.5	1,848.9
Operating expenses:			
Cost of license, maintenance and SaaS revenue	240.8	245.6	230.2
Cost of professional services revenue	110.3	94.4	89.5
Selling and marketing expenses	554.4	553.1	558.3
Research and development expenses	160.2	166.9	163.6
General and administrative expenses	184.8	165.9	184.2
Depreciation and amortization expenses	517.8	530.9	524.5
Gain on patent litigation, net	—	(215.0)	—
Total operating expenses	1,768.3	1,541.8	1,750.3
Operating income (loss)	(185.5)	196.7	98.6
Other expense, net:			
Other income (expense), net	(4.3)	22.8	(104.8)
Interest expense, net	(434.0)	(428.6)	(417.2)
Total other expense, net	(438.3)	(405.8)	(522.0)
Loss before income taxes	(623.8)	(209.1)	(423.4)
Benefit for income taxes	(184.3)	(117.1)	(116.4)
Net loss	$ (439.5)	$ (92.0)	$ (307.0)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment (1)	25.1	38.8	(35.4)
Unrealized gain (loss) on cash flow hedges (2)	(23.7)	24.9	(32.2)
Reclassification adjustment on cash flow hedges	23.3	(15.0)	43.7
Total other comprehensive income (loss)	24.7	48.7	(23.9)
Total comprehensive loss	$ (414.8)	$ (43.3)	$ (330.9)

	HISTORICAL		
	MARCH 31,		
	2016	2017	2018
	($ in millions)		
Consolidated statement of cash flows data:			
Net cash provided by (used in):			
Operating activities	$ 77.9	$ 561.8	$ 218.3
Investing activities	(134.7)	(61.4)	(64.9)
Financing activities	(46.7)	(277.4)	(240.1)
Consolidated balance sheet data:			
Cash, cash equivalents and restricted cash	$ 410.0	$ 628.8	$ 563.2
Total assets	8,102.3	7,887.4	7,524.9
Total borrowings (3)	6,185.6	5,881.6	5,771.0
Total stockholders' deficit	(1,093.7)	(1,119.3)	(1,439.8)

(1) Including tax provision of $5.7 million, $0.4 million and $5.4 million for the years ended March 31, 2016, 2017 and 2018, respectively.

(2) Including tax provision of $1.1 million, $2.4 million and $3.6 million for the years ended March 31, 2016, 2017 and 2018, respectively.

(3) Total borrowings includes current and non-current portions of principal amounts of long term borrowings, as well as $8.1 million, $10.3 million and $9.3 million of accrued liabilities consisting of capital leases and other obligations as of March 31, 2016, 2017 and 2018, respectively.

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

The following discussion and analysis of our financial condition and results of operations covers periods prior to the consummation of the Transactions. Accordingly, the discussion and analysis of historical periods does not reflect the significant impact that the Transactions will have on our financial position, results of operations and cash flows, including, without limitation, increased leverage and related interest expense, the impact of acquisition accounting (including changes in amortization expenses) and debt service requirements. You should read the following discussion and analysis in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Information," "Selected Historical Consolidated Financial Data" and the historical financial statements and related notes included elsewhere in this offering circular. This discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements that are based on management's current expectations, estimates and projections about our business and operations. Our actual results may differ materially from those contained in or implied by any forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Risk Factors" and "Cautionary Statement About Forward-Looking Statements" sections of this offering circular.

Unless indicated otherwise, results of operations data in the following discussion and analysis are presented in accordance with GAAP. Additionally, in an effort to provide investors with additional information regarding our results of operations, certain non-GAAP financial measures including non-GAAP revenue and Non-GAAP EBITDA are provided in the following discussion and analysis. See "Non-GAAP Financial Measures and Reconciliations" below for a reconciliation of these non-GAAP financial measures to their most comparable GAAP financial measures.

References herein to a "fiscal year" refer to a year ended as of March 31.

Our Business

We provide ITOM software solutions to help our customers monitor, manage, automate and secure their mission-critical Information Technology (IT) workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. Our customers use our portfolio of solutions to help ensure seamless IT operations and performance across applications and infrastructure, including new technologies that power their core business capabilities. Our solutions manage the IT systems and processes that enable mission-critical business functions such as processing payment transactions at global financial institutions, managing global airline reservations, check-in and departure processes at scale in real-time, ensuring consistent inventory and pricing data across online and brick and-mortar storefronts, as well as controlling and intelligently optimizing HVAC across vast global corporate footprints. We have a culture of innovation and have consistently invested in and delivered modern solutions that address our customers' evolving IT requirements. As IT paradigms have expanded from mainframe, to client server, to mobile, to cloud, we have remained a trusted provider of solutions for our customers' important IT challenges. We were founded in 1980 as a mainframe management software provider and we have consistently developed innovative solutions, leveraged new technologies and techniques, responded to the evolving needs of our customers and expanded our portfolio.

We license our software under both perpetual and term license models for on-premises use. Under perpetual license arrangements, our customers receive the perpetual right to use our software. Many of our customers also purchase related maintenance and support services on an annual or multi-year basis. Under term license arrangements, our customers receive license rights to use our software along with bundled maintenance and support services for the term of the contract. We also provide on-demand Software-as-a-Service (SaaS) and managed services offerings delivered through hosted solutions.

We are able to provide ITOM solutions at the scale and sophistication required by the world's largest organizations. Our large, diverse base of more than 10,000 customers spans over 120 countries and a broad range of industries, including major banks, financial services firms, government agencies, technology companies, telecommunication providers, manufacturers, educational institutions, retailers and hospitals. We have approximately 5,800 employees worldwide as of March 31, 2018 with offices across 39 countries. We market and sell our solutions primarily through a direct sales force, augmented by strategic alliances with channel partners, including resellers, distributors and systems integrators.

Because our software and SaaS solutions and related professional services are designed for and marketed to companies looking to improve the management of their IT infrastructure and processes, the demand for our solutions and services, and therefore our financial results, are dependent upon customers continuing to value such solutions and to invest in such technology. There are a number of trends that have historically influenced demand for IT management solutions, including, among others, business demands placed on IT, computing capacity within IT departments, complexity of IT systems, IT operational costs and the growth of SaaS and cloud solutions within the IT industry which in some cases is displacing on-premises software licensing installations. Our financial results are also influenced by many economic and industry conditions, including, but not limited to, general economic and market conditions in the United States and global markets in which we operate and market our solutions, changes in foreign currency exchange rates, general levels of customer spending, IT budgets, the competitiveness of the IT management software and solutions industry and the stability of the mainframe market.

Key Factors Affecting Our Performance

Cycle of Customer Contracts Coming Up for Renewal

A large portion of our revenue is generated from the renewal of our existing contracts. The timing and occurrence of these renewals is impacted by several factors including the contract terms that determine when they come up for renewal, competitive offerings and the evolving business needs of our customers. Additionally, significant new product sale opportunities occur in connection with our contract renewal cycles. These factors may increase the volatility of our operating results.

Retention of and Expansion Within Our Existing Customer Base

Expanding the relationships with our existing customers has been an important part of our growth strategy. Over the years, our innovation efforts have been focused on solving the critical IT problems of our customers, demonstrating a strong sense of commitment towards the success of their businesses. Our sales efforts are focused on: (a) retention and expansion within our current customer base, driven through renewals, additional capacity and cross-selling opportunities and (b) sale of our integrated product portfolio to new customers.

We believe our ability to cross-sell is a key factor in our efforts to further penetrate our existing customer base. Our large, diverse base of more than 10,000 customers spans over 120 countries. After the initial deployment of our solutions, many of our customers expand their usage of our solutions to manage more workloads. Our future growth and profitability depend on our ability to successfully expand the adoption and usage of our solutions within our customers' organizations.

Sales Performance

With a focus on long-term growth, we have developed a disciplined sales strategy and made significant investments in our sales force. We focus our Sales and Go-to-Market strategies on our large enterprise customers. We have a strong focus on cross-selling and upselling existing customers, maintaining high customer satisfaction and winning new customers. We have introduced specialized account managers who have deep technical experience and are key contributors for driving our cross-selling efforts.

Investments in New Product Development

Our continued focus on new product development has helped us remain competitive in the market. We continue to develop innovative products that are used by our customers to solve many of their most important IT challenges. Amidst changing environments and a proliferation of data, our solutions help many of our customers manage costs while improving the performance of their IT infrastructures. Our customer-centric innovation efforts are aimed to ensure a long-lasting relationship with our customers.

Mix of Subscription and Perpetual Licenses and Associated Accounting Impact

We offer our customers the flexibility to choose between perpetual and time-based licenses, as well on-premises deployments and hosted SaaS solutions. Over time, the share of time-based licenses and SaaS subscriptions has increased relative to perpetual licenses and we expect this trend to continue in the future. This mix-shift will impact the timing of revenue recognition and renewals which can impact revenue adversely over the short term. Time-based license fees and SaaS subscription fees are recognized ratably over the contractual terms of the subscription arrangements beginning on the date the license or service is made available to the customer. This accounting methodology leads to recognition of a portion of revenue in a period derived from agreements that were entered into in prior periods and hence does not fully reflect our sales performance. On the other hand, perpetual license revenue is generally recognized upfront upon execution of the contract and delivery of the licenses, or ratably over the associated maintenance and support term, based on the application of GAAP to the particular contract terms. There is inherent unpredictability in the timing of recognition of perpetual license revenue due to contractual terms that may be included in individual customer contracts, which may cause significant fluctuations in our revenue and earnings from quarter to quarter. In addition, we are continuing to assess the potential effects of Topic 606 and we currently anticipate that the volatility of our revenue and earnings period to period will increase upon our adoption of Topic 606. See "—Critical Accounting Policies and Estimates—Recent Accounting Pronouncements."

Items Affecting the Comparability of Our Results of Operations

As a result of the application of purchase accounting in connection with the 2013 Acquisition, our assets acquired and liabilities assumed were adjusted to their respective fair values. This had a significant effect on our deferred revenue balances and reduced future amounts that would have been recognized in our current and prior periods into revenue from deferred revenue. As such, to aid comparability, certain additional non-GAAP financial measures, which exclude the effects of purchase accounting, are included herein and are reconciled to their most comparable GAAP financial measure in "Non-GAAP Financial Measures and Reconciliations" herein.

Effects of the Transactions on our Financial Statements

The consummation of the Merger and related transactions, the repayment of the Existing Credit Facilities, the discharge or defeasance of the Existing Notes, the payment of related fees and expenses and the Financing Transactions will have effects on our financial statements in the future. See "The Transactions" for a description of the Merger and the Financing Transactions.

Our financial statements in the future will vary from the historical financial statements included elsewhere in this offering circular. The Merger will be accounted for as a business combination using the acquisition method of accounting under the provisions of ASC Topic 805, *Business Combinations,* under GAAP. Under the acquisition method of accounting, the total estimated purchase price of an acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. Such valuations will be based on available information and certain assumptions regarding future cash flows, discount rates, industry outlook and other factors that we believe are reasonable. The most significant effects to our financial statements are expected to be the reduction of deferred revenue balances to their estimated fair values, which will also reduce the amount of revenue recognized in future periods to the extent it was deferred at the date of the Merger; adjustments to intangible asset amounts and the associated estimated useful lives, which may increase the amount of amortization expense recognized in future periods; adjustments to goodwill balances, which may increase the risk of an impairment in future periods; and the associated tax impacts of these changes.

Consolidated Results of Operations

The following table sets forth the consolidated results of operations for the years ended March 31, 2018, 2017 and 2016:

	Year Ended March 31,		
	2018	**2017**	**2016**
		(in millions)	
Revenue:			
Perpetual license	$ 353.0	$ 364.5	$ 359.9
Perpetual maintenance and SaaS	936.8	895.9	819.8
Term license and maintenance	459.2	373.2	293.0
Professional services	99.9	104.9	110.1
Total revenue	1,848.9	1,738.5	1,582.8
Operating expenses:			
Cost of license, maintenance and SaaS revenue	230.2	245.6	240.8
Cost of professional services revenue	89.5	94.4	110.3
Selling and marketing expenses	558.3	553.1	554.4
Research and development expenses	163.6	166.9	160.2
General and administrative expenses	184.2	165.9	184.8
Depreciation and amortization expenses	524.5	530.9	517.8
Gain on patent litigation, net	—	(215.0)	—
Total operating expenses	1,750.3	1,541.8	1,768.3
Operating income (loss)	98.6	196.7	(185.5)
Other expense, net:			
Other income (expense), net	(104.8)	22.8	(4.3)
Interest expense, net	(417.2)	(428.6)	(434.0)
Total other expense, net	(522.0)	(405.8)	(438.3)
Loss before income taxes	(423.4)	(209.1)	(623.8)
Benefit for income taxes	(116.4)	(117.1)	(184.3)
Net loss	$ (307.0)	$ (92.0)	$ (439.5)

Revenue

We license our software under both perpetual and term license models for customer on-premises use. Under perpetual license arrangements, our customers receive the perpetual license rights to use our software and generally purchase related maintenance and support services for a specified period. Under term license arrangements, our customers receive license rights to use our software along with bundled maintenance and support services for the term of the contract. We also provide on-demand SaaS offerings for certain of our products, which provide management solutions through a hosted service rather than a traditional on-premises license model.

As a result of the application of purchase accounting in connection with the 2013 Acquisition, deferred perpetual license, deferred perpetual maintenance and SaaS, deferred term license and maintenance and deferred professional services revenue balances were adjusted to their fair values. These adjustments had the effect of reducing future amounts that would have been recognized into revenue from deferred revenue. To aid comparability, non-GAAP revenue information is provided herein to reflect revenue that would have been recognized had purchase accounting not been applied in connection with the 2013 Acquisition.

The following table and discussion summarize revenue on a non-GAAP basis which excludes the impact of purchase accounting applied in connection with the 2013 Acquisition:

	Year Ended March 31,			Percentage Change	
	2018	2017	2016	2018 Compared to 2017	2017 Compared to 2016
		(in millions)			
Non-GAAP revenue:					
Perpetual license	$ 358.7	$ 374.0	$ 382.0	(4.1)%	(2.1)%
Perpetual maintenance and SaaS	953.2	923.8	892.6	3.2%	3.5%
Term license and maintenance	503.4	459.5	430.4	9.6%	6.8%
Professional services	100.2	105.6	111.3	(5.1)%	(5.1)%
Total non-GAAP revenue	$1,915.5	$1,862.9	$1,816.3	2.8%	2.6%

Perpetual License Revenue (non-GAAP basis excluding the impact of purchase accounting)

Non-GAAP perpetual license revenue in fiscal 2018 was $358.7 million, a decrease of $15.3 million, or 4.1%, from fiscal 2017. This decrease was attributable primarily to a decrease in the amount of perpetual license transaction bookings recognized upfront rather than deferred and a decrease in perpetual license transaction bookings, partially offset by an increase in the recognition of non-GAAP perpetual license revenue that was deferred in prior periods. Of the perpetual license transactions recorded, the percentage of perpetual license revenue deferred rather than recognized upfront was 35% in the current fiscal year as compared to 32% in the prior fiscal year.

Non-GAAP perpetual license revenue in fiscal 2017 was $374.0 million, a decrease of $8.0 million, or 2.1%, from fiscal 2016. This decrease was attributable primarily to a decrease in the amount of perpetual license transaction bookings recognized upfront rather than deferred, partially offset by an increase in the recognition of non-GAAP perpetual license revenue that was deferred in prior periods. Of the perpetual license transactions recorded, the percentage of perpetual license revenue deferred rather than recognized upfront was 32% in the current fiscal year as compared to 29% in the prior fiscal year.

Perpetual Maintenance and SaaS Revenue (non-GAAP basis excluding the impact of purchase accounting)

Non-GAAP perpetual maintenance and SaaS revenue for fiscal 2018 was $953.2 million, an increase of $29.4 million, or 3.2%, over fiscal 2017. This increase was attributable primarily to an increase in the recognition of non-GAAP maintenance revenue that was deferred in prior periods and an increase in non-GAAP SaaS revenue due to an increased subscriber base.

Non-GAAP perpetual maintenance and SaaS revenue for fiscal 2017 was $923.8 million, an increase of $31.2 million, or 3.5%, over fiscal 2016. This increase was attributable primarily to an increase in the recognition of non-GAAP maintenance revenue that was deferred in prior periods and an increase in non-GAAP SaaS revenue due to an increased subscriber base.

Non-GAAP SaaS revenue for fiscal 2018, 2017 and 2016 was $92.7 million, $82.3 million and $67.2 million, respectively.

Term License and Maintenance Revenue (non-GAAP basis excluding the impact of purchase accounting)

Non-GAAP term license and maintenance revenue for fiscal 2018 was $503.4 million, an increase of $43.9 million, or 9.6%, over fiscal 2017, primarily due to an increase in term licenses. Non-GAAP term license and maintenance revenue for fiscal 2017 was $459.5 million, an increase of $29.1 million, or 6.8%, over fiscal 2016, primarily due to an increase in term licenses.

Domestic vs. International Revenue (non-GAAP basis excluding the impact of purchase accounting)

	Year Ended March 31,			Percentage Change	
	2018	2017	2016	2018 Compared to 2017	2017 Compared to 2016
		(in millions)			
Non-GAAP perpetual license:					
Domestic	$ 171.5	$ 172.7	$ 186.1	(0.7)%	(7.2)%
International	187.2	201.3	195.9	(7.0)%	2.8%
Total non-GAAP perpetual license revenue	358.7	374.0	382.0	(4.1)%	(2.1)%
Non-GAAP perpetual maintenance and SaaS:					
Domestic	514.6	518.6	518.0	(0.8)%	0.1%
International	438.6	405.2	374.6	8.2%	8.2%
Total non-GAAP perpetual maintenance and SaaS revenue	953.2	923.8	892.6	3.2%	3.5%
Non-GAAP term license and maintenance:					
Domestic	238.3	223.0	212.0	6.9%	5.2%
International	265.1	236.5	218.4	12.1%	8.3%
Total non-GAAP term license and maintenance revenue	503.4	459.5	430.4	9.6%	6.8%
Non-GAAP professional services:					
Domestic	37.5	43.6	46.3	(14.0)%	(5.8)%
International	62.7	62.0	65.0	1.1%	(4.6)%
Total non-GAAP professional services revenue	100.2	105.6	111.3	(5.1)%	(5.1)%
Total non-GAAP domestic revenue	961.9	957.9	962.4	0.4%	(0.5)%
Total non-GAAP international revenue	953.6	905.0	853.9	5.4%	6.0%
Total non-GAAP revenue	$1,915.5	$1,862.9	$1,816.3	2.8%	2.6%

Non-GAAP international perpetual license revenue for fiscal 2018 decreased by $14.1 million, or 7.0%, from fiscal 2017, attributable primarily to a decrease of $16.6 million in our EMEA market, partially offset by increases of $1.0 million and $1.8 million in our Asia Pacific and Canada markets, respectively. Non-GAAP international perpetual license revenue for fiscal 2017 increased by $5.4 million, or 2.8%, over fiscal 2016, attributable to increases of $11.6 million and $6.1 million in our EMEA and Latin America markets, respectively, partially offset by decreases of $9.5 million and $2.8 million in our Asia Pacific and Canada markets, respectively.

Non-GAAP international perpetual maintenance and SaaS revenue for fiscal 2018 increased by $33.4 million, or 8.2%, over fiscal 2017, attributable primarily to increases of $24.9 million, $5.5 million and $2.8 million in our EMEA, Latin America and Canada markets, respectively. Non-GAAP international perpetual maintenance and SaaS revenue for fiscal 2017 increased by $30.6 million, or 8.2%, over fiscal 2016, attributable to increases of $22.2 million, $5.0 million, $2.4 million and $1.0 million in our EMEA, Latin America, Canada and Asia Pacific markets, respectively.

Non-GAAP international term license and maintenance revenue for fiscal 2018 increased by $28.6 million, or 12.1%, over fiscal 2017, attributable primarily to increases of $21.2 million, $3.8 million and $3.3 million in our EMEA, Canada and Asia Pacific markets, respectively. Non-GAAP international term license and maintenance revenue for fiscal 2017 increased by $18.1 million, or 8.3%, over fiscal 2016, attributable primarily to increases of $10.3 million and $7.7 million in our EMEA and Asia Pacific markets, respectively.

Professional Services Revenue (non-GAAP basis excluding the impact of purchase accounting)

Non-GAAP professional services revenue for fiscal 2018 decreased by $5.4 million, or 5.1%, from fiscal 2017, primarily due to a $6.1 million, or 14.0%, decrease in non-GAAP domestic professional services revenue. This decrease was attributable to decreases in non-GAAP implementation, consulting and education revenue period over period.

Non-GAAP professional services revenue for fiscal 2017 decreased by $5.7 million, or 5.1%, from fiscal 2016, which is reflective of a $2.7 million, or 5.8%, decrease in non-GAAP domestic professional services revenue and a $3.0 million, or 4.6%, decrease in non-GAAP international professional services revenue. These decreases were attributable to decreases in non-GAAP implementation, consulting and education revenue period over period.

Operating Expenses

	Year Ended March 31,			Percentage Change	
	2018	2017	2016	2018 Compared to 2017	2017 Compared to 2016
		(in millions)			
Cost of license, maintenance and SaaS revenue	$ 230.2	$ 245.6	$ 240.8	(6.3)%	2.0%
Cost of professional services revenue	89.5	94.4	110.3	(5.2)%	(14.4)%
Selling and marketing expenses	558.3	553.1	554.4	0.9%	(0.2)%
Research and development expenses	163.6	166.9	160.2	(2.0)%	4.2%
General and administrative expenses	184.2	165.9	184.8	11.0%	(10.2)%
Depreciation and amortization expenses	524.5	530.9	517.8	(1.2)%	2.5%
Gain on patent litigation, net	—	(215.0)	—	nm	nm
Total operating expenses	$1,750.3	$1,541.8	$1,768.3	13.5%	(12.8)%

Cost of License, Maintenance and SaaS Revenue

Cost of license, maintenance and SaaS revenue consists primarily of royalties to third parties; production and distribution costs for initial product licenses; the costs associated with customer support and research and development personnel that provide maintenance, enhancement and support services to our customers; internal and third-party infrastructure hosting and support costs associated with our SaaS offerings; and the amortization of share-based compensation components of capitalized software development costs. For fiscal 2018, 2017 and 2016, cost of license, maintenance and SaaS revenue was $230.2 million, or 12.5%, $245.6 million, or 14.1%, and $240.8 million, or 15.2%, of total revenue, respectively, and 13.2%, 15.0% and 16.4% of license, maintenance and SaaS revenue, respectively.

Cost of license, maintenance and SaaS revenue for fiscal 2018 decreased by $15.4 million, or 6.3%, from fiscal 2017, attributable primarily to a $5.4 million decrease in royalties expenses, a $3.7 million decrease in personnel and related costs, principally due to a decrease in bonus and incentive compensation and a decrease in personnel allocated to maintenance rather than development projects, a $3.4 million decrease in third-party subcontracting fees and a $3.3 million decrease in third-party SaaS hosting and support costs.

Cost of license, maintenance and SaaS revenue for fiscal 2017 increased by $4.8 million, or 2.0%, over fiscal 2016, attributable primarily to a $4.5 million increase in royalties expenses, a $1.6 million increase in allocated facilities expenses and a $1.3 million increase in share-based compensation expense, partially offset by a $3.0 million decrease in third-party subcontracting fees.

Cost of Professional Services Revenue

Cost of professional services revenue consists primarily of salaries, related personnel costs and third-party subcontracting fees associated with implementation, consulting and education services that we provide to our customers and the related infrastructure to support this business. For fiscal 2018, 2017 and 2016, cost of professional services revenue was $89.5 million, or 4.8%, $94.4 million, or 5.4%, and $110.3 million, or 7.0%, of total revenue, respectively, and 89.6%, 90.0% and 100.2% of professional services revenue, respectively.

Cost of professional services revenue for fiscal 2018 decreased by $4.9 million, or 5.2%, from fiscal 2017. This decrease was attributable primarily to a $4.0 million decrease in personnel and related costs, principally due to cost saving initiatives and a decrease in travel-related expenses, and a $2.0 million decrease in third-party subcontracting fees, partially offset by a $1.4 million increase in share-based compensation expense.

Cost of professional services revenue for fiscal 2017 decreased by $15.9 million, or 14.4%, from fiscal 2016. This decrease was attributable primarily to a $13.9 million decrease in personnel and related costs, principally due to cost saving initiatives and a decrease in travel-related expenses, and a $1.1 million decrease in third-party subcontracting fees.

Selling and Marketing Expenses

Selling and marketing expenses consist primarily of salaries, related personnel costs, sales commissions and costs associated with advertising, marketing, industry trade shows and sales seminars. For fiscal 2018, 2017 and 2016, selling and marketing expenses were $558.3 million, or 30.2%, $553.1 million, or 31.8%, and $554.4 million, or 35.0%, of total revenue, respectively.

Selling and marketing expenses for fiscal 2018 increased by $5.2 million, or 0.9%, over fiscal 2017. This increase was attributable primarily to a $5.1 million increase in sales personnel and related costs, principally due to increases in severance expense and variable compensation partially offset by a decrease in travel-related expenses, and a $10.0 million increase in share-based compensation expense, partially offset by a $5.9 million decrease in third-party subcontracting fees and a $3.9 million decrease in marketing expenses.

Selling and marketing expenses for fiscal 2017 decreased by $1.3 million, or 0.2%, from fiscal 2016. This decrease was attributable to a $3.9 million decrease in facilities expenses, a $2.3 million decrease in sales personnel and related costs, principally due to a decrease in travel-related expenses, a $2.0 million decrease in bad debt expense and a $1.3 million decrease in marketing expenses, partially offset by a $3.6 million increase in share-based compensation expense and a $4.6 million net increase in other expenses.

Research and Development Expenses

Research and development expenses consist primarily of salaries and related personnel costs and third-party subcontracting fees related to software developers and development support personnel, including product management, software programmers, testing and quality assurance personnel and writers of technical documentation, such as product manuals and installation guides. These expenses also include computer hardware and software costs, telecommunications costs and personnel costs associated with our development and production labs. For fiscal 2018, 2017 and 2016, research and development expenses were $163.6 million, or 8.8%, $166.9 million, or 9.6%, and $160.2 million, or 10.1%, of total revenue, respectively.

Research and development expenses for fiscal 2018 decreased by $3.3 million, or 2.0%, from fiscal 2017. This decrease was attributable to $10.8 million increase in capitalized research and development costs related to SaaS development projects, a $4.6 million decrease in personnel and related costs, principally due to decreases in bonus and incentive compensation and travel-related expenses partially offset by a decrease in personnel allocated to maintenance rather than development projects, a $2.6 million decrease in third-party subcontracting fees and a $1.8 million net decrease in other expenses, partially offset by a $10.4 million decrease in capitalized research and development costs related to software development projects and a $6.1 million increase in share-based compensation expense.

Research and development expenses for fiscal 2017 increased by $6.7 million, or 4.2%, over fiscal 2016. This increase was attributable primarily to a $24.6 million decrease in capitalized research and development costs related to software development projects due to the adoption of more agile research and development methods and a $4.2 million increase in share-based compensation expense, partially offset by a $13.0 million decrease in personnel and related costs, principally due to cost saving initiatives, and an $8.4 million decrease in allocated facilities expenses.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related personnel costs of executive management, finance and accounting, IT, legal and human resources. Other costs included in general and administrative expenses include fees paid for outside accounting and legal services, consulting projects and insurance. For fiscal 2018, 2017 and 2016, general and administrative expenses were $184.2 million, or 10.0%, $165.9 million, or 9.5%, and $184.8 million, or 11.7%, of total revenue, respectively.

General and administrative expenses for fiscal 2018 increased by $18.3 million, or 11.0%, over fiscal 2017. This increase was attributable to a $12.3 million increase in share-based compensation and a $14.0 million increase in professional fees, including an increase in patent infringement litigation costs and costs associated with a potential transaction, partially offset by a $5.7 million decrease in personnel costs, principally due to a decrease in bonus and incentive compensation, and a $2.3 million net decrease in other expenses.

General and administrative expenses for fiscal 2017 decreased by $18.9 million, or 10.2%, from fiscal 2016. This decrease was attributable to a $13.2 million decrease in other professional fees, principally due to a decrease in patent infringement litigation costs and merger-related costs incurred in the prior year, a $3.6 million decrease in facilities expenses, a $2.1 million decrease in personnel costs and a $2.8 million net decrease in other expenses, partially offset by a $2.8 million increase in share-based compensation expense.

Depreciation and Amortization Expenses

Depreciation and amortization expenses consist primarily of depreciation of fixed assets, the amortization of capitalized software development costs for internally developed products and the amortization of acquired technology, customer relationships and other intangible assets recorded in connection with our business combinations. For fiscal 2018, 2017 and 2016, depreciation and amortization expenses were $524.5 million, $530.9 million and $517.8 million, respectively.

Depreciation and amortization expenses for fiscal 2018 decreased by $6.4 million, or 1.2%, from fiscal 2017, attributable primarily to decreased amortization related to software development costs.

Depreciation and amortization expenses for fiscal 2017 increased by $13.1 million, or 2.5%, over fiscal 2016, attributable primarily to increased amortization related to software development costs.

Gain on Patent Litigation, Net

Gain on patent litigation, net, for the year ended March 31, 2017 of $215.0 million represents proceeds from the confidential settlement agreement (the Settlement Agreement) with ServiceNow, Inc. (ServiceNow) to resolve certain patent infringement litigation, net of related contingent legal fees. Refer to Note 9 in the accompanying Consolidated Financial Statements for further information.

Other Expense, Net

Other expense, net, consists primarily of interest expense on our outstanding borrowings, foreign currency gains and losses, interest earned and realized gains and losses on investments. Other expense, net, for fiscal 2018, 2017 and 2016 was $522.0 million, $405.8 million and $438.3 million, respectively.

Other expense, net, for fiscal 2018 increased by $116.2 million, or 28.6%, over fiscal 2017, attributable to a $94.9 million increase in losses on derivative instruments, $15.9 million of fees associated with the credit agreement amendments and a $32.6 million increase in loss on extinguishment of debt, partially offset by a $13.6 million increase in net foreign currency gains, a $11.5 million decrease in interest expense and a $2.1 million net increase in other income.

Other expense, net, for fiscal 2017 decreased by $32.5 million, or 7.4%, from fiscal 2016, attributable to a $22.0 million gain on derivative instruments, a $15.2 million gain on extinguishment of debt, a $5.4 million decrease in interest expense and a $1.4 million increase in other income, partially offset by an $11.5 million increase in net foreign currency losses.

Income Taxes

Income tax benefit was $116.4 million, $117.1 million and $184.3 million for fiscal 2018, 2017 and 2016, respectively, resulting in effective tax rates of 27.5%, 56.0% and 29.5%, respectively.

Our effective tax rate for the year ended March 31, 2018 was significantly impacted by amounts recorded to reflect the provisional impacts of the Tax Act. The Tax Act reduced the U.S. federal corporate tax rate to 21.0% effective January 1, 2018. For our fiscal 2018 tax year, we utilized a blended U.S. federal corporate tax rate of 31.5% based on the weighted average daily tax rate. The Tax Act also contains multiple other provisions impacting us, including the creation of a territorial-style tax system with a one-time mandatory tax on previously deferred foreign earnings of U.S. subsidiaries (the "Transition Tax") as well as other provisions that we will continue to evaluate in future periods. As a result of the Tax Act, we recorded the following provisional amounts that resulted in a net charge of $108.4 million recorded during the year ended March 31, 2018: (i) a $175.7 million charge related to the Transition Tax, net of Transition Tax-related foreign tax credits; (ii) a $76.2 million valuation allowance on foreign tax credits that are not expected to be utilized because of changes to the international tax provisions of the Tax Act; and (iii) an offsetting $143.5 million benefit resulting from the remeasurement of net deferred tax liabilities in the U.S. based on the new lower federal corporate tax rate.

Our effective tax rate for the year ended March 31, 2017 was impacted by a decrease in the valuation allowance of approximately $66.1 million, primarily due to changes in estimates of the utilization of foreign tax credits and our income tax benefit was further impacted by tax expense associated with the patent litigation settlement proceeds received in April 2016 (see Note 7 to the Consolidated Financial Statements). Additionally, on October 11, 2016, the Spanish Supreme Court rendered an unfavorable ruling against the Company regarding Spanish Non Resident Income Tax derived from payments carried out by Spanish tax resident customers. As a result, the Company recorded additional tax expense of approximately $15 million, including related penalties and interest, during the year ended March 31, 2017.

Non-GAAP Financial Measures and Reconciliations

The audited consolidated financial statements included elsewhere in this offering circular have been prepared in accordance with GAAP. Our management and Board of Directors also evaluate our results of operations based on various non-GAAP financial measures. The primary non-GAAP financial measures we focus on in evaluating our performance are: (i) non-GAAP revenue and (ii) Non-GAAP EBITDA. Each of these financial measures excludes the impact of certain items and therefore has not been calculated in accordance with GAAP. Non-GAAP revenue represents total revenue excluding the effect of purchase accounting adjustments to the fair value of deferred revenue existing on the 2013 Acquisition Date. Non-GAAP EBITDA excludes other expense (net); income taxes; depreciation and amortization expenses; share-based compensation expense; severance, restructuring and other costs; sponsor management fees; patent litigation costs; gain on patent litigation, net; certain legal, settlement and related costs; and the impact of purchase accounting for the 2013 Acquisition. A reconciliation of each of these non-GAAP financial measures to its most comparable GAAP financial measure is included below.

We believe that the presentation of these non-GAAP financial measures provides meaningful supplemental information regarding our operating results because they exclude certain material non-cash items and certain other adjustments for items that management and the Board of Directors do not consider part of core operating results when assessing the performance of the organization, and for consistency with the manner in which our operating subsidiary, BSFI, reports its operating results in its periodic reporting to its lenders under the Credit Agreement. Accordingly, we believe these non-GAAP financial measures are useful to investors in allowing for greater transparency of supplemental information used by management and the Board of Directors.

While we believe that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Items that are excluded from our non-GAAP financial measures, such as those described above, can have a material impact on net income (loss). As a result, these non-GAAP financial measures should not be considered in isolation from, or as a substitute for, net income (loss), cash flow from operations or other measures of performance prepared in accordance with GAAP. We compensate for these limitations by using these non-GAAP financial measures as supplements to GAAP financial measures and by reconciling each non-GAAP financial measure to its most comparable GAAP financial measure. Readers should review the reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures below.

The following tables reconcile our non-GAAP financial measures to their most comparable GAAP financial measures for the periods presented:

Revenue to Non-GAAP Revenue

	Year Ended March 31,		
	2018	2017	2016
		(in millions)	
Perpetual license revenue	$ 353.0	$ 364.5	$ 359.9
Perpetual maintenance and SaaS revenue	936.8	895.9	819.8
Term license and maintenance revenue	459.2	373.2	293.0
Professional services revenue	99.9	104.9	110.1
Total revenue	1,848.9	1,738.5	1,582.8
Purchase accounting impact of the 2013 Acquisition (1):			
Perpetual license revenue	5.7	9.5	22.1
Perpetual maintenance and SaaS revenue	16.4	27.9	72.8
Term license and maintenance revenue	44.2	86.3	137.4
Professional services revenue	0.3	0.7	1.2
Total non-GAAP revenue	$1,915.5	$1,862.9	$1,816.3

Net Loss to Non-GAAP EBITDA

	Year Ended March 31,		
	2018	2017	2016
	(in millions)		
Net loss	$(307.0)	$ (92.0)	$(439.5)
Other expense, net:			
Other income (expense), net	(104.8)	22.8	(4.3)
Interest expense, net	(417.2)	(428.6)	(434.0)
Total other expense, net	(522.0)	(405.8)	(438.3)
Benefit for income taxes	(116.4)	(117.1)	(184.3)
Depreciation and amortization expenses	524.5	530.9	517.8
Share-based compensation expense (2)	70.5	40.1	28.1
Severance, restructuring and other costs (3)	34.8	22.6	28.0
Sponsor management fees (4)	10.4	11.1	10.7
Patent litigation costs (5)	7.7	1.4	9.3
Gain on patent litigation, net (6)	—	(215.0)	—
Certain legal, settlement and related costs (7)	2.7	6.4	—
Purchase accounting impact of the 2013 Acquisition (1):			
Perpetual license revenue	5.7	9.5	22.1
Perpetual maintenance and SaaS revenue	16.4	27.9	72.8
Term license and maintenance revenue	44.2	86.3	137.4
Professional services revenue	0.3	0.7	1.2
Deferred costs and other expenses	(1.6)	(3.9)	(1.6)
Non-GAAP EBITDA	$ 814.2	$ 714.7	$ 640.3

(1) Represents the net revenues and certain operating expenses (primarily representing the expense associated with deferred commissions and royalties) that would have been recognized had the Company not recorded adjustments to fair value in connection with the purchase accounting for the 2013 Acquisition. This adjustment related to deferred costs and other expenses for fiscal 2018, 2017 and 2016 excludes $7.7 million, $30.2 million and $61.6 million, respectively, of non-GAAP amortization expense related to the pre-2013 Acquisition capitalization of software development costs for internally developed products that would have been recognized in these periods, which has no impact on EBITDA.

(2) Represents share-based compensation expense related to the granting of share-based awards to key employees by the Company.

(3) Primarily represents severance, restructuring and other costs, and any subsequent changes in estimates to cost accruals, related to initiatives taken to reduce our cost structure and enhance operating effectiveness, improve profitability and eliminate certain redundancies. These activities impacted different functional areas of our operations in different locations and were undertaken to meet specific business objectives. Other costs also include acquisition integration costs, expenses associated with the Company's adoption of new accounting standards, professional fees associated with a potential transaction and non-cash adjustments to estimated contingent consideration for an acquisition.

(4) Represents amounts paid to the Existing Sponsors pursuant to the terms of the Existing Sponsor Advisory Agreement that will be terminated in connection with the closing of the Merger. Accordingly, following the termination fee payable in connection with the Merger, no additional sponsor management fee will be payable under the Existing Sponsor Advisory Agreement.

(5) Represents third-party legal fees and other costs incurred to protect the Company's intellectual property.

(6) Represents proceeds received as a result of the confidential settlement agreement entered into during the year ended March 31, 2017 with ServiceNow, Inc. to resolve the patent infringement litigation, net of contingent third-party legal fees incurred.

(7) Represents legal, settlement and related costs associated with specific matters that the Company does not consider part of its core operations or operating results.

Liquidity and Capital Resources

Pre-Transactions

Our long-term borrowings at March 31, 2018 and 2017 consisted of the following:

	March 31, 2018	March 31, 2017
	(in millions)	
Senior secured term loans due September 2022	$3,602.5	$3,366.1
Senior unsecured notes due July 2021	1,775.0	1,625.0
Senior contingent cash pay notes due 2019	303.9	603.9
Senior unsecured notes due June 2018	—	200.0
Senior unsecured notes due February 2022	37.5	37.5
Senior unsecured notes due December 2022	27.8	27.8
Capital leases and other obligations	24.3	21.3
Debt issuance costs and unamortized debt discount	(85.0)	(112.2)
Total	5,686.0	5,769.4
Less: Current portion of long-term borrowings	36.2	37.5
Current maturities of capital leases and other obligations (included in accrued liabilities)	9.3	10.3
Current portion of debt issuance costs and unamortized debt discount	(0.6)	(1.4)
Long-term borrowings	$5,641.1	$5,723.0

As of March 31, 2018, we had outstanding letters of credit, guarantees and similar instruments of approximately $54.9 million (including $31.7 million outstanding under the Credit Agreement), primarily in support of performance obligations to various customers, but also related to facilities and other obligations.

As of March 31, 2018, we had $563.2 million in cash, cash equivalents and restricted cash, approximately 65% of which was held by our international subsidiaries and was largely generated from our international operations. As a result of the Tax Act, amounts held by our international subsidiaries are generally no longer subject to U.S. taxes upon repatriation to the United States.

We also had an additional $310.0 million in borrowing capacity available under a revolving credit facility (subject to limitations based on a maximum first lien net leverage ratio, as defined), of which $31.7 million is committed to support outstanding letters of credit, guarantees and similar instruments. Refer to Note 5 in the Consolidated Financial Statements included elsewhere in this offering circular for more information regarding our outstanding indebtedness and revolving credit facility.

The Existing Credit Facilities will be repaid and terminated upon consummation of the Merger.

In May 2018, the Company issued a redemption notice to holders of the Existing PIK Notes to redeem the remaining principal and interest outstanding under the Existing PIK Notes of $309.6 million, which was paid during the quarter ended June 30, 2018.

In May 2018, the Company paid $19.2 million to terminate a U.S. cross currency swap and a deferred premium currency call option.

The Existing Notes will be discharged or defeased upon consummation of the Merger.

Post-Transactions

Following the consummation of the Transactions, our principal sources of liquidity will be our existing cash and cash equivalents, cash flows from operations, and borrowings under our Credit Facilities.

We expect that our primary liquidity requirements will be for debt service, working capital, capital expenditures and potential acquisitions of technologies or businesses. Our ability to make scheduled payments on or to refinance our debt obligations and to fund our operations and capital expenditure requirements depends on our financial condition and operating performance, which in turn are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. While we can offer no assurances, we believe that our existing cash balances, funds generated from operating activities and available credit will be sufficient to meet our working and other capital requirements for the foreseeable future.

In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including our Credit Facilities and the Notes offered hereby, on commercially reasonable terms or at all. Any future acquisitions, joint ventures or other similar transactions may require additional capital and any such capital may not be available to us on acceptable terms or at all.

After the consummation of the Transactions, we will continue to be significantly leveraged. As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, we would have had total outstanding indebtedness of $6,219.1 million, including the €301.5 million Euro Notes and the $1,475.0 million Dollar Notes offered hereby, our USD Term Loan Facility in the principal amount of $3,300.0 million, the Euro Term Loan Facility in the principal amount of €930.0 million and other debt of $17.2 million. Additionally, we would have had availability under our Revolving Credit Facility of $400.0 million (excluding $31.7 million of outstanding letters of credit). Upon the satisfaction of certain conditions, including but not limited to, the agreement of lenders to provide such facilities or commitments, we will also have the option, subject to certain conditions, to add one or more incremental term loan or revolving credit facilities or increase commitments under our Revolving Credit Facility, in an aggregate amount not to exceed (i) the sum of (a) the greater of (i) $700.0 million and (ii) 85% of Consolidated EBITDA (as calculated pursuant to the credit agreement that will govern the Credit Facilities) and (b) the aggregate amount of voluntary prepayments of loans and voluntary commitment reductions (in each case, to the extent not funded with the proceeds of long-term debt), plus (ii) an additional unlimited amount subject to compliance with certain leverage-based criteria set forth in the Credit Facilities. The indenture governing the Notes will allow for even greater "incremental" secured debt capacity than permitted under the Credit Facilities.

For a more detailed description of the Credit Facilities, see "Description of Certain Other Indebtedness," and for a more detailed description of the Notes offered hereby, see "Description of Notes."

The following table and discussion summarize our cash flows for the years ended March 31, 2018, 2017 and 2016:

	Year Ended March 31,		
	2018	2017	2016
	(in millions)		
Net cash provided by operating activities	$ 218.3	$ 561.8	$ 77.9
Net cash used in investing activities	(64.9)	(61.4)	(134.7)
Net cash used in financing activities	(240.1)	(277.4)	(46.7)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	21.1	(4.2)	1.5
Net change in cash, cash equivalents and restricted cash	$ (65.6)	$ 218.8	$(102.0)

Cash Flows from Operating Activities

Net cash provided by operating activities for the year ended March 31, 2018 of $218.3 million reflects the net loss from operations, adjusted for the impact of non-cash income and expenses, as well as the net impact of working capital changes. During the year ended March 31, 2018, cash flows from operating activities include the impact of payments related to share-based awards, hurricane relief and professional fees related to a potential transaction. On a non-GAAP basis, excluding the impact of these payments, cash provided by operating activities for the year ended March 31, 2018 would be $246.7 million.

Net cash provided by operating activities for the year ended March 31, 2017 was $561.8 million, attributable primarily to the receipt of $215.0 million in net proceeds received as a result of the Settlement Agreement entered into during the year with ServiceNow to resolve the patent infringement litigation, as well as the net loss from operations, adjusted for the impact of non-cash income and expenses, and the net impact of working capital changes. During the year ended March 31, 2017, cash flows from operating activities include the impact of net patent infringement litigation proceeds and cash payments related to certain merger-related costs and share-based awards. On a non-GAAP basis, excluding the impact of these payments, cash provided by operating activities for the year ended March 31, 2017 would be $371.1 million.

Net cash provided by operating activities for the year ended March 31, 2016 of $77.9 million reflects the net loss from operations, adjusted for the impact of non-cash income and expenses, as well as the net impact of working capital changes. During the year ended March 31, 2016, cash flows from operating activities include the impact of cash payments related to share-based awards. On a non-GAAP basis, excluding the impact of these payments, net cash provided by operating activities for the year ended March 31, 2016 would be $97.6 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the year ended March 31, 2018 was $64.9 million, attributable to payments for property and equipment, the capitalization of software development costs and cash paid for premiums on derivative instruments, net. Net cash used in investing activities for the year ended March 31, 2017 was $61.4 million, attributable primarily to purchases of property and equipment and the capitalization of software development costs, partially offset by maturities of investments. Net cash used in investing activities for the year ended March 31, 2016 was $134.7 million, attributable to purchases of property and equipment, the capitalization of software development costs, cash paid for acquisitions and purchases of investments.

Cash Flows from Financing Activities

Net cash used in financing activities for the year ended March 31, 2018 was $240.1 million, attributable to repayments related to refinancing of Term Loans, other borrowings and capital lease obligations and repurchases of stock and other, partially offset by net proceeds from refinancing of Term Loans, the issuance of the 2021 Notes and proceeds from the termination of derivative instruments. Net cash used in financing activities for the year ended March 31, 2017 was $277.4 million, attributable primarily to repayments of borrowings and capital lease obligations. Net cash used in financing activities for the year ended March 31, 2016 was $46.7 million, attributable to repayments of borrowings and capital lease obligations.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of March 31, 2018.

Contractual Obligations

Pre-Transactions

The following is a summary of our commitments for future payments to settle contractual obligations as of March 31, 2018:

	Payments Due By Period				
	Total	Fiscal 2019	Fiscal 2020-2021	Fiscal 2022-2023	More than 5 Years
			(in millions)		
Secured and unsecured long-term borrowings (1)	$6,833.9	$382.2	$1,034.7	$5,417.0	$ —
Capital lease obligations (2)	15.4	6.4	7.8	1.2	—
Operating lease obligations	120.0	25.7	41.8	27.2	25.3
Purchase obligations (3)	83.5	30.1	38.9	14.5	—
Other long-term liabilities reflected on the balance sheet (2)	11.8	3.0	0.7	6.5	1.6
Total contractual obligations (4)(5)	$7,064.6	$447.4	$1,123.9	$5,466.4	$26.9

(1) Amounts represent the principal and interest payments relating to our long-term debt and assume that the revolving loans remain undrawn, which may not reflect future events. Variable-rate interest obligations on our Existing Credit Facilities have been calculated using interest rates in effect at March 31, 2018.

(2) Represents contractual amounts due, including interest, and does not include renewal or extension options.

(3) Represents obligations under agreements with non-cancelable terms to purchase goods or services. The agreements are enforceable and legally binding, and contain specific terms, including quantities to be purchased and the timing of the purchase. Amounts include $54.5 million of the Existing Sponsor management fees, which are subject to change if the Existing Sponsor Agreement is terminated in connection with a change in control or initial public offering.

(4) Total does not include contractual obligations recorded on the balance sheet as current liabilities, other than capital lease obligations and the current portion of other long-term liabilities above.

(5) Amounts exclude liabilities for unrecognized tax benefits of $38.3 million and certain post-employment benefits of $24.3 million, as we are unable to make reasonably reliable estimates as to the timing of cash settlement of these items.

Post-Transactions

The following is a summary of our commitments for future payments to settle contractual obligations as of March 31, 2018, on a pro forma basis after giving effect to the Transactions:

	Payments Due By Period				
	Total	Fiscal 2019	Fiscal 2020-2021	Fiscal 2022-2023	More than 5 Years
			(in millions)		
Secured and unsecured long-term borrowings (1)	$9,357.3	$478.8	$ 949.3	$938.5	$6,990.7
Capital lease obligations (2)	15.4	6.4	7.8	1.2	—
Operating lease obligations	120.0	25.7	41.8	27.2	25.3
Purchase obligations (3)	45.9	20.8	21.1	4.0	—
Other long-term liabilities reflected on the balance sheet (2)	3.0	3.0	—	—	—
Total contractual obligations (4)(5)(6)	$9,541.6	$534.7	$1,020.0	$970.9	$7,016.0

(1) Amounts represent the principal and interest payments relating to our long-term debt after giving effect to the Transactions, and are based on assumed interest rates applicable to the Term Loan Facilities and the Notes offered hereby. Amounts assume that the Existing Credit Facilities will be paid off at the closing of the Transactions and that the revolving loans remain undrawn, which may not reflect future events.

(2) Represents contractual amounts due, including interest, and does not include renewal or extension options.

(3) Represents obligations under agreements with non-cancelable terms to purchase goods or services. The agreements are enforceable and legally binding, and contain specific terms, including quantities to be purchased and the timing of the purchase.

(4) Total does not include contractual obligations recorded on the balance sheet as current liabilities, other than capital lease obligations and the current portion of other long-term liabilities above.

(5) Amounts exclude liabilities for unrecognized tax benefits of $38.3 million and certain post-employment benefits of $24.3 million, as we are unable to make reasonably reliable estimates as to the timing of cash settlement of these items.

(6) Excludes annual fees to KKR pursuant to a monitoring agreement with BMC Software, Inc. to be entered into in connection with the closing of the Merger. We estimate such fees will be equal to approximately 1% of Non-GAAP EBITDA as disclosed by the Company in its annual "Management's Discussion and Analysis of Financial Condition and Results of Operations." The monitoring agreement remains subject to negotiation. See "Certain Relationships and Related Party Transactions."

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. On an on-going basis, we make and evaluate estimates and judgments, including those related to revenue recognition, capitalized software development costs, share-based compensation, goodwill and intangible assets and accounting for income taxes. We base our estimates on historical experience and various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about amounts and timing of revenue and expenses, the carrying values of assets and the recorded amounts of liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates and such estimates may change if the underlying conditions or assumptions change.

Revenue Recognition

We derive revenue principally from software-related arrangements consisting of software license and maintenance offerings, non-software arrangements consisting of our SaaS offerings as well as the associated professional services for each of these types of arrangements. We recognize revenue when all of the following core revenue recognition criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) delivery of the license or service has occurred; (iii) the arrangement fee is fixed or determinable and (iv) collection of the arrangement fee is probable.

Software License and Maintenance Arrangements

Software license revenue is recognized upfront on perpetual license sales when the core revenue recognition criteria above are satisfied and vendor-specific objective evidence (VSOE) of the fair value of undelivered elements exists. As substantially all of our software licenses are sold in multiple-element arrangements that include either maintenance or both maintenance and professional services, we use the residual method to determine the amount of license revenue to be recognized. Under the residual method, consideration is allocated to undelivered elements based upon VSOE of the fair value of those elements, with the residual of the arrangement fee allocated to and recognized as license revenue. We have established VSOE of the fair value of our maintenance offerings through independent maintenance renewals. These demonstrate a consistent relationship of pricing maintenance as a percentage of either the net license fee or the discounted or undiscounted license list price. VSOE of the fair value of professional services is established based on daily rates when sold on a stand-alone basis, as well as management-approved pricing for certain new offerings.

We are unable to establish VSOE of fair value for all undelivered elements in certain arrangements that include multiple software products for which the associated maintenance pricing is based on a combination of undiscounted license list prices, net license fees or discounted license list prices. We are also unable to establish VSOE of fair value of all undelivered elements in certain arrangements that include unlimited licensing rights and certain arrangements that contain rights to future unspecified software products as part of the maintenance offering. If VSOE of fair value of one or more undelivered elements does not exist, license revenue is deferred and recognized upon delivery of those elements or when VSOE of fair value exists for all remaining undelivered elements, or if the deferral is due to the factors described above, license revenue is recognized ratably over the longest expected delivery period of undelivered elements in the arrangement, which is typically the longest maintenance term.

In our time-based license agreements, we are unable to establish VSOE of fair value of undelivered maintenance elements because the contractual maintenance terms in these arrangements are the same duration as the license terms, and VSOE of fair value of maintenance cannot be established. Accordingly, license and maintenance fees in time-based license arrangements are recognized ratably over the term of the arrangements and are included in term license and maintenance revenue in the statements of comprehensive loss.

Maintenance revenue is recognized ratably over the contractual terms of the maintenance arrangements, which primarily range from one to three years and in some instances, can extend up to five or more years.

Professional Services Arrangements

Professional services revenue, which principally relates to implementation, integration and education services associated with our products, is derived under both time-and-material and fixed fee arrangements. In most fixed fee arrangements, revenue is recognized on a proportional performance basis based on days of effort. If no discernible customer deliverable exists until the completion of the professional services, we apply the completed performance method and defer the recognition of professional services revenue until completion of the services, which is typically evidenced by a signed completion letter from the customer. Services that are sold in connection with software license arrangements generally qualify for separate accounting from the license elements because they do not involve significant production, modification or customization of our products and are not otherwise considered to be essential to the functionality of such products. In arrangements where the professional services do not qualify for separate accounting from the license elements, the combined software license and professional services revenue is recognized based on contract accounting using either the percentage-of-completion or completed-contract method.

SaaS Arrangements

SaaS subscription fees are recognized ratably over the contractual terms of the subscription arrangements beginning on the date that the service is made available to customers. Additional professional services fees, principally related to optional services engagements that are not essential to the functionality of our core SaaS offerings and are considered to have stand-alone value, are generally recognized on a proportional performance basis based on days of effort. In our consolidated statements of comprehensive loss, SaaS subscription revenue and optional professional services revenue are included in perpetual maintenance and SaaS revenue and professional services revenue, respectively.

Other Revenue Recognition Considerations

In arrangements containing both software and non-software (e.g., SaaS) elements, which to date have been infrequent, we allocate the arrangement consideration first into software and non-software units of accounting based on a relative selling price hierarchy and then apply the applicable software and non-software revenue recognition criteria to each unit of accounting. To date, we have determined the relative selling price of software and non-software units of accounting based on management's best estimate of selling price as other means of determining relative selling price (e.g., VSOE or other third-party evidence) have not been available with respect to all of the components in bundled software and non-software arrangements.

We also execute arrangements through resellers, distributors and systems integrators (collectively, channel partners) in which the channel partners act as the principals in the transactions with the end users of our products and services. We recognize revenue from transactions with channel partners on a net basis (the amount actually received by us from the channel partners) when all other revenue recognition criteria are satisfied. We do not offer right of return or price protection to any of our channel partners.

Revenue from financed customer transactions are generally recognized in the same manner as those requiring current payment, as we have a history of offering installment contracts to customers and successfully enforcing original payment terms without making concessions. In arrangements where the fees are not considered to be fixed or determinable, we recognize revenue when payments become due under the arrangement. If we determine that a transaction is not probable of collection or a risk of concession exists, we do not recognize revenue in excess of the amount of cash received.

We are required to charge certain taxes on our revenue transactions. These amounts are not included in revenue. Instead, we record a liability when the amounts are invoiced and relieve the liability when payments are made to the applicable government agency.

In our consolidated statements of comprehensive loss, revenue is categorized as perpetual license, perpetual maintenance and SaaS, term license and maintenance or professional services revenue. We allocate revenue from arrangements containing multiple elements to each of these categories based on the VSOE of fair value of the elements in each revenue arrangement and the application of the residual method for arrangements in which we have established VSOE of fair value of all undelivered elements. In arrangements where we are not able to establish VSOE of fair value of all undelivered elements, we first allocate revenue to any undelivered elements for which VSOE of fair value has been established, then allocate revenue to any undelivered elements for which VSOE of fair value has not been established based upon management's best estimate of fair value of those undelivered elements and apply a residual method to determine the license fee. Management's best estimate of fair value of undelivered elements for which VSOE of fair value has not been established is based upon the VSOE of the fair value of similar offerings and other objective criteria.

Software Development Costs

Costs of software developed internally for licensing to third parties are expensed until the technological feasibility of the software product has been established. Thereafter, software development costs are capitalized until the product is generally available to customers in accordance with relevant accounting standards. Judgment is involved in determining the point at which technological feasibility is reached. If different judgments were made, they could result in a different amount of costs that are capitalized. Costs of software developed using agile development methods are generally expensed as incurred because the development efforts between technological feasibility and general release of the software products are insignificant. Capitalized software development costs are then amortized using the greater of an amount determined by the ratio of current revenues recognized to the total anticipated revenues for a product or straight-line over the product's estimated economic life beginning at the date of general availability of the product to our customers. We evaluate our capitalized software development costs at each balance sheet date to determine if the unamortized balance related to any given product exceeds the estimated net realizable value of that product. Any such excess is written off through accelerated amortization in the period in which it is identified. Determining net realizable value requires that we make estimates and use judgment in quantifying the appropriate amount to write off, if any. Actual amounts realized from the sales of software products could differ from our estimates. Also, any future changes to our product portfolio could result in significant increases to our depreciation and amortization expenses as a result of the impairment of capitalized software development costs.

Share-Based Compensation

The Company has issued stock options to its executives and other employees which primarily vest in annual increments over four or five years, with a term of ten years. These grants typically consist of stock options that are half time-based (the time-vesting options) and half which contain service, performance and market conditions (the performance-vesting options). The time-vesting options vest in annual increments assuming continued employment, with accelerated vesting in the event of a change of control. The performance-vesting options also vest in annual increments, assuming continued employment, the occurrence of a liquidity event and the achievement of target investor returns. Additionally, there are provisions for partial vesting for both time-vesting and performance-vesting options in the event of termination of employment in certain circumstances as set forth in the terms of the award. The options are exercisable for Class B non-voting common stock. Both the time-vesting options and the performance-vesting options contain certain repurchase features that allow the Company to repurchase shares acquired by the employee through the exercise of the options, contingent upon the employee's separation from the Company.

The fair value of our common stock is used to value our share-based awards, establish the exercise price for future option grants and establish the price paid by the Company to repurchase shares acquired by former employees through the exercise of stock options upon the employee's separation from the Company, after six months from the date of exercise.

The fair values of the Company's common stock were approved by the Compensation Committee of our Board of Directors, with input from management and contemporaneous third-party valuations, which were performed at least annually. If stock options were granted a short period of time prior to the date of a valuation report, we retrospectively assessed the fair value used for financial reporting purposes after considering the fair value reflected in the subsequent valuation report and other facts and circumstances on the date of grant as discussed below.

Given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation (the "AICPA Guide"), management exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock including:

- The results of contemporaneous valuations of our common stock by unrelated third parties;
- Market multiples of comparable public companies in our industry as indicated by their market capitalization and guideline merger and acquisition transactions;
- Our performance and market position relative to our competitors, who may change from time to time;
- Our historical financial results and estimated trends and prospects for our future performance; and
- The economic and competitive environment in which we operate.

The fair value of our common stock was determined using the average of the income and market approach valuation methods to estimate the Company's enterprise value and then adjusting the enterprise value for net debt adjustments to estimate the Company's equity value. There have been no secondary sales of our common stock or other transactions that may indicate the fair value of the common stock in an orderly market transaction. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate based on our weighted average cost of capital, adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial forecasts to estimate the value of the subject company.

The fair value of an individual share of our common stock was derived by dividing the Company's equity value by the number of outstanding shares of Class A and Class B common stock. The fair values of our Class A and Class B common stock were the same because holders of Class A common stock and Class B common stock participate equally in dividends and liquidation proceeds of the Company. The Board of Directors is authorized to issue up to 50,000 shares of preferred stock and to fix the voting powers, designations, powers, preferences and other rights of the preferred stock. No value has been attributed to the preferred shares because no shares of preferred stock have been issued and the rights of the preferred shares have not been established.

Application of the valuation methods involves the use of estimates, judgment and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and cash flows, discount rates, market multiples, the selection of comparable companies and the probability of future events. Changes in any or all of these estimates and assumptions, or the relationships between those assumptions, impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

Fair Value of Share-Based Awards

Share-based compensation costs for time-vesting options are based on the fair value calculated from the Black-Scholes option pricing model on the date of grant and for the performance-vesting options, are based on the grant-date fair value calculated from the Monte Carlo simulation model. The grant-date fair values of the time-vesting options are recorded as compensation expense on a straight-line basis over the entire vesting period of the awards, with an evaluation done on each vesting date to true up the expense, if necessary, to at least equal the grant-date fair value of the vested portion of the award. The performance-vesting options are expensed using the accelerated method over the vesting period.

	Year Ended March 31,		
	2018	2017	2016
Expected volatility	65.0%	73.0%	80.0%
Risk-free interest rate	2.0%	1.7%	1.9%
Expected term (in years)	6.4	6.5	6.6
Dividend yield	0.0%	0.0%	0.0%

We estimate the expected volatility of our common stock using similar public entities' historical volatility (as well as BMC's historical volatility as a public company), adjusted for the Company's capital structure, for a period of time commensurate with the expected term of the options. The expected term of the options granted has been derived using the simplified method, which calculates the expected term as the midpoint between the vesting date and the end of the contractual term, as the Company does not have sufficient historical exercise data. We estimate the risk-free interest rate based on yields of U.S. Treasury securities with a maturity corresponding to the expected term of the options. We assume a dividend yield of zero, as there is no intent to pay future dividends.

The weighted-average grant-date fair value of options granted during the years ended March 31, 2018, 2017 and 2016 was $116.38, $103.29 and $52.78, respectively.

Valuation of Goodwill and Intangible Assets

When we acquire a business, a portion of the purchase consideration is typically allocated to acquired technology and other identifiable intangible assets, such as customer relationships. The excess of the purchase consideration over the net of the acquisition-date fair value of identifiable assets acquired and liabilities assumed is recorded as goodwill. The amounts allocated to acquired technology and other intangible assets represent our estimates of their fair values at the date of any such acquisition. We amortize the acquired technology and other intangible assets with finite lives over their estimated useful lives. The estimation of acquisition-date fair values of intangible assets and their useful lives requires us to make assumptions and judgments, including but not limited to an evaluation of macroeconomic conditions as they relate to our business, industry and market trends, projections of future cash flows and appropriate discount rates.

We assess goodwill for impairment as of January 1 of each fiscal year, or more frequently if events or changes in circumstances indicate that the fair value of a reporting unit has been reduced below its carrying value. When conducting our annual goodwill impairment assessment, we use a three step process. The first step is to perform an optional qualitative evaluation as to whether it is more likely than not that the fair value of any of our reporting units is less than its carrying value, using an assessment of relevant events and circumstances. In performing this assessment, we are required to make assumptions and judgments including but not limited to an evaluation of macroeconomic conditions as they relate to our business, industry and market trends, as well as the overall future financial performance of our reporting units and future opportunities in the markets in which they operate. If we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, we are not required to perform any additional tests in assessing goodwill for impairment. However, if we conclude otherwise or elect not to perform the qualitative assessment, we perform a second step for that reporting unit, consisting of a quantitative assessment of goodwill impairment. This quantitative assessment requires us to estimate the fair value of each reporting unit and compare the estimated fair value of each reporting unit, determined using a combination of the income and market approaches on an invested capital basis, to its respective carrying value (including goodwill) as of the date of the impairment test. The third step, employed for any reporting unit that fails the second step, is used to measure the amount of any potential impairment and compares the implied fair value of the reporting unit with the carrying amount of goodwill. If a reporting unit's carrying value is negative, the Company does not follow this three-step process, and instead performs a qualitative evaluation to determine whether it is more likely than not that the reporting unit's goodwill is impaired. If we determine it is more likely than not impaired, the third step discussed above is performed to determine if there is an impairment and measure the amount of any potential impairment.

Assumptions, judgments and estimates about fair values are complex and often subjective and can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy or our internal forecasts. Although we believe the assumptions, judgments and estimates used in determining the fair values of intangible assets, the associated useful lives and the fair values of our reporting units are reasonable and appropriate, different assumptions, judgments and estimates could materially affect the fair value or useful lives of our intangible assets and our goodwill impairment assessment, which could result in future impairment charges and those charges could be material to our results of operations.

Accounting for Income Taxes

We account for income taxes under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities recognized for financial reporting purposes and their respective tax bases, along with net operating losses and tax credit carryforwards. Income taxes include U.S. and foreign income taxes, including U.S. federal taxes on undistributed earnings of foreign subsidiaries to the extent such earnings are not considered to be indefinitely reinvested outside the United States. We record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is more likely than not to be realized.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. We utilize a "more likely than not" threshold for the recognition and derecognition of tax positions and measure positions accordingly. We reflect changes in recognition or measurement in the period in which the change in judgment occurs, which can be caused by the closing of a tax audit, judicial rulings, expirations of the statute of limitations or refinements of estimates based on changing facts or circumstances. We recognize interest and penalties within income tax benefit in our consolidated statements of comprehensive loss.

Significant judgment is required in determining our worldwide income tax provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and cost reimbursement arrangements among related entities and the process of identifying items of revenue and expense that qualify for preferential tax treatment. We are subject to corporate income tax audits in multiple jurisdictions and our income tax provision includes amounts intended to satisfy income tax assessments that may result from the examination of our tax returns that have been filed in these jurisdictions. Although we believe that our estimates are reasonable, the final tax outcome of these matters could be different from that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision (benefit) and net earnings (loss) in the period in which such determination is made.

During the year ended March 31, 2017, we did not consider any of our foreign subsidiaries' earnings to be indefinitely reinvested outside the United States. As a result of the Tax Act, we re-evaluated our assertion regarding indefinite reinvestment and for the year ended March 31, 2018, the temporary differences related to investments in foreign subsidiaries are considered to be indefinitely reinvested. Remittances of foreign earnings to the United States are planned based on projected cash flow, working capital and investment needs of foreign and domestic operations. Based on these assumptions, we estimate the amount that will be distributed to the United States and provide appropriate jurisdictional taxes on these amounts. Material changes in our estimates could impact our effective tax rate.

In order for us to realize our deferred tax assets, we must be able to generate sufficient taxable income in those jurisdictions in which the deferred tax assets are located. We consider future market growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to earnings in the period in which we make such determination.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, and issued subsequent amendments in 2015, 2016 and 2017 (collectively, Topic 606). Topic 606 supersedes nearly all revenue recognition guidance under previously existing GAAP. The core principle of Topic 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Topic 606 defines a five-step process to achieve this core principle and, in doing so, it is likely that more judgment and estimates may be required within the revenue recognition process than are required under previously existing GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation, among others. Topic 606 also provides guidance on the recognition of costs related to obtaining customer contracts and requires enhanced disclosures. Topic 606 is effective for public companies beginning the first quarter of our fiscal 2019 and for nonpublic companies beginning the first quarter of our fiscal 2020, with early adoption permitted. Topic 606 may be applied retrospectively to each prior period presented (full retrospective method) or with the cumulative effect recognized as of the date of initial application (modified retrospective method). We anticipate adopting Topic 606 in the first quarter of fiscal 2020 using the full retrospective method.

While the Company is continuing to determine the full impact of Topic 606, it currently anticipates the standard will have a material effect on its consolidated financial statements and related disclosures, and believes the most significant effect relates to the timing of the recognition of software license revenue. Specifically, under Topic 606, the Company currently expects to recognize substantially all software license revenue, in both perpetual licensing and term licensing arrangements, at the point in time the licensed software is transferred to the customer. This represents a substantial change to our application of previously existing GAAP, under which a substantial portion of our perpetual license revenue and all of our term license revenue is generally deferred and recognized ratably, most commonly over the term of the associated maintenance arrangements but in some cases over the longest expected delivery period of other undelivered elements in the arrangement. As a result, the Company also anticipates a significant reduction in deferred license revenue upon adoption of Topic 606, principally relating to the cumulative earlier recognition of deferred license revenue recognized upon software transfer to our customers. The Company currently believes that the point-in-time recognition requirement of Topic 606 will increase the volatility of its revenue and earnings period to period. The Company does not currently expect Topic 606 to have a significant effect on the timing of revenue recognition for its maintenance, SaaS and professional services contracts.

Under Topic 606, a larger portion of the Company's sales commissions and other incremental costs to acquire contracts will be subject to capitalization as compared to our application of previously existing GAAP. However, incremental costs related to software license deliverables will be expensed as incurred whereas under our application of current GAAP, a portion of such costs are capitalized and amortized commensurate with the timing of software license revenue recognition. Additionally, the Company currently anticipates that it will amortize incremental costs related to new customer business over an expected period of benefit of approximately five years, which is generally longer than amortization periods utilized under our application of previously existing GAAP. The Company is currently assessing the potential financial statement impact of these new requirements.

The Company is also currently assessing the income tax impacts related to Topic 606, mostly relating to the potential impacts from earlier recognition of revenue and the associated reduction in deferred revenue under the standard. Subject to the Company's overall tax attributes and other factors, the adoption of Topic 606 could result in an increase in income taxes payable and accelerated cash tax payment requirements in periods subsequent to adoption of the standard in comparison to existing tax treatment.

We do not believe Topic 606 will have a material impact on the timing of our customer contract billings and cash receipts, and thus on our operating or free cash flows, other than the potential tax impacts noted above.

BUSINESS

Overview

BMC provides market-leading ITOM software solutions to help our customers monitor, manage, automate and secure their mission-critical IT workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. Our customers use our portfolio of solutions to help ensure seamless IT operations and performance across applications and infrastructure, including new technologies that power their core business capabilities. Our solutions manage the IT systems and processes that enable mission-critical business functions such as processing payment transactions at global financial institutions, managing global airline reservations, check-in and departure processes at scale in real-time and ensuring consistent inventory and pricing data across online and brick-and-mortar storefronts. We have a culture of innovation and have consistently invested in and delivered modern solutions that address our customers' evolving IT requirements. As IT paradigms have expanded from mainframe, to client-server, to mobile, to cloud, we have remained a trusted, market-leading provider of solutions for our customers' important IT challenges.

We are differentiated in our ability to provide ITOM solutions at the scale and sophistication required by the world's largest organizations. Our broad, diversified base of more than 10,000 customers spans over 120 countries and a wide range of industries, including major banks, financial services firms, government agencies, technology companies, telecommunication providers, manufacturers, educational institutions, retailers and hospitals. Our clients include 97 of the Forbes Global 100. We also count as our clients 49 of the top 50 commercial banks, all of the top 25 manufacturing companies, 23 of the top 25 insurance companies and 24 of the top 25 telecom companies, based on Forbes Global rankings. Our capability and legacy of serving this massive installed base drives stickiness of our solution and provides visibility into future bookings and opportunities to grow our product penetration. Historically, the expansion of our customers' IT infrastructures has fueled increased usage of our installed solutions within their organizations and provided new opportunities to sell additional solutions from our portfolio. Our solutions have high customer retention, which is demonstrated by approximately 80% of our non-GAAP product revenue for the year ended March 31, 2018 coming from customers that have maintained a relationship with us for over 10 years. Except for one customer that represented 5.3% of our non-GAAP revenue in fiscal year 2018, no customer represented more than 5% of our non-GAAP revenue in any of the past three fiscal years.

The digitization of business has placed growing demands on IT. Today, customers, employees and partners increasingly depend on speed, efficiency and security in the delivery of digital services for competitive differentiation. Across many industries, organizations are adopting hybrid and multi-cloud IT strategies to achieve cost savings, improve security, enhance agility and gain greater flexibility. Rather than replacing existing IT infrastructure, new architectures often run alongside existing infrastructure such as mainframe, adding layers of complexity and thereby compounding the demands for interoperability. In the face of these increasing business demands and architectural complexity, many organizations use ITOM solutions to move faster and improve decision making in order to compete more effectively in their markets. Enterprises increasingly require ITOM solutions that are compatible across modern and traditional infrastructures, integrate seamlessly with other software tools, and do so with the reliability and performance necessary to support intricate business use cases.

We were founded in 1980 as a mainframe management software provider and we have consistently developed innovative solutions, leveraged new technologies and techniques, responded to the evolving needs of our customers and expanded our portfolio. This heritage of innovation, coupled with our portfolio that spans multiple computing paradigms, makes us well positioned to manage the complexity of today's heterogeneous IT environments. Alongside our product innovations, we have modernized the way we license and deliver solutions to our clients. In addition to licensing our software under both perpetual and term license models for on-premises use, we also provide on-demand SaaS and managed services offerings delivered through hosted solutions. Unlike point solution providers, we offer a suite of integrated and interoperable solutions which organizations use to seamlessly manage their IT operations.

	Description	Typical Contract Types	Drivers	FY 2018 Revenue[1]	FY 2015 – FY 2018 Revenue CAGR[1]	FY 2018 Contribution Margin[1]
Mainframe	■ IBM mainframe database management tools ■ Improve performance / ensure availability / reduce costs	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 2-3 year average-duration contract terms ■ On-premises	■ Growing active installed mainframe compute capacity (measured in MIPS)	$516m (27% of total)	2%	69%
Workload Automation	■ Automation of batch processes across environments ■ Managed File Transfer across IT systems and between organizations	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 2-3 years average-duration contract terms ■ On-premises	■ Growing complexity of IT ■ Growth in number of IT processes, velocity of interactions and number of transactions	$406m (21% of total)	8%	58%
IT Service Management	■ Cognitive IT help desk ticketing ■ Enterprise IT asset and service catalogue ■ IT asset discovery and dependency mapping	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 1-2 year average-duration contract terms ■ On-premises and SaaS	■ Growing complexity of IT ■ Growth in number of users, devices and services ■ Deepening reach of technology into key business / front office use cases	$489m (25% of total)	5%	40%
Performance & Compliance	■ Datacenter automation ■ Security Operations (SecOps) ■ Performance management	■ Perpetual license + fixed duration maintenance ■ Term-based license and maintenance ■ Historically within 1-2 year average-duration contract terms ■ On-premises and SaaS	■ Growing complexity of IT ■ Elevated IT security threat levels / increased board / C-level focus	$359m (18% of total)	1%	36%
Core Product				**$1,770m**	**4%**	**52%**
STG	■ Mature technologies optimized for margin			$70m (4% of total)	(18%)	84%
Professional Services	■ Services to improve customer success and aide platform adoption ■ Sold to customers across all product lines			$103m (5% of total)	(8%)	3%
Total Company				**$1,943m**	**2%**	**43%[2]**

Note: contribution margins by product group do not include corporate unallocated costs equal to 8% of revenue

(1) Non-GAAP revenue and contribution margin based on constant currency. Contribution margin reflects segment pillar Non-GAAP Adjusted EDITDA. For a description of Contribution profit and contribution margin, see the relevant footnotes under "Summary—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" in this offering circular.

(2) Represents Non-GAAP Adjusted EBITDA margin, including corporate unallocated costs, in constant currency.

We have an expansive global footprint with operations in EMEA, North America, Asia Pacific and Latin America. We market and sell our solutions primarily through a direct sales force, augmented by strategic alliances with channel partners, including resellers, distributors and systems integrators. We have approximately 5,800 employees worldwide as of March 31, 2018, with offices across 39 countries. We have research and development centers in North America, Israel and India, as well as global data center co-locations to support delivery of SaaS solutions. This worldwide coverage provides us with access to economies of scale, capital productivity through lower cost offshore operations and high-growth emerging markets, as well as the ability to support businesses that are becoming increasingly global.

Our total revenue for the fiscal years ended March 31, 2018 and 2017 was $1,848.9 million and $1,738.5 million, respectively, and our total non-GAAP revenue was $1,915.5 million and $1,862.9 million, respectively. Our Non-GAAP EBITDA for fiscal years ended March 31, 2018 and 2017 was $814.2 million and $714.7 million, respectively. Our Non-GAAP Adjusted EBITDA for the years ended March 31, 2018 and 2017 was $824.4 million and $727.6 million, respectively. Our Pro Forma Non-GAAP Adjusted EBITDA for fiscal year ended March 31, 2018 was $881.2 million on a constant currency basis. For a reconciliation of non-GAAP revenue to our GAAP revenue and of our Non-GAAP EBITDA and Pro Forma Non-GAAP Adjusted EBITDA to our net loss, see the relevant footnotes under "Summary—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures and Reconciliations."

Our Industry

The ITOM industry is seeing continued growth driven by the challenges facing large enterprises (cost containment, compliance and evolving business demands / need for continuous optimization) and several technology trends. These trends include the growing strategic importance of IT, the increasing complexity of enterprise IT architectures, the increasing challenges enterprises face in managing IT operations and the persistence of mainframe as a core computing platform. Taken together, these trends underpin the technology tailwinds driving the growth of integrated ITOM software platforms.

- ***Market Opportunity.*** We believe that the global ITOM market represented over $25 billion of spend in 2017 and is expected to grow to over $38 billion of spend in 2022, representing a CAGR of approximately 7% to 8%. This projected market growth represents an opportunity for us to expand our services and revenues within the ITOM market. For additional information, see "Market, Ranking and Other Industry Data."
- ***Growing Strategic Importance of IT.*** The global digitization of business has evolved IT from a supporting function to a core capability for many of today's leading enterprises. How well a business can build, deliver and manage IT drives its ability to offer differentiated services and compete effectively in the global and online business environment. This evolution has elevated the strategic importance of IT resources in many enterprises and increased the scope of the digital services such enterprises are expected to deliver and manage.
- ***Increasing Complexity of Enterprise IT Architectures.*** From mainframe to client-server architecture to mobile and multi-cloud to IoT devices, the evolution of new technologies over the past several decades has expanded the scope of IT. These new technologies often are being deployed alongside existing infrastructure, necessitating the inclusion of operations management in almost all IT disciplines to run a secure and performing business. The compounding complexity of modern IT architectures — coupled with the proliferation of data and increasing transaction volumes — strains IT resources and requires new solutions that enable businesses to manage their IT infrastructures securely and efficiently.
- ***Enterprises Face Increasing Challenges in Managing IT Operations.*** Modern IT organizations often need to manage disparate types of computing architectures and deployment models including multi-cloud, hybrid and on-premises. They also must maintain performance and availability of technology infrastructure to run mission-critical workloads and dynamically scale IT services to growing business demands. The resulting heterogeneity of modern IT environments has made managing IT operations a complex task for IT professionals. Key challenges include:
    - managing increasing complexity of business services running across heterogeneous, multi-cloud infrastructure;
    - securing the IT infrastructure by tracking compliance to identify, prioritize and remediate vulnerabilities;
    - containing the total cost of ownership of IT infrastructure;
    - identifying, locating and monitoring all IT assets within complex, multi-cloud environments;

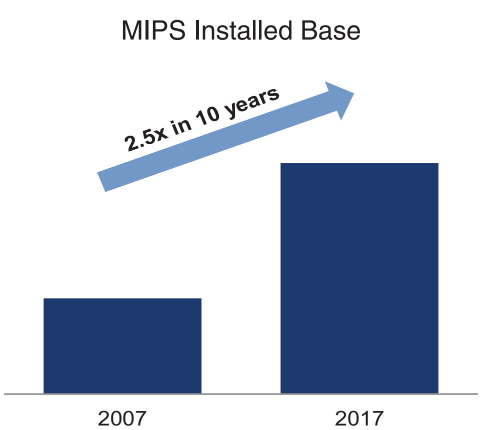
- enabling agile software development and IT operations so that organizations can build, deploy and scale applications at faster speeds; and
- increasing efficiency, including limiting downtime, accelerating speed of delivering new services and providing faster incident resolution.

- ***Persistence of Mainframe as a Core Computing Platform.*** Mainframes are powerful servers, capable of processing large numbers of transactions simultaneously, while supporting thousands of applications, users and devices and operating with near perfect uptime. Superior speed, security and reliability constitute the core value proposition of the mainframe and differentiate the platform from other IT infrastructures such as distributed networks or cloud. Transaction processing, data retrieval and records management are among the most mission-critical mainframe workloads.

  For many of the world's largest companies, the mainframe is and will continue to be a critical part of their IT infrastructure. Data-sensitive industries such as financial services and governments require the mainframe's superior security features, and large companies with very high transaction volumes, such as commercial banks, retailers and airlines, rely on the speed and reliability of the mainframe. The central role mainframe servers play in modern IT infrastructure, the risk involved in moving mission critical workloads off the mainframe and the lack of viable alternatives for key use cases create significant barriers to migrating from the platform.

  Secular trends such as the growth of mobile transactions, proliferation of digital data and increased connectivity between IT infrastructure and endpoints are creating growth in mainframe usage. Organizations are expanding their mainframe computing capacity, measured in MIPS to effectively manage these additional demands. The global installed base of MIPS has more than doubled over the last 10 years. A third-party survey found that the majority of mainframe users expect mainframe spend to increase annually over the next five years.

Growing Mainframe Installed Base

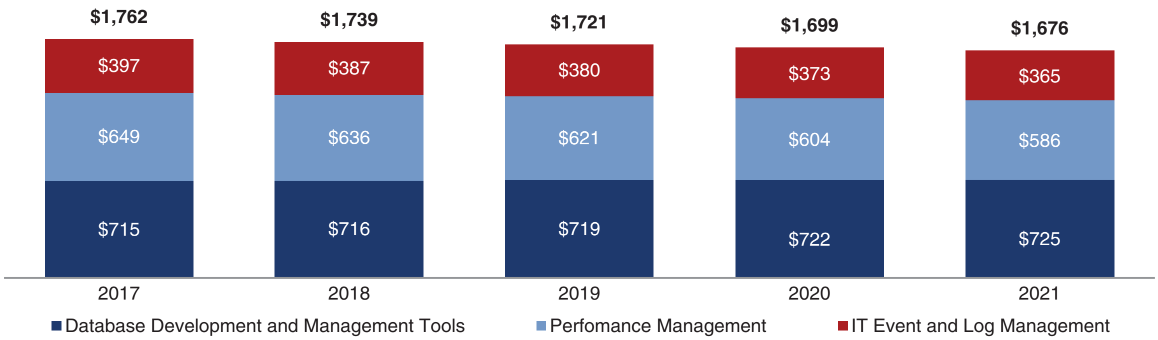


Source: Third-party data.

Today's mainframe installed base is committed to the platform, with over 90% of respondents to BMC's 2017 annual mainframe survey predicting the long-term viability of the platform and over 70% of large shops indicating their MIPS usage has grown over the past three years. Due to the size and the nature of their businesses, these customers have limited alternatives that will support mission-critical functions with the requisite level of reliability and security.

Mainframe Software Market Size

($ in millions) 2017 – 2021 CAGR: (1%)



Source: IDC Worldwide Performance Management Software Forecast 2017-2021, IDC Worldwide IT Event and Log Management Software Forecast 2017-2021.

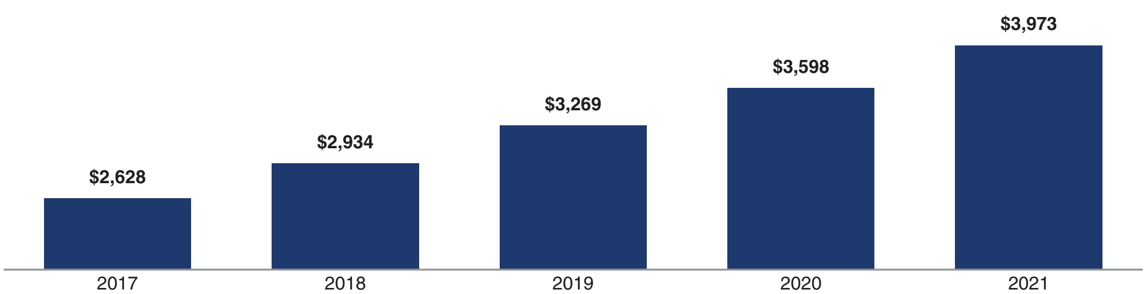
IT Service Management is Growing Quickly

Modern IT requires fast, reliable service and support for a wide variety of applications, business services, and devices deployed across diverse systems including multiple virtualized environments. These disparate systems are increasingly being accessed by end users from a multitude of locations using a variety of different devices. Further IT complexity requires increasingly integrated, accessible solutions capable of operating across a variety of IT environments. Providing competitive service levels is key to achieving the desired experience for end users.

An ITSM platform is the central "portal" through which IT interacts with and ensures the overall health of the IT infrastructure. The platform improves IT service as perceived by business end-users, drives improvements in efficiency through application of best practices and drives down costs by helping end-users solve their own problems, reducing the number of calls to the service desk. Cognitive capabilities allow the solutions to scale alongside the rapidly expanding IT footprints of the world's largest organizations without driving a proportionate increase in support headcount.

Problem Management Market Size(1)

($ in millions) 2017 – 2021 CAGR: 11%



Source: IDC Worldwide Problem Management Software Forecast 2017—2021.

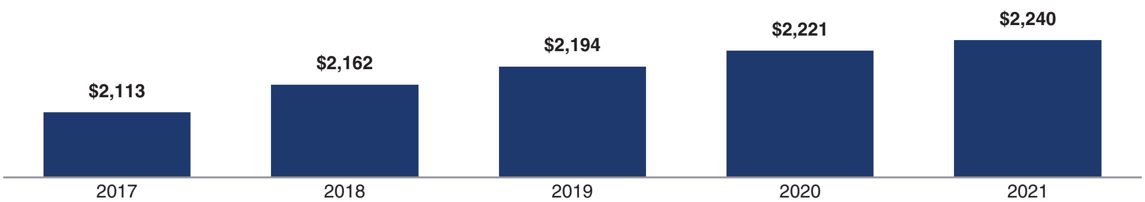
(1) Problem Management Software Revenue.

Workload Management Software Maximizes Efficiency

Workload Management Software tools enable IT managers to orchestrate and optimize complex IT processes across disparate IT systems that span multiple locations, platforms, and applications as well as provide a centralized platform for monitoring and managing workloads across physical, virtual and cloud computing environments. Application profiles provide enterprise IT teams with the opportunity to streamline operations, reduce human error, and more rapidly respond to the needs of dynamic, digital, and mobile applications. The market continues to expand beyond traditional workload management and job scheduling solutions to support the automation and orchestration needs of development operations and provide integrated managed file transfer capabilities. Growth areas are expected to include container management automation orchestration and fee-based automation and orchestration add-ons to public cloud services.

Workload Management Software Market Forecast

($ in millions) 2017 – 2021 CAGR: 1.5%



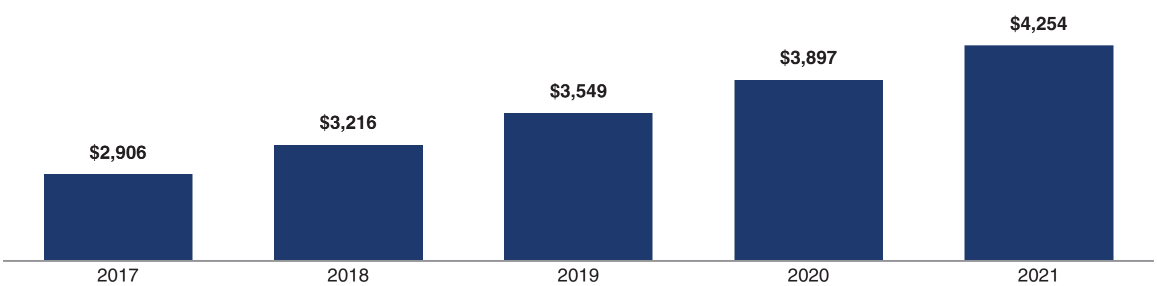
Source: IDC Worldwide Workload Scheduling and Automation Software Forecast 2017–2021; Workload Management Submarket.

Datacenter Automation Software Cuts Costs and Saves Time

Datacenter Automation Software helps automate manually-intensive and time-consuming IT processes such as provisioning, configuration change and compliance monitoring for servers, networks, applications and databases. The solutions help IT departments keep up with the growing demands on large enterprise datacenter operations. The market includes a mix of software and SaaS offerings for physical and virtual systems infrastructure automation provisioning and orchestration.

Datacenter Automation Software Market Forecast

($ in millions) 2017 – 2021 CAGR: 10%



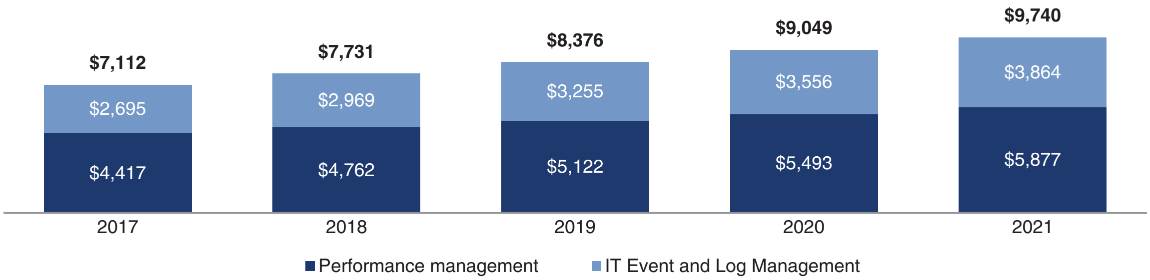
Source: IDC Workload Scheduling and Automation Software Forecast, 2017–2021; Datacenter Automation Submarket.

Distributed Performance & Availability

The growing utilization of cloud-based platforms is one key driver of the need for performance management software. In order to ensure the desired end user experience and service level, forward looking performance and availability management and planning tools are necessary.

Distributed Performance & Availability Market Forecast

($ in millions) 2017 – 2021 CAGR: 8%



Source: IDC Worldwide Performance Management Software Forecast Update, 2017–2021, and IDC Worldwide IT Event and Log Management Software Forecast Update, 2017–2021. Excludes Mainframe Revenue.

Our Solutions

Our portfolio of solutions enables our customers to efficiently monitor, manage, automate and secure their mission-critical IT workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. We have consistently developed innovative solutions, leveraged new technologies and techniques, responded to the evolving needs of our customers and expanded our portfolio. We help our customers navigate multiple evolutions of the IT landscape through our rich history and expertise in developing software for many platforms and environments. Today, our portfolio includes solutions that are delivered as-a-service or are self-contained regardless of the infrastructure on which they run. Our solutions can operate at large scale, touching many parts of our global customers and in some cases reaching hundreds of thousands of users for a given customer. Our current wave of innovation has introduced cognitive and machine learning capabilities for the automation of IT processes that anticipate and proactively remove friction points and minimize the need for human intervention. Our solutions address the intricate web of people, processes and technologies within organizations by managing technology and processes to relieve people from manual, redundant or otherwise repetitive tasks. Key benefits of our solutions include:

- ***Continuous Monitoring of IT Applications and Infrastructure to Ensure Performance and Availability.*** Our solutions provide continuous monitoring of applications and infrastructure to enable real-time visibility into the performance and rapid detection of potential bottlenecks. This visibility enables IT professionals to proactively address potential issues, ensuring the availability and performance of applications and infrastructure that support key business functions. This performance can help limit costly consequences of service failures and improves reliability of and confidence in key IT processes.

- **Effective Delivery of IT Services to Business Users.** Our tools enable employees to self-serve from a catalog of organizational services across multiple business functions, reducing the need to call a help desk. Automated bots interact with users across multiple channels to handle routine tasks, reducing help desk costs and resolution times. When issues arise, our solutions use cognitive capabilities to categorize, assign and route tickets to reduce the need for operator intervention and escalate complex problems when required. The scale of our solutions enables deployments to service large and heterogeneous IT environments.

- ***Automation of Critical Workloads and Infrastructure Management Tasks.*** Our automation capabilities contain many complex processes within the technology and process layers of modern organizations, including the automation of many complex, labor-intensive, repetitive IT processes and large batch workloads that run across multiple locations, platforms and applications. Instead of requiring manual intervention between workflows, our solutions can automatically schedule, route inputs and outputs, and trigger execution of the next workload. Our approach is designed to lower costs, increase speed and eliminate potential sources of errors, allowing for cost-effective scalability. Our solutions also automate infrastructure management tasks such as deployment of applications, configuration of servers, compliance monitoring, performance reporting and execution of patches. This reduces the total cost of ownership of IT assets as fewer resources are needed to perform routine tasks and software can be deployed more rapidly. Overall, the ability to automate resource-intensive tasks gives IT professionals increased flexibility in meeting the evolving business demands they face.

- ***Ensuring Security and Compliance of Critical Applications, Data and Infrastructure.*** The adoption of multi-cloud and hybrid architectures carries significant security risks and challenges of managing a more distributed IT footprint. Identifying and containing vulnerabilities is a key priority for IT. Our suite of IT Operations and Security solutions can detect vulnerabilities. Once they are detected, our solutions can help identify, prioritize and remediate these vulnerabilities, thereby reducing the attack surface and preserving confidence in the integrity of IT. We also help manage and protect sensitive customer data that resides in enterprise databases and feeds a growing number of on-premises and distributed applications.
- ***Analyzing and Managing Costs of Running Workloads Across Various IT Platforms.*** Many large enterprises regularly shift workloads across their complex infrastructure to more effectively utilize resources and capacity. At times of peak utilization, costs can increase and performance can be compromised if resources cannot be optimized. Our solutions provide IT professionals with real-time insights to better plan the costs of various computing alternatives across multi-cloud, hybrid and on-premises architectures, enabling our customers to dynamically adjust capacity settings and schedule workloads to manage costs without compromising performance or the delivery and deployment of applications.
- ***Providing Developers with Effective and Familiar Tools to Deliver Better-Quality Applications Faster***. Our solutions give developers the ability to work in familiar environments and take a jobs-as-code approach to accelerate application build, testing and validation. With self-service access to pre-built automation tools and with the autonomy to code, debug and test jobs, developers can allocate more time to innovation and accelerate time from build to deployment.

Our Products and Services

We help our customers monitor, manage, automate and secure their mission-critical IT workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. Our anchor products have provided solutions for critical business needs in their respective markets for many years and maintained leading market positions based on sustained innovation. Our portfolio is organized into two business units consisting of our enterprise solutions and mainframe solutions. We also provide consulting, implementation, integration and educational services from our “Professional Services” group and maintain a “Select Technologies Group” that contains middle market, sustained engineering and end-of-life products.

Enterprise Solutions

Our ESO business unit is further broken out among the following core product lines called “Workload Automation,” “IT Service Management” and “Performance and Compliance.” For the year ended March 31, 2018, the aggregate contribution margin of the ESO business unit was 45% on a constant currency basis.

Workload Automation

Our workload automation solution enables organizations to automate diverse batch application workloads across infrastructure, data and applications without interruption or human intervention to simplify digital service delivery while improving service level agreements and accelerating application deployment.

- *Control-M:* Automates job scheduling and application deployment and allows IT professionals to build, change, schedule and monitor complex batch services across mainframe, distributed and public cloud operating environments from a simple, centralized interface.
- *Managed File Transfer:* Securely automates internal and external file transfers from a central interface, integrating them with other applications and activities; integrates file transfers into the broader workload automation process to automate file transfer tasks that previously required manual intervention.
- *Control-M Workbench:* Standalone development environment for agile development of "jobs-as-code" in Control-M, which provides developers access to business application automation and accelerates the speed of application delivery.

IT Service Management

Our ITSM products help enterprises manage, discover and service their IT assets. They include embedded cognitive capabilities that allow customers to proactively manage IT workflows and resolve issues. The introduction of containerized delivery makes these solutions agnostic to the infrastructure on which they run.

- *Remedy IT Service Management Suite:* Solutions deployed via on-premises, public cloud, or on Salesforce's Application Cloud that leverage AI to automate and enhance the response to service requests, freeing IT service desk agents from repetitive, manual categorization, ticket assignment and dispatching of IT resources. Provides internal and external users a seamless and efficient service experience through the channel of their preference.
- *Digital Workplace:* Allows enterprises to offer their users a self-service catalog of collaboration tools, devices and technology-enabled services based on their individual privileges.
- *Discovery:* Discovers an enterprise's IT assets and maps application dependencies across multi-cloud, hybrid or on-premises architectures and presents them in a single pane of glass.

Performance and Compliance

Our performance and compliance solutions help to monitor, manage, automate and secure IT infrastructure across multi-cloud, hybrid and on-premises architectures. These solutions tie in deeply with our service management and discovery tools, which enable customers' holistic infrastructure and IT operations management.

- *BladeLogic Server Automation:* Quickly and securely automates server configuration across data centers, deploys software and patches vulnerabilities.
- *SecOps:* Regular scanning for vulnerabilities, prioritization of remediation and institutionalization of threat management and governance across multi-cloud architecture.
- *TrueSight:* Provides the IT Operations team with a centralized, 360-degree view of their IT infrastructure, monitoring performance, optimizing capacity and controlling costs across compute environments. Allows for proactive management of business services by running "what-if" scenarios to identify potential service level disruptions at times of peak utilization.

Mainframe Solutions

Our mainframe software solutions enable our customers to manage the critical data and applications that run on top of powerful mainframe servers. Our company emerged in the early 1980s providing mainframe database management software, and we have continued to innovate to remain a leading mainframe software vendor into the present.

- *Database Management for IMS & DB2:* Full suite of administrative solutions for IMS and DB2 mainframe databases, including administration, performance management, backup and recovery, and data optimization.
- *MainView Systems Management:* Continuously monitors and automates complex mainframe environments from one pane of glass to improve performance and availability at much lower operating costs, including automatic problem detection and resolution.
- *R4 MLC Cost Management:* Continuously tracks IBM mainframe monthly license charges ("MLC"), reducing mainframe software costs through dynamic workload capping and by optimization of capacity settings.

Professional Services

Our professional services team consists of experienced software and education consultants who provide implementation, integration, IT process, organizational design, process re-engineering and education services related to our solutions. These services are designed to help our customers accelerate the time-to-value. By improving the overall customer experience, we believe that these services also drive future software license transactions with customers.

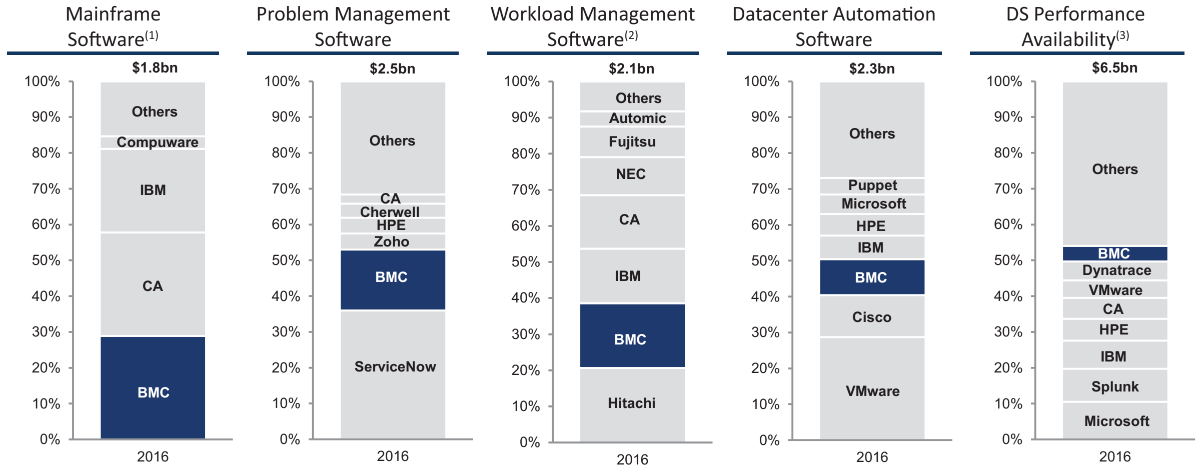
Select Technologies Group

STG is a portfolio of products that we are managing separately to optimize for resource efficiency while ensuring sufficient support to our customer base. This portfolio includes solutions for middle market customers, products on sustained engineering as well as end-of-life products.

Competitive Strengths

Our company has enjoyed success over the past 35 years by adapting our solutions to the needs of our customers' changing business requirements. Our competitive strengths include:

- ***Superior Technical Products.*** We have a history of quality and innovation in the software space, with 525 patents granted or pending. Representing approximately 65% of our non-GAAP revenue in fiscal year 2018, we believe our enterprise solutions (workload automation, IT service management and performance and compliance) offer industry-leading capabilities. Our mainframe solutions are highly valued by our customers, as evidenced by our high renewal rates. Since our privatization in 2013, we have invested approximately $1.9 billion to improve the quality of our offerings and create new products, and today we believe we are realizing the benefits.
    - ***Leadership Position in ITOM Software Markets****.* We have maintained our market position over time with a strong and consistent strategy focused on complementary products with broad functionality across all IT environments Furthermore, we are well-positioned in the core IT segments that matter most to our customers, with more than 80% our of non-GAAP product revenue derived from product lines with top 3 market positions. The following table shows our position within our core global markets for 2016.



BMC Rank **#1** **#2** **#2** **#3** **#8**

Source: IDC 2016. Market share information for Mainframe Software and DS Performance Availability represents estimates made by BMC based on 2016 third-party data.

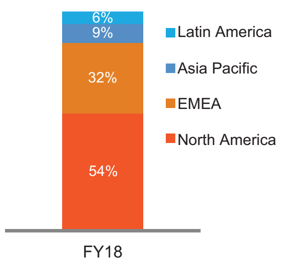
(1) Includes Mainframe Database Development and Management Tools, Performance Management and IT Event Log Management Tools.

(2) CA's number excludes the acquisition of Automic.

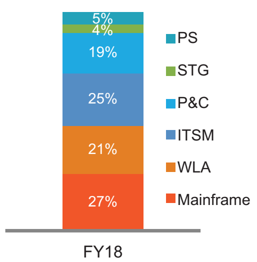
(3) Includes Mainframe Database Development and Management Tools, Performance Management, IT Event Log Management Tools and Performance Management Software.

- ***Broad Base of Long-Standing Customers, Diversified across Geographies and Industries.*** We serve over 10,000 customers, ranging from small and mid-market businesses to governments and the largest enterprises in the world, many with whom we maintain long-standing customer relationships. 97% of the Forbes Global 100 and 85% of the Forbes Global 500 rely on our ITOM solutions and, as a testament to our long-standing customer relationships, approximately 80% of our non-GAAP product revenue for the year ended March 31, 2018 comes from customers who have been using our products for over 10 years. In addition, our revenue base is diverse across geographies with customers in more than 120 countries. Our products are widely deployed by IT departments across a broad range of industries, with particular strengths in banking, insurance and governmental agencies. Our customer base also includes major telecommunications companies, manufacturers, educational institutions, retailers, hospitals and other industries, as well as channel partners including IT outsourcing providers, distributors and systems integrators. Except for one customer that represented 5.3% of our non-GAAP revenue in fiscal year 2018, no customer represented more than 5% of our non-GAAP revenue in any of the past three fiscal years. Our strong presence in numerous industry verticals helps to diversify our revenue base and the mission-critical nature of our products mitigates the risk of industry-specific and cyclical downturns.

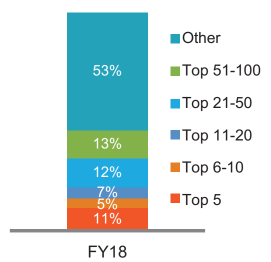
Revenue by geography[1]



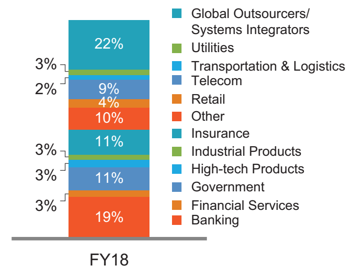
Revenue by pillar[1]



Revenue by customer spend[2]



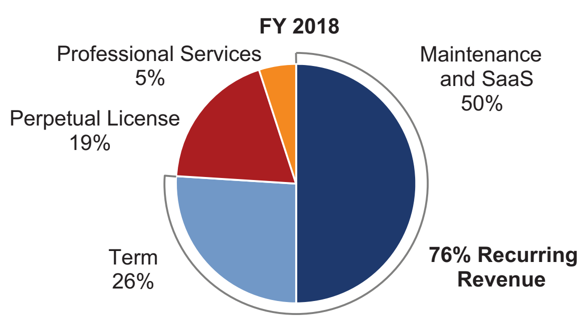
Revenue by industry[2]



(1) Based on non-GAAP revenue in U.S. dollars.
(2) Based on non-GAAP product revenue in U.S. dollars.

- ***Business Model Driven by Recurring Revenue and Renewals.*** We derive the majority of our revenue from fixed duration maintenance contracts, term licenses and SaaS arrangements, which have provided a steady and visible revenue stream. We define recurring revenue as non-GAAP revenue, excluding professional services revenue and perpetual license revenue. During the year ended March 31, 2018, we generated approximately 76% of our non-GAAP revenue from recurring revenue sources, compared to 63% for the year ended March 31, 2013, in each case on a constant currency basis. Our software solutions are mission-critical and deeply embedded within the IT infrastructure, which drives high switching costs given the disruptive, time-consuming and resource-intensive nature of new enterprise installations. Some of our products have been embedded in customers' IT infrastructure for over a decade, making them expensive and risky to replace. Furthermore, our significant domain expertise enables a high level of end-user customization, further entrenching customers in our solutions and making switching even more difficult.

Highly Recurring Revenue Streams

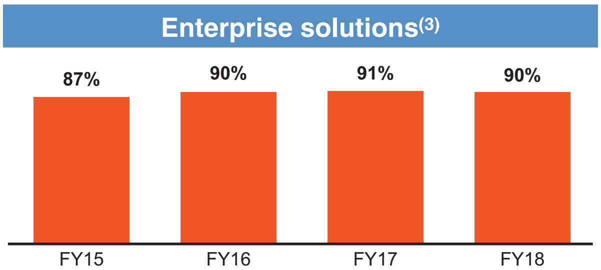


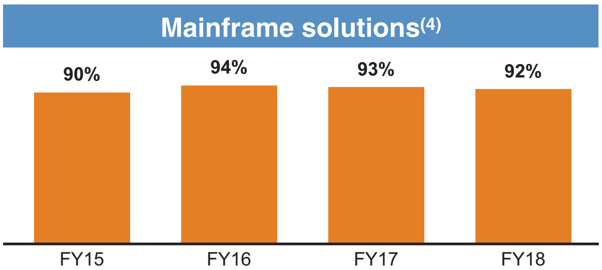
Based on non-GAAP revenue on a constant currency basis. Recurring revenue represents non-GAAP revenue, excluding professional services revenue and perpetual license revenue.

Growing recurring revenue base[1]

Recurring Revenue as a % of Total Non-GAAP Revenue					
FY13	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
63%	70%	72%	73%	74%	76%

High retention rates[2]





(1) *Recurring revenue represents non-GAAP revenue on a constant currency basis, excluding professional services revenue and perpetual license revenue.*
(2) *Retention rates calculated as recurring revenue (excluding initial perpetual maintenance revenue) as a percentage of prior period recurring revenue.*
(3) *Enterprise solutions defined as workload automation, IT service management and performance & compliance divisions.*
(4) *Mainframe solutions defined as all mainframe software products.*

- ***Attractive Financial Profile with Strong Free Cash Flow Generation****.* Our EBITDA margins, disciplined capital expenditures and favorable working capital dynamics drive significant Free Cash Flow generation, which has enabled us to delever every quarter for the past eight quarters. From fiscal year 2015 through fiscal year 2018, we had an average conversion rate of Non-GAAP Adjusted EBITDA to Free Cash Flow of approximately 93% and we believe that our stable customer base, along with our disciplined approach to spending, will enable us to continue to generate strong Free Cash Flow. See "Summary—Summary Historical Consolidated and Pro Forma Condensed Consolidated Financial and Operational Data."

  - ***Built to Manage Mission-Critical Workloads.*** Our products are designed to manage critical technology-enabled business capabilities because we provide reliable, secure, high performance and high availability solutions. From optimizing the servers that process huge volumes of financial transactions and store sensitive customer data, to automating important IT processes that are designed to ensure the safe and timely transport of millions of airline passengers, customers use us to manage their mission-critical workloads. The requirement for tightly integrated configuration, orchestration and automation of IT delivery—often involving significant use of custom code—and the limited tolerance for downtime or migration risks, make our solutions deeply embedded in customer IT environments.

  - ***Solutions Ideally Suited for Heterogeneous IT Environments.*** Our solutions are designed to meet challenging requirements for IT operations across mobile, distributed and mainframe environments. Because we have innovated to meet the evolving needs of managing enterprise IT infrastructure over the course of many IT paradigm shifts, our products can run in most environments and bridge disparate systems and IT assets built over time for modern use cases.

- ***Portfolio of Interoperable ITOM Solutions.*** Our solutions enable organizations to use us as a single vendor for many of their major ITOM needs—including workload automation, IT asset and application dependency mapping, performance monitoring, event management, IT service management and database management. Although emerging vendors have developed point solutions within the ITOM market, large enterprises prefer to manage their environments with a more seamless set of solutions from fewer vendors. Our solutions are interoperable with solutions from leading public cloud service providers, modern analytics and open source platforms. Our solutions are also compatible with many other IT assets, so large enterprises can use our solutions regardless of the platforms that they run, giving them flexibility and choice.
- ***Well-known Brand and Portfolio of Leading Solutions.*** Our history, global presence and broad portfolio of leading solutions have established BMC as a trusted brand. We are differentiated in our ability to provide ITOM solutions at the scale and sophistication required by the world's largest organizations. We market and sell our solutions primarily through a direct sales force, augmented by strategic alliances with channel partners, including resellers, distributors and systems integrators.
- ***Commitment to Innovation.*** Since our inception as a mainframe software solutions vendor and to our market leading multi-cloud and hybrid solutions today, we have consistently invested in innovation and developing solutions in areas of strategic significance for our customers. As our computing architecture continues to evolve, we are building new solutions to support our customers' transition to new computing paradigms. Our research and development capabilities are built on product development expertise in each computing era and environment, with a focus on investing in solutions for important production environments. Sustained customer-centric innovation has allowed us to win customers and grow market share. Our most recent innovations include the development of global SaaS delivery capabilities, support for containers, agile software development and the addition of cognitive capabilities.

Our Growth Strategy

Following the 2013 Acquisition, we experienced a 7% decline in core non-GAAP product revenue on a constant currency basis from fiscal year 2013 to fiscal year 2014. However, since 2014, we have experienced stable organic growth, with non-GAAP revenue in our core product lines growing at a CAGR of 4% from fiscal year 2015 to fiscal year 2018 on a constant currency basis. Our goal is to maintain and extend our industry-recognized position as a leading global ITOM solutions provider. Key elements of our growth strategy include:

- ***Further Expand Our Solution Footprint.*** As our portfolio of solutions continues to expand and we enter adjacent markets, we aim to expand our customer base, as well as increase the solutions purchased by existing customers. Based on the spend rate of our single-product customers, as compared to that of our multi-product customers, and assuming we can convert our existing single-product customers into multi-product customers, we believe there is approximately $3 billion in customer growth opportunity within our existing customer base.
- ***Innovate to Expand and Enhance Our Portfolio of Solutions.*** We have invested approximately $1.9 billion in research and development initiatives, averaging 24% of non-GAAP product revenue, since our privatization in 2013. We intend to continue our longstanding commitment to research and development. We plan to expand our portfolio of innovative products and add advanced delivery and deployment capabilities to our existing solutions to meet our customers' evolving business requirements and technological challenges.
- ***Build on Our Technology Leadership with Strategic Technology Partnerships.*** We intend to further expand our partner ecosystem, particularly with leading public and private

cloud infrastructure vendors, to assist existing customers migrating to the cloud and support new customers with cloud-native business services and applications.

- ***Continue to Drive Growth and Operational Efficiencies.*** The introduction of new innovative products, coupled with actioned cost savings exceeding $300 million, has enabled us to invest in high-priority growth initiatives, such as the modernization of our existing product portfolio and enhancing our go-to-market engine, along with our ongoing investments in research and development, has positioned us well to retain our existing customers and to sell new products. We have also demonstrated consistent execution and disciplined cost control, resulting in non-GAAP revenue and Non-GAAP EBITDA growth in each of the last four fiscal years. The strength of our product portfolio and the size of our installed base result in attractive operating leverage, a key driver of robust Non-GAAP EBITDA growth.

Customers

As of March 31, 2018, we serve a large, diverse and sophisticated base of more than 10,000 customers across over 120 countries worldwide, ranging from enterprise level organizations to small and medium businesses, including 97 of the Forbes Global 100. We also count as our clients 49 of the top 50 commercial banks, all of the top 25 manufacturing companies, 23 of the top 25 insurance companies and 24 of the top 25 telecom companies, based on Forbes Global rankings.

Our software products are widely deployed by organizations across a broad range of industries, businesses and applications worldwide, with particular strengths in banking, insurance and governmental agencies. They include major telecommunication companies, manufacturers, educational institutions, retailers, hospitals and other industries, as well as channel partners including resellers, distributors and systems integrators. Our solutions are deeply embedded in customers' IT infrastructure and more than 80% of our non-GAAP revenue for the year ended March 31, 2018 is attributable to customers that have maintained a relationship with BMC for 10 years or more. Except for one customer that represented 5.3% of our non-GAAP revenue in fiscal year 2018, no customer represented more than 5% of our non-GAAP revenue in any of the past three fiscal years.

Sales and Marketing

Our sales and marketing teams work closely together to increase market awareness, drive demand for our platform, and cultivate customer relationships to drive revenue growth. As of March 31, 2018, we had approximately 1,760 employees in sales and marketing.

We market and sell our software and services solutions primarily through a direct sales force, complemented by strategic alliances with channel partners including resellers, distributors, original equipment manufacturers, alliance partners and systems integrators. We also have an inside sales division that provides a channel for additional sales to existing customers.

Sales

Our sales force resources are aligned by both customer size and geography. These direct sales representatives typically have a defined quota based on a specific set of named accounts. Direct sales resources are then supplemented by software consultants and specialist resources with targeted skills, such as automation specialists that help move forward cloud and datacenter automation opportunities. In addition, in some product areas, an inside sales team will actively advance opportunities to close. Our sales offices are located across North America, EMEA, Asia Pacific and Latin America.

In addition to our direct sales force, we had more than 500 indirect channel partners as of March 31, 2018, many of which focus on smaller companies and countries where we do not have a direct presence. These third-party channel relationships allow us to expand our market presence through increased awareness of software applications within our partners' organizations and customer bases, and through personnel who are trained to implement our software. Our partners market and promote their software products and typically provide implementation services to our end-users. In most cases, this channel is able to generate sales leads, make initial customer contacts, and assess needs prior to our introduction.

Marketing

Our sales efforts are supported by marketing initiatives. Collectively, these activities are designed to generate leads, educate our customers, define and launch new solutions, drive solution adoption and enhance customer loyalty and retention. Marketing programs include use of websites to provide product and company information, whitepapers and other information, email marketing, telemarketing, webinars, search engine marketing, issuing press releases on a regular basis, analyst engagement and exhibiting at industry events. We have developed a number of programs to encourage better understanding of our software and services solutions and active exchange of ideas between prospective and existing customers, including hosting customer advisory councils, executive forums and other events.

Our selling and marketing expense was $558.3 million, $553.1 million and $554.4 million for the years ended March 31, 2018, 2017, and 2016, respectively.

Competition

The ITOM software industry is highly competitive, rapidly changing and significantly affected by new emerging technologies and product offerings. We believe the principal competitive factors affecting our market include:

- expertise in ITOM enterprise software processes;
- product features, functionality, performance and price;
- cost containment;
- ease of integration and speed of implementation;
- company stability, resources and reputation;
- level of customer service; and
- new product and technology introductions.

We believe we have competitive advantages over a number of our competitors. Some of these advantages include:

- highly integrated portfolio focused on functionality in a heterogeneous environment;
- a variety of delivery methods;
- low total cost of ownership;
- ease-of-use and efficiency during deployment;
- long-term customer relationships with senior IT decision-makers at large enterprises;
- strong track record of innovation;
- openness and flexibility of our software architecture; and
- high quality of maintenance and customer support.

Our most frequently encountered competitors are IBM, CA, HPE/MicroFocus and ServiceNow, all of which are enterprise software vendors that are focused on ITOM. Smaller competitors utilize ITOM to complement their infrastructure stack and help drive other segments of their business. We believe there is demand for a vendor like us that offers a broad yet integrated platform that is scalable to a variety of organizations, available for swift implementation and operates in a cost-efficient manner. We strive to provide a portfolio of solutions that delivers complementary products capable of functioning across mainframe, traditional on-premise, virtualized and emerging cloud infrastructures.

We have also strengthened our competitive position by launching innovative new products such as *Remedy 9, TrueSight Intelligence, Discovery for Multi-Cloud, Innovation Suite* and *TrueSight Cloud Cost Control.* We also offer a premier Professional Services program to assist our customers with implementation, integration, IT process, re-engineering and education services related to our products and the IT functions and processes they help to manage. Improving the overall customer experience through this service helps drive future license transactions with existing customers.

Research and Development

Our product development efforts are focused on enhancing the capabilities and increasing the performance of existing ITOM product suites as well as developing new and innovative solutions to challenges faced by IT organizations. These efforts are organized into four engineering groups aligned to our business units, as well as some cross-product line functions such as customer engineering and quality. Engineering resources are deployed globally, with major development centers such as Austin, Texas, Lexington, Kentucky and San Jose, California in the U.S., and global locations such as Pune, India and Tel Hai, Israel.

Costs of internally developed software are expensed until the technological feasibility of the software product has been established. Thereafter, software development costs are capitalized until the product is generally available to customers in accordance with relevant accounting standards. During fiscal years 2018, 2017 and 2016, we incurred research and development expenses of $163.6 million, $166.9 million and $160.2 million, respectively. We plan to dedicate significant resources to our continued research and development efforts. In addition, during fiscal years 2018, 2017 and 2016, we capitalized software development costs excluding share-based compensation of $9.4 million, $20.5 million and $46.2 million, respectively. The decrease in capitalized software development costs during fiscal years 2018, 2017 and 2016 reflects the Company's adoption of more agile research and development methods for the majority of its product lines, which has the effect of decreasing the amounts of software development costs capitalized.

As of March 31, 2018, we had approximately 2,530 employees in our research and development group. We strongly believe in providing an excellent customer experience and have invested greatly in our user interface to improve ease of use for our customers. Also, we focus our efforts on developing our core technologies and further enhancing their usability, functionality, reliability, performance and flexibility. These will remain areas of focus for us as we target new customers and use cases, as displayed in the releases of our DSM Security Operations, Performance and Analytics and DBA solutions.

We leverage agile development methodologies and work with the latest technologies, resulting in a dynamic, state of the art, automated software development processes that has allowed us to deliver high-quality products and services and adapt to market changes and new requirements quickly. We supplement internal development through acquisitions and third-party licensing agreements when appropriate.

Intellectual Property

We distribute products in object code form and rely upon contract, trade secret, copyright and patent laws to protect our intellectual property. The license agreements under which customers use our products restrict the customer's use of our intellectual property to its own operations and prohibit disclosure of our confidential information to third parties. In addition, for certain solutions, we employ protective measures such as CPU-dependent passwords, expiring passwords and time-based software trials. As of March 31, 2018, we had more than 300 U.S.-issued patents.

Employees

As of March 31, 2018, we had approximately 5,800 employees, including approximately 1,760 in sales and marketing, 2,530 in product development and customer support, 490 in services and 1,020 in administration. Of these employees, approximately 2,150 were in the U.S. and approximately 3,650 were in our international locations. Other than works councils and collective bargaining agreements as required by local labor law requirements in certain countries outside of the U.S. in which we operate, none of our employees are represented by a union or other collective bargaining agreements.

Facilities

Our corporate headquarters are located in Houston, Texas, where we lease approximately 216,000 square feet under a ten-year lease agreement which expires in June 2026. We also maintain offices in multiple locations in the United States and internationally, including in Santa Clara, California, Australia, Singapore, Israel and Pune, India. We lease all of our facilities and do not own any real property.

We anticipate leasing additional office space in the future as we continue to grow and enter new geographies. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional or substitute space will be available on commercially reasonable terms.

Legal Proceedings

We are party to various labor claims brought by certain former international employees alleging that amounts are due to such employees for unpaid commissions and other compensation. The claims are in various stages and are not expected to be fully resolved in the near future; however, we intend to vigorously contest all of the claims. Taking into account accruals we have recorded, we believe the likelihood of a material adverse effect on our consolidated financial statements resulting from these claims is remote. However, we cannot predict the timing or ultimate outcome of these matters.

We are litigating a matter in Brazilian courts as to whether a tax applies to the remittance of software payments from our Brazilian operations. In February 2007, a law was enacted that clarified that this particular tax did not apply to the remittance of software payments, retroactive to January 1, 2006. We continue to pursue a favorable resolution on this matter for years prior to January 1, 2006. While we believe we will ultimately prevail based on the merits of our position, if we do not, we could incur a charge of up to approximately $7 million based on foreign currency exchange rates as of March 31, 2018; however, we cannot predict the timing or ultimate outcome of this matter.

On April 28, 2017, BMC Software filed a patent infringement lawsuit against Cherwell Software, LLC ("Cherwell") and FireScope, Inc. ("FireScope") (collectively, the "Defendants"). The lawsuit alleges that the Defendants have built much of their business around the infringement of BMC Software's patented technologies. In the filing, BMC Software claims its patents are being infringed by products that comprise core elements of the Defendants' IT management offerings and alleges violations of seven different BMC Software patents issued by the U.S. Patent and Trademark Office in total. BMC Software is seeking damages and a permanent injunction against each of Cherwell and FireScope. The cases are styled BMC Software, Inc. v. Cherwell Software, LLC, No. 17-cv-03127-MSK-STV (D. Colo.) and BMC Software, Inc. v. FireScope, Inc., No. 3:17-cv-1369 (N.D. Tex.).

On July 21, 2017, BMC filed a Complaint and Application for Preliminary and Permanent Injunction against International Business Machines Corporation ("IBM") in the United States District Court for the Southern District of Texas, Houston Division. The lawsuit alleges that IBM is disrupting BMC's relationship with a large customer in violation of its Outsourcing Attachment ("OA") with BMC and that IBM is misappropriating BMC's trade secrets in violation of the OA, the relevant Master License Agreement, and several statutes aimed at trade secret protection. The lawsuit also alleges that IBM fraudulently induced BMC to enter into the OA by non-disclosure and misrepresentation of its plans regarding the relevant customer. The case is styled BMC Software, Inc. vs. International Business Machines Corporation, Case No. 4:17-cv-2254, in the United States District Court for the Southern District of Texas, Houston Division.

Additionally, from time to time, we are subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of our business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the resolution of these ordinary course matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows. Regardless of the outcome, such litigation or claims can have a negative impact on us because of defense and settlement costs, diversion of management resources from our business and other factors.

MANAGEMENT

Board of Directors of Parent

Following the closing of the Merger, we expect the board of directors (the "Board") of Parent will include directors designated by the Sponsor, other investors and management.

Senior Management of Boxer Parent Company

The names, ages and current positions of the Company's current executive officers, certain key employees and directors are listed in the table below.

NAME	AGE*	POSITION
Peter Leav	47	President and Chief Executive Officer
William Berutti	48	Senior Vice President, President — ESO
T. Cory Bleuer	48	Senior Vice President, Controller and Chief Accounting Officer
Monika Fahlbusch	50	Senior Vice President, Chief Employee Experience Officer
David Gai	55	Senior Vice President, President — Customer Success and Chief Customer Officer
William D. Miller	67	Senior Vice President, President — ZSolutions
Stephen B. Solcher	57	Senior Vice President, Chief Financial Officer
Dan Streetman	50	Senior Vice President, ESO Sales and Marketing
Patrick K. Tagtow	50	Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer

* As of June 1, 2018.

Set forth below is certain biographical information of the senior management of the Company as of the date hereof and who are expected to continue to be the senior management of the Company after the closing of the Merger.

Peter Leav. Mr. Leav has served as our President and Chief Executive Officer since December 2016. He has significant experience leading a global organization, as well as a strong background in operations, general management, sales, communications and technology services. Prior to joining BMC Software, Mr. Leav was President and Chief Executive Officer of Polycom, Inc., a collaboration business serving the enterprise market, from December 2013 to September 2016. He also served as the President and Chief Executive Officer of Polycom Copenhagen APS, which he joined in 2013. He served as President of Industry & Field Operations from June 2012 to November 2013 and Executive Vice President from October 2011 to June 2012 at NCR Corporation, a consumer transaction technologies company. He also served as a member of the board of directors for the Eye Bank for Sight Restoration and as an independent director of the board of directors of HD Supply, Inc. from October 2014 to July 2017. Earlier in his career, Mr. Leav held executive sales leadership positions at Symbol Technologies and Cisco Systems, and he was a Corporate Vice President and General Manager at Motorola, Inc.

William Berutti. Mr. Berutti has served as President of our ESO business unit since February 2017. He joined BMC in April 2014 as the President of the Performance and Analytics product line. In April 2015, he assumed the additional role of head of Cloud Management/Data Center Automation. Prior to being named to his current position, he was also serving from October 2016 to February 2017 as President of Cloud, Security and Data Center Automation and Senior Vice President of Group Operations for Enterprise Solutions. Before joining BMC in April 2014, he was at PTC where he was

Executive Vice President and General Manager of the Service Lifecycle Management business unit from 2011 to 2013. His 17-year career at PTC also included senior leadership roles in general management, corporate development, marketing, product management and sales. He began his career at Wallace Computer Services. Mr. Berutti currently serves as a board member of aPriori Technologies. He also served as a board member of City Year Boston from 2003 to 2012, and he is an alumni volunteer for Miami University.

T. Cory Bleuer. Mr. Bleuer joined us as our Vice President, Controller and Chief Accounting Officer in August 2006 and was promoted to Senior Vice President, Controller and Chief Accounting Officer in January 2017. Prior to joining BMC, Mr. Bleuer was the Vice President and Controller of EMC Corporation's Captiva Software group from December 2005 to July 2006 and was Vice President and Corporate Controller of Captiva Software Corporation from February 2005 to December 2005. Earlier in his career, Mr. Bleuer held finance leadership roles at Fair Isaac Corporation and HNC Software Inc. and was an audit and business advisory manager with PricewaterhouseCoopers LLP. He holds CPA and CGMA certifications.

Monika Fahlbusch. Ms. Fahlbusch has served as our Senior Vice President, Chief Employee Experience Officer since 2014. She is responsible for Information Services and Technology, Human Resources, Facilities and Real Estate, Digital Workplace, Community Relations and Security. Prior to joining BMC, Ms. Fahlbusch worked at Salesforce, where she was Senior Vice President of Global Employee Success. Ms. Fahlbusch has also held HR, communication and IT leadership positions at PeopleSoft and Old Navy. She has served as an advisory board member to the School of Business and Economics at St. Mary's College of California.

David Gai. Mr. Gai has served as the President of Customer Success at BMC since September 2014 and Chief Customer Officer since June 2015. Prior to joining BMC in September 2014, he was the Executive Vice President of Worldwide Services at JDA Software from July 2011 to March 2014. Previously, he led worldwide customer support, consulting and education teams at both EMC and BEA Systems. He has also served as Chief Executive Officer and president of Equitant, an international business process operations company in Dublin, Ireland, and as general manager of North American Operations for HP. Mr. Gai also led his own company providing consulting services to global customers.

William D. Miller. Mr. Miller has served as President of our Zsolutions business unit since June 2014. He served as Chief Operating Officer from May 2013 until June 2014. From 2008 to 2013, he served as Senior Vice President, President of MSM. He served as Senior Vice President, General Manager, MSM from February 2007 to October 2008. Mr. Miller served as Vice President, General Manager, MSM from April 2006 to February 2007. Mr. Miller joined us in July 2002 and served in various senior management positions in our mainframe business unit, including General Manager from April 2004 to April 2006. Mr. Miller joined Bindview Development as Senior Vice President of Sales and Services in July 2000 and was promoted to Chief Operating Officer in October 2001 before joining us. Mr. Miller left IBM in 2000 after working with IBM for 21 years in various technical and sales positions and was Vice President, EMEA, Industrial Sector for his last assignment at IBM.

Stephen B. Solcher. Mr. Solcher was appointed the Company's Senior Vice President and Chief Financial Officer in December 2005. From August 2005 to December 2005, Mr. Solcher served as our interim Chief Financial Officer. Prior to this appointment, Mr. Solcher had served as our Vice President of Finance and Treasurer for more than five years. Mr. Solcher joined us in 1991 as Assistant Treasurer. He is a member of the board of directors of Main Street Capital Corporation, and he also serves on the development board of the Mays Business School at Texas A&M University.

Dan Streetman. Mr. Streetman has served as Senior Vice President, ESO Sales and Marketing since October 2017, and was interim leader from July through September 2017. He joined BMC in

December 2015 as Senior Vice President for Strategic Sales and Operations, which included sales to global outsourcing and systems integrators and the federal government, as well as the Sales Operations, Inside Sales, Channel and Best Practices groups. Prior to joining BMC, Mr. Streetman was senior vice president of alliances and channels for Salesforce. He previously led sales, consulting, marketing and operations for several leading companies, including C3 Energy, Hanson McClain, Amdocs and Siebel Systems. Mr. Streetman served as an Airborne Ranger-qualified infantry officer. He served in Operation Iraqi Freedom, and is a recipient of a Bronze Star Medal and the General Douglas MacArthur Leadership Award. Mr. Streetman serves on the advisory boards of the Iraq and Afghanistan Veterans of America, the Wounded Warrior Project and several technology companies. He serves as an executive sponsor for BMC's community partnerships with veterans organizations.

Patrick K. Tagtow. Mr. Tagtow was appointed the Company's Senior Vice President, General Counsel and Corporate Secretary in November 2011. Mr. Tagtow served as our interim General Counsel from May 2011 until he was appointed to his current position in November 2011. Prior to being named General Counsel, he served as BMC's Vice President of Litigation from 2007 to 2011 with responsibility for global litigation management, legal and regulatory enterprise risk management and our compliance and ethics program. Mr. Tagtow joined us in 1999 as Legal Counsel from the law firm of Haynes and Boone, LLP, where he practiced commercial and employment litigation.

PRINCIPAL STOCKHOLDERS

Following the consummation of the Merger, all of our issued and outstanding common equity interests will be held indirectly by Parent. At such time, the Sponsor will own a majority of the issued and outstanding common equity interests of Parent. The remainder of the minority of the outstanding common equity interests of Parent will be held by the stockholders of Boxer Parent Company to which the rollover offer was made by Parent and which elected to roll over all or a portion of their shares in Boxer Parent Company in exchange for shares of Parent common stock, subject to the terms and conditions of the rollover offer and rollover agreements entered into in connection therewith (the "Rollover Offer Participants"). All members of our Board of Directors affiliated with the Sponsor may be deemed to beneficially own shares owned by the Sponsor. Each such individual disclaims beneficial ownership of any such shares in which such individual does not have a pecuniary interest. After the closing of the Merger, we anticipate that members of senior management as well as other select employees of entities managed by Parent, its subsidiaries and joint ventures will be given the opportunity from time to time to make cash investments and/or to receive grants of stock options of Parent.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Arrangements with the Sponsor and its Respective Affiliates

Boxer Parent Company and certain subsidiaries or parent companies, including Parent, expect to enter into various related party agreements with the Sponsor in the ordinary course of business and in contemplation of the Transactions.

KKR Transaction Fee Agreement, KKR Monitoring Agreement, KCM Syndication Fee Agreement and Indemnification Agreement

Upon consummation of the Merger, Boxer Parent Company expects to enter into a transaction fee agreement with KKR, pursuant to which Boxer Parent Company, after the closing of the Merger, would pay KKR a fee and reimburse KKR for its reasonable out-of-pocket expenses in connection with consulting services with respect to Boxer Parent Company, including Parent's investment therein. The amount of such fee would be approximately 3% of the amount of the Sponsor Equity Contribution funded to Parent at the closing of the Merger.

In addition, at the closing of the Merger, BMC Software, Inc. expects to enter into a monitoring agreement with KKR pursuant to which KKR would provide management services to BMC Software, Inc. and its subsidiaries, parent entities and controlled affiliates and in consideration of such services BMC Software, Inc. would pay KKR an annual management fee payable quarterly in arrears equal to 1% of Non-GAAP EBITDA as disclosed by the Company in its annual "Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition, BMC Software, Inc. would reimburse KKR for its out-of-pocket expenses incurred in connection with the provision of such services. It is also expected that, if the Sponsor continues to be a significant stock or equityholder, the monitoring agreement will provide for a termination payment based on the net present value of certain future payment obligations under the monitoring agreement, if the agreement is terminated in connection with a change in control of Parent or an initial public offering by Parent.

In addition, prior to or following the closing of the Merger, the Sponsor will have the right to allow one or more co-investors to invest or acquired interests in entities that indirectly own shares of Parent's common stock (the "KKR Equity Syndication"). In connection with the KKR Equity Syndication, Parent may enter into a syndication fee agreement with KKR Capital Markets LLC, one of the initial purchasers in this offering ("KCM"), pursuant to which KCM would provide services to BMC and its affiliates in connection with such KKR Equity Syndication and in consideration of such services BMC would pay KCM a customary fee for such services and reimburse KCM for its reasonable out-of-pocket expenses in connection therewith.

In addition, at the closing of the Merger, Parent and Boxer Parent Company expect to enter into an indemnification agreement with KKR which will provide customary exculpation and indemnification to KKR and its affiliates and their designees on the board of directors of Parent or boards of directors of subsidiaries of Parent on which they may serve in connection with the Merger and the other transactions contemplated by the Merger Agreement, as well as any additional equity and debt financings and capital-raising or other transactions after the closing of the Merger or any other services provided by KKR or its affiliates to Parent and its subsidiaries pursuant to the agreements described above or the service of such designees on Parent's board of directors or such other boards.

Registration Rights Agreement

Parent and the Sponsor will enter into a registration rights agreement (the "Registration Rights Agreement") with respect to the Sponsor's investments in Parent. The Registration Rights Agreement will contain customary registration rights provisions, pursuant to which certain holders of shares of common stock of Parent will be entitled to certain rights with respect to the registration of such shares under the Securities Act.

The Registration Rights Agreement is expected to grant the Sponsor the right to cause Parent to register shares of Parent's common stock held by the Sponsor under the Securities Act and, if requested, to use its reasonable best efforts (if we are not eligible to use an automatic shelf registration statement at the time of filing) to maintain a shelf registration statement effective with respect to such shares. Certain other stockholders of Parent will be entitled to participate on a pro rata basis in any registration of Parent's common stock under the Securities Act that we may undertake. The Registration Rights Agreement is expected to provide that we will pay certain expenses relating to such registrations and indemnify the Sponsor and certain other stockholders of Parent participating in any offering against certain liabilities, which may arise under the Securities Act, the Exchange Act, any state securities law or any rule or regulation thereunder applicable to us.

PIK Preferred Equity

Concurrently with the consummation of the Merger, Parent will issue shares of Series A preferred stock with an initial aggregate liquidation preference of $300.0 million, which we refer to as the PIK Preferred Equity. The shares of PIK Preferred Equity will have a payment priority, liquidation preference and rank senior to Parent's common stock. The shares of PIK Preferred Equity will be equity instruments with no voting or consent rights, other than the right to approve, by at least a majority vote, the issuance of any equity securities of Parent ranking (with respect to distribution rights and rights upon Parent's liquidation, winding up or dissolution) senior to the PIK Preferred Equity. The shares will accumulate dividends on a daily basis in arrears during each dividend period on the then-current stated value of each share of PIK Preferred Equity. Dividends will be payable semi-annually by increasing the principal amount of outstanding shares of the PIK Preferred Equity or by issuing shares of PIK Preferred Equity in a principal amount equal to such dividends. Parent will make customary representations and warranties in connection with the issuance of the PIK Preferred Equity, and Parent and certain of its subsidiaries, including the Issuer and its subsidiaries, will be subject to negative covenants under agreements associated with the PIK Preferred Equity, including, among other things, covenants restricting incurrence of future debt, issuance of future preferred stock and making of restricted payments. The shares of PIK Preferred Equity will be perpetual. Upon the occurrence of (i) a change of control of Parent or (ii) an initial public offering, all of the then outstanding shares of PIK Preferred Equity will be redeemed for cash.

The definitive documentation with respect to the PIK Preferred Equity has not been finalized and remains subject to negotiation.

Other Relationships

In addition, KKR Capital Markets LLC, one of the initial purchasers, is an affiliate of KKR, and therefore an affiliate of Parent and the Issuer. KKR Capital Markets LLC will also act as a joint lead arranger for the Credit Facilities.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

Credit Facilities

In connection with the Merger, we expect to enter into the Credit Facilities, pursuant to the credit agreement, to be dated as of the date of the closing of the Merger (the "Closing Date") and as amended, restated, supplemented or otherwise modified from time to time. The following is a summary of what are expected to be the principal terms of the Credit Facilities, although these terms are still being negotiated and are subject to change. The final terms of the Credit Facilities may differ from the terms described below.

The Credit Facilities are expected to consist of (a) a $3,300.0 million USD Term Loan Facility to be funded in a single drawing on the Closing Date, (b) a €930.0 million Euro Term Loan Facility to be funded in a single drawing on the Closing Date and (c) a $400.0 million Revolving Credit Facility, which will include a sub-limit for letters of credit. Repayments and prepayments of loans under the Term Loan Facilities ("Term Loans") may not be reborrowed. Amounts borrowed under the aforementioned Revolving Credit Facility may be borrowed, repaid and reborrowed prior to the maturity date thereof.

Upon the satisfaction of certain conditions, we will have the option under our Credit Facilities to add one or more incremental term loan or revolving credit facilities and/or increase commitments under our Revolving Credit Facility, in an aggregate amount not to exceed (i) the sum of (a) the greater of (i) $700.0 million and (ii) 85% of Consolidated EBITDA (as calculated pursuant to the credit agreement) and (b) the aggregate amount of voluntary prepayments of Term Loans and voluntary commitment reductions of the Revolving Credit Facility (in each case, to the extent not funded with the proceeds of long-term debt), *plus* (ii) an additional unlimited amount subject to compliance with certain leverage-based criteria set forth in the credit agreement. The indenture governing the Notes will allow for even greater "incremental" secured debt capacity than permitted under our Credit Facilities. See "Description of Notes."

Amortization and Maturity

The Term Loan Facilities are expected to mature on the seventh anniversary of the Closing Date and the Revolving Credit Facility is expected to mature on the fifth anniversary of the Closing Date. Amounts borrowed under the Term Loan Facilities are expected to amortize in equal quarterly installments of 0.25% of the original principal amount of the Term Loans under the USD Term Loan Facility and Euro Term Loan Facility, respectively, commencing the first full fiscal quarter ending after the Closing Date. The balance of the Term Loans shall be payable on the maturity date for the Term Loan Facilities. Principal amounts outstanding under the Revolving Credit Facility will be due and payable in full on the maturity date for the Revolving Credit Facility.

Interest Rates and Fees

The loans under the Credit Facilities are expected to bear interest on the outstanding unpaid principal amount at a rate equal to an applicable margin plus, at our option, either (a) a base rate equal to the highest of (i) the U.S. prime rate, (ii) the federal funds effective rate plus 0.50% and (iii) one-month LIBOR plus 1.0% or (b) a LIBOR rate that is subject to a 0.0% interest rate floor. The USD Term Loan Facility will have an applicable margin of 425 basis points and the Euro Term Loan Facility will have an applicable margin of 475 basis points. Borrowings in U.S. dollars, euros and British pound sterling under the Revolving Credit Facility will have an applicable margin of 300 basis points, 350 basis points and 300 basis points, respectively, which applicable margin will be reduced upon achievement of certain leverage-based criteria set forth in the Credit Agreement.

In addition to paying interest on outstanding principal under the Credit Facilities, we will be required to pay a commitment fee of 0.50% in respect of the unutilized commitments under the

Revolving Credit Facility (the “Revolving Commitment Fee”). The Revolving Commitment Fee will be reduced upon achievement of certain leverage-based criteria set forth in the credit agreement. Upon the issuance of letters of credit under the Credit Facilities, the borrower will be required to pay a fronting fee, certain issuance and administration fees and a per annum letter of credit fee as set forth in the credit agreement.

Mandatory and Voluntary Prepayments

Subject to certain exceptions and limitations, the Term Loans will be required to be prepaid with: (a) 50% of excess cash flow, in excess of certain annual thresholds and with step-downs to 25% and 0% upon achievement of certain leverage-based criteria set forth in the credit agreement; (b) 100% of the net cash proceeds of any non-ordinary course disposition of property in excess of certain individual and aggregate amounts, unless such net cash proceeds are reinvested within 450 days or committed to be reinvested within 450 days and reinvested no later than six months thereafter; and (c) 100% of net cash proceeds from any issuance of indebtedness (other than indebtedness permitted to be incurred under the Credit Facilities (excluding permitted refinancing indebtedness)).

Term Loans may be voluntarily prepaid at any time without premium or penalty, other than certain breakage costs; *provided*, *however*, that voluntary prepayments, refinancings or repricings of the Term Loans in connection with certain repricing transactions that occur prior to the twelve-month anniversary of the Closing Date shall be subject to a prepayment payment of 1.00% of the principal amount of the Term Loan so prepaid, refinanced or repriced. We may voluntarily repay amounts outstanding under, and may voluntarily reduce commitments made under, the Revolving Credit Facility at any time without premium or penalty, other than certain breakage costs.

Security and Guarantees

The obligations of the borrower under the Credit Facilities will be guaranteed by the direct parent thereof and by each of the borrower’s direct and indirect wholly-owned domestic restricted subsidiaries, subject to certain exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in material adverse tax consequences. Such obligations and the related guarantees will be secured by a perfected first priority security interest in substantially all tangible and intangible assets owned by us or by any guarantor, in each case subject to permitted liens and certain exceptions.

Covenants

The Credit Facilities are expected to contain a number of affirmative covenants and negative covenants, subject to certain exceptions. The Revolving Credit Facility (but not the Term Loan Facilities) will contain a springing financial covenant requiring total net first lien secured leverage not to exceed a level to be agreed over the life of the Revolving Credit Facility, which will be tested only if the aggregate principal amount of outstanding borrowings under the Revolving Credit Facility and letters of credit (other than cash collateral letters of credit) in excess of $40.0 million exceed 35% of the total commitment amount of the Revolving Credit Facility.

Events of Default

The Credit Facilities will contain certain events of default, including a change of control.

DESCRIPTION OF NOTES

General

Certain terms used in this description are defined under the subheading "—Certain Definitions." In this description, (i) the terms "*we,*" "*our*" and "*us*" each refer to (a) prior to the consummation of the Merger, Banff Merger Sub Inc. ("*Merger Sub,*" which shall be merged with and into Boxer Parent Company Inc., with Boxer Parent Company Inc. surviving such merger) and not any of its Affiliates and (b) from and after the consummation of the Merger, Boxer Parent Company Inc. and its consolidated Subsidiaries taken together; and (ii) the term "*Issuer*" refers only to (a) prior to the consummation of the Merger, Banff Merger Sub Inc. and not any of its Affiliates and (b) from and after the consummation of the Merger, Boxer Parent Company Inc. and not any of its Subsidiaries. Upon consummation of the Merger on the Completion Date, Boxer Parent Company Inc. will assume all of Merger Sub's obligations under the Indenture and the Notes.

The Issuer will issue $1,475.0 million aggregate principal amount of 9.750% Senior Notes due 2026 (the "*Dollar Notes*") and €301.5 million aggregate principal amount of 8.375% Senior Notes due 2026 (the "*Euro Notes*" and, together with the Dollar Notes, the "*Notes*" and each, a "*series of Notes*") under an indenture to be dated as of the Issue Date (the "*Initial Indenture*") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*"). The Dollar Notes and the Euro Notes will each be issued as a separate series, but, except as otherwise provided below, will be treated as a single class for all purposes under the Indenture (as defined below). On the Completion Date, upon the consummation of the Transactions, Boxer Parent Company Inc. and the Guarantors will enter into a supplemental indenture (the "*Supplemental Indenture*" and together with the Initial Indenture, the "*Indenture*") with the Trustee. The Indenture will not be subject to the provisions of the Trust Indenture Act of 1939, as amended. The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions."

Application will be made to list the Euro Notes on the Official List of The International Stock Exchange (the "*Exchange*") and for the Euro Notes to be admitted to trading thereto. The listing application will be subject to approval by The International Stock Exchange Authority Limited (the "*Authority*"). There can be no assurance that this application will be accepted.

This offering of the Notes will be consummated prior to the consummation of the Merger. Substantially concurrently with the closing of this offering of the Notes on the Issue Date, the Issuer will enter into an escrow agreement (the "*Escrow Agreement*") dated as of the Issue Date among the Issuer, the Trustee and The Bank of New York Mellon, as escrow agent (the "*Escrow Agent*"), pursuant to which (x) the gross proceeds of the offering of the Dollar Notes will be deposited into a segregated escrow account (the "*Dollar Escrow Account*") and (y) the gross proceeds of the offering of the Euro Notes will be deposited into a segregated escrow account (the "*Euro Escrow Account*" and, together with the Dollar Escrow Account, the "*Escrow Accounts*" and each an "*Escrow Account*"). If the Merger is not consummated on or prior to February 26, 2019 (the "*Escrow Outside Date*"), each series of Notes will be redeemed at a price equal to 100% of the initial issue price of such series of Notes plus accrued and unpaid interest on such series of Notes from the Issue Date to the Special Mandatory Redemption Date (as defined below). See "—Escrow of Proceeds; Special Mandatory Redemption."

The following description is only a summary of certain provisions of the Indenture, the Notes and the Guarantees, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Indenture and the Notes, including the definitions of certain terms used therein. We urge you to read each of these documents because they, and not this description, will define your rights as Holders. You may request copies of the Indenture and the Notes at our address set forth under the heading "Summary."

Brief Description of Notes

Prior to the consummation of the Merger, the Notes will initially be senior obligations solely of Merger Sub secured by the Escrowed Property (as defined below) and will not have the benefit of any Guarantees or any other credit support from Boxer Parent Company Inc. or any of its Subsidiaries. See "—Escrow of Proceeds; Special Mandatory Redemption."

From and after the consummation of the Merger, the Notes will be:

- general senior unsecured debt obligations of the Issuer;
- senior in right of payment to any existing and future Subordinated Indebtedness of the Issuer;
- *pari passu* in right of payment with all existing and future Senior Indebtedness (including the Senior Credit Facilities) of the Issuer;
- effectively subordinated to all existing and future Secured Indebtedness (including the Senior Credit Facilities) of the Issuer to the extent of the value of the assets securing such Indebtedness;
- structurally subordinated to all existing and future Indebtedness and other claims and liabilities, including Preferred Stock, of Subsidiaries of the Issuer that are not Guarantors; and
- guaranteed on a senior unsecured basis by each Domestic Subsidiary that is a Wholly-Owned Subsidiary of the Issuer that incurs or guarantees any Obligations under the Senior Credit Facilities or certain future Indebtedness.

Guarantees

Following the consummation of the Merger, the Guarantors, as primary obligors and not merely as sureties, will jointly and severally, fully and unconditionally guarantee, on a senior unsecured basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all Obligations of the Issuer under the Notes and the Indenture, whether for payment of principal of, premium on, if any, or interest on the Notes, expenses, indemnification or otherwise, on the terms set forth in the Indenture by executing the Indenture.

As further described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries," each Domestic Subsidiary that is a Wholly-Owned Subsidiary of the Issuer that incurs or guarantees any Obligations under the Senior Credit Facilities or certain future Indebtedness (and any Domestic Subsidiary of the Issuer that is a non-Wholly-Owned Subsidiary if such non-Wholly-Owned Subsidiary incurs or guarantees Indebtedness under the Senior Credit Facilities or certain capital markets debt securities) will, subject to certain exceptions and to release as provided below or elsewhere in this "Description of Notes," guarantee the Notes.

The Guarantee of each Guarantor will be:

- a general senior unsecured obligation of such Guarantor;
- senior in right of payment to any existing and future Subordinated Indebtedness of such Guarantor;
- *pari passu* in right of payment with all existing and future Senior Indebtedness of such Guarantor (including its guarantee of all Obligations under the Senior Credit Facilities);
- effectively subordinated to all existing and future Secured Indebtedness (including its guarantee of all Obligations under the Senior Credit Facilities) of such Guarantor to the extent of the value of the assets securing such Indebtedness; and

- structurally subordinated to all existing and future Indebtedness and other claims and liabilities, including Preferred Stock of any Subsidiaries of such Guarantor that are not Guarantors.

Notwithstanding anything to the contrary set forth under "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries" (or the 30-day grace period set forth therein), the Issuer shall cause each Restricted Subsidiary that is (or becomes) a borrower or guarantor under the Senior Credit Facilities on the Completion Date to execute and deliver on the Completion Date a supplemental indenture to the Indenture providing for a Guarantee by such Restricted Subsidiary. Each of the Issuer's Subsidiaries that is a borrower or guarantor under the Senior Credit Facilities as of the Completion Date will guarantee the Notes.

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

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law and, therefore, are limited to the amount that such Guarantor could guarantee without such Guarantee constituting a fraudulent conveyance; this limitation, however, may not be effective to prevent such Guarantee from constituting a fraudulent conveyance. If a Guarantee were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero. See "Risk Factors—Risks Relating to the Notes and Our Indebtedness—Federal and state fraudulent transfer laws may permit a court to void the notes and guarantees, and, if that occurs, you may not receive any payments on the notes."

Each Guarantee by a Guarantor will provide by its terms that its Obligations under the Indenture and such Guarantee will be automatically and unconditionally released and discharged upon:

(a) any sale, exchange, transfer or other disposition (by merger, consolidation, amalgamation, dividend, distribution or otherwise) of (i) the Capital Stock of such Guarantor (including any sale, exchange or transfer), after which the applicable Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the assets of such Guarantor to a Person that is not the Issuer or a Restricted Subsidiary, in each case, if such sale, exchange, transfer or other disposition is not prohibited by the applicable provisions of the Indenture;

(b) (i) the release or discharge of the guarantee by, or direct obligation of, such Guarantor with respect to the Senior Credit Facilities or (ii) the release or discharge of such other guarantee or direct obligation that resulted in the creation of such Guarantee (except, in each case of clauses (i) and (ii), a discharge or release by or as a result of payment under such guarantee or direct obligation, it being understood that a release subject to a contingent reinstatement is still a release) unless, in each case of clauses (i) and (ii), at the time of such release or discharge, such Guarantor is then a guarantor or an obligor in respect of any other Indebtedness that would require it to provide a Guarantee pursuant to the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries";

(c) the designation of any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of the Indenture;

(d) the Issuer exercising its legal defeasance option or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture;

(e) the merger, amalgamation or consolidation of any Guarantor with and into the Issuer or another Guarantor that is the surviving Person in such merger, amalgamation or consolidation, or upon the liquidation of a Guarantor following the transfer of all of its assets to the Issuer or another Guarantor; or

(f) the occurrence of a Covenant Suspension Event; provided that (i) such Guarantee shall not be released pursuant to this clause (f) for so long as such Guarantor is an obligor with respect to any Indebtedness under the Senior Credit Facilities and (ii) such Guarantee shall be reinstated upon the occurrence of the Reversion Date.

Ranking

From and after the Completion Date, the payment of the principal of, premium, if any, and interest on the Notes and the payment of any Guarantee will be unsecured and the Indebtedness evidenced by the Notes and the Guarantees will be Senior Indebtedness of the Issuer or the applicable Guarantor, as the case may be, and will rank equal in right of payment with all existing and future Senior Indebtedness of the Issuer and the Guarantors, as the case may be, including the Obligations of the Issuer and such Guarantor under the Senior Credit Facilities. From and after the Completion Date, the Obligations under the Notes, the Indenture and the Guarantees will be effectively subordinated to all of the Issuer's and the Guarantors' existing and future Secured Indebtedness, including the obligations of the Issuer and the Guarantors under the Senior Credit Facilities, to the extent of the value of the assets securing such Indebtedness. The phrase "in right of payment" refers to the contractual ranking of a particular Obligation, regardless of whether an Obligation is secured.

Prior to the Completion Date, the Holders will have the benefit of a first-priority security interest in the Escrow Account to secure the payment of the Special Mandatory Redemption Price (as defined below). See "—Escrow of Proceeds; Special Mandatory Redemption.

From and after the Completion Date, all of the operations of the Issuer will be conducted through the Issuer's Subsidiaries. Claims of creditors of any non-guarantor Subsidiaries of the Issuer, including trade creditors and creditors holding Indebtedness or guarantees issued by such non-guarantor Subsidiaries, and claims of preferred stockholders of such non-guarantor Subsidiaries generally will have priority with respect to the assets and earnings of such non-guarantor Subsidiaries over the claims of our creditors, including Holders, even if such claims do not constitute Senior Indebtedness. Accordingly, the Notes will be structurally subordinated to creditors (including trade creditors) and preferred stockholders, if any, of such non-guarantor Subsidiaries.

As of March 31, 2018, on a pro forma basis after giving effect to the Transactions and the use of proceeds therefrom as described under "Use of Proceeds," the Issuer and the Guarantors collectively would have had $4,394.1 million of Secured Indebtedness outstanding and $400.0 million of availability under the Revolving Credit Facility (excluding $31.7 million of outstanding letters of credit), all of which would have ranked effectively senior to the Notes offered hereby.

As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, excluding the effect of intercompany transactions, the non-guarantor subsidiaries would have accounted for approximately $483.8 million, or 49.0%, of our total revenue, and approximately $451.2 million, or 55.4%, of our Non-GAAP EBITDA. As of March 31, 2018, on a pro forma basis after giving effect to the Transactions, excluding the effect of intercompany balances as well as intercompany transactions, the non-guarantor subsidiaries would have accounted for approximately $3,778.1 million, or 35.8%, of our consolidated total assets, and approximately $1,125.1 million, or 13.6%, of our consolidated total liabilities.

Although the Indenture will contain limitations on the amount of additional Secured Indebtedness that the Issuer and the Restricted Subsidiaries may incur, under certain circumstances, the amount of such Secured Indebtedness could be substantial. See "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Certain Covenants—Limitation on Liens." In addition, although the Indenture will limit the incurrence of Indebtedness by, and the issuance of Disqualified Stock and Preferred Stock of, the Restricted Subsidiaries, such limitation is subject to a number of significant exceptions and qualifications and the Indebtedness incurred and Disqualified Stock and Preferred Stock issued in compliance with the covenants could be substantial. See "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Moreover, the Indenture does not impose any limitation on the incurrence or issuance by such Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture.

Paying Agents and Registrars for the Notes

The Issuer will maintain one or more paying agents (each, a "*Paying Agent*") for the Dollar Notes and the Euro Notes. The initial Paying Agent for the Dollar Notes will be the Trustee. The initial Paying Agent for the Euro Notes will be The Bank of New York Mellon, London Branch. The Paying Agents will make payments on the Notes on behalf of the Issuer.

The Issuer will also maintain one or more registrars (each, a "*Registrar*") for the Dollar Notes and the Euro Notes. The initial Registrar for each series of Notes will be the Trustee. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time and will make payments on and facilitate transfer of Notes on behalf of the Issuer.

The Issuer may change the Paying Agents or the Registrars without prior notice to the Holders. The Issuer or any of its Subsidiaries may act as a Paying Agent or Registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture and the restrictions set forth in the section of this Offering Circular entitled "Transfer Restrictions." The Registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes and fees required by law and due on transfer. The Issuer will not be required to transfer or exchange any Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, an Asset Sale Offer or other tender offer. Also, the Issuer will not be required to transfer or exchange any Note for a period of 10 days before delivering a notice of redemption of Notes to be redeemed.

The registered Holder will be treated as the owner of the Note for all purposes.

Principal, Maturity and Interest

The Issuer will initially issue $1,475.0 million aggregate principal amount of Dollar Notes in this offering and €301.5 million aggregate principal amount of Euro Notes in this offering. The Dollar Notes and the Euro Notes will constitute separate series of Notes under the Indenture but, except as otherwise provided below, will be treated as a single class for all purposes under the Indenture. The Notes will mature on September 1, 2026.

Subject to compliance with the covenant described below under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuer may issue additional Dollar Notes ("*Additional Dollar Notes*") and additional Euro Notes ("*Additional Euro Notes*" and, together with the Additional Dollar Notes, "*Additional Notes*") from time to time after this offering under the Indenture. The Dollar Notes offered hereby and any Additional Dollar Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided*, *however*, that a separate CUSIP or ISIN will be issued for the Additional Dollar Notes, unless the Dollar Notes and the Additional Dollar Notes are treated as fungible for U.S. federal income tax purposes. The Euro Notes offered hereby and any Additional Euro Notes subsequently issued under the Indenture will be treated as a single class (except as otherwise provided) for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided*, *however*, that a separate CUSIP or Common Code will be issued for the Additional Euro Notes, unless the Euro Notes and the Additional Euro Notes are treated as fungible for U.S. federal income tax purposes. Unless the context requires otherwise, references to "Notes" for all purposes of the Indenture, the Guarantees and this "Description of Notes" include any Additional Notes that are actually issued.

Interest on the Dollar Notes will accrue at the rate of 9.750% per annum. Interest on the Euro Notes will accrue at the rate of 8.375% per annum. Interest on each series of Notes will be payable in cash semi-annually in arrears on March 1 and September 1 of each year, commencing on March 1, 2019, to the Holders of record as of the close of business (if applicable) on the immediately preceding February 15 and August 15 (whether or not a Business Day). Interest on each series of Notes will accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from and including the Issue Date. Interest on each series of Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Dollar Notes will be issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof. The Euro Notes will be issued in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof.

Principal of, premium, if any, and interest on each series of Notes will be payable at the office or agency of the applicable Paying Agent maintained for such purpose as described under "—Paying Agents and Registrars for the Notes" or, at the option of the Issuer, payment of interest may be made by check mailed to the Holders at their respective addresses set forth in the register of Holders or by wire transfer; *provided* that all payments of principal, premium, if any, and interest with respect to (x) the Dollar Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made in accordance with DTC's applicable procedures, and (y) the Euro Notes represented by one or more global notes registered in the name or held by the common depository of Euroclear and Clearstream or its nominee will be made in accordance with Euroclear's and/or Clearstream's applicable procedures. Until otherwise designated by the Issuer, the Issuer's office or agency will be the office of the Trustee maintained for such purpose. If any interest payment date, the maturity date or any earlier required repurchase or redemption date falls on a day that is a Legal Holiday, the required payment will be made on the next succeeding Business Day and no interest on such payment will accrue in respect of the delay.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described under the caption "—Escrow of Proceeds; Special Mandatory Redemption," the Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the caption "—Repurchase at the Option of Holders." The Issuer, the Investors and their respective Affiliates may, at their discretion, at any time and from time to time, acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise.

Escrow of Proceeds; Special Mandatory Redemption

This offering of the Notes will be consummated prior to the consummation of the Merger. Substantially concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the Issuer will deposit (or cause to be deposited) with the Escrow Agent into (x) the Dollar Escrow Account, an amount equal to the gross proceeds of this offering of the Dollar Notes sold on the Issue Date and (y) the Euro Escrow Account, an amount equal to the gross proceeds of this offering of the Euro Notes sold on the Issue Date.

The initial funds deposited in the Dollar Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Dollar Escrow Account in connection with the Dollar Notes (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the "*Dollar Escrowed Property*." The initial funds deposited in the Euro Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Euro Escrow Account in connection with the Euro Notes (less any property and/or funds paid (including negative rate charges) in accordance with the Escrow Agreement) are referred to, collectively, as the "*Euro Escrowed Property*", and together with the Dollar Escrowed Property, the "*Escrowed Property*." The Dollar Escrowed Property will be controlled by the Escrow Agent, on behalf of the Trustee and the Holders of the Dollar Notes, and Euro Escrowed Property will be controlled by the Escrow Agent, on behalf of the Trustee and the Holders of the Euro Notes. Interest will be calculated in accordance with the terms of the Indenture and the applicable series of Notes.

In order for the Issuer to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, on or before the Escrow Outside Date, an Officer's Certificate (the "*Escrow Release Officer's Certificate*"), upon which both the Escrow Agent and the Trustee shall be entitled to rely absolutely without further investigation, to the effect that:

(1) the Merger will be consummated substantially concurrently with or promptly following the release of the Escrowed Property; and

(2) the credit agreement governing the Senior Credit Facilities has become effective or will become effective substantially concurrently with or promptly following the release of the Escrowed Property from the Escrow Account.

The Release will occur promptly following the receipt by the Escrow Agent of the Escrow Release Officer's Certificate (the date of the Release, the "*Completion Date*"). Upon the Release, the Escrowed Property will be paid out of each Escrow Account in accordance with the Escrow Agreement and each Escrow Account will be reduced to zero.

The Issuer will grant the Trustee, for its benefit and the benefit of the Holders, subject to certain liens of the Escrow Agent, a first-priority security interest in the Escrow Account to secure the payment of the Special Mandatory Redemption Price (as defined below) of each series of Notes; *provided*, *however*, that such liens and security interests shall automatically be released and terminate at such time as the Escrowed Property is released from the Escrow Account on the Completion Date. For the avoidance of doubt, such liens and security interests will, be permitted under the Indenture. The Escrow Agent will invest the Escrowed Property as directed by the Issuer in such customary short-term liquid investments (including bank deposit products) as permitted under the Escrow Agreement, and liquidate such investments, as the Issuer will from time to time direct in writing.

In the event that (a) the Escrow Outside Date occurs and the Escrow Agent shall not have received the Escrow Release Officer's Certificate on or prior to such date, (b) the Issuer informs the Escrow Agent in writing that, in the reasonable judgment of the Issuer, the Merger will not be consummated on or prior to the Escrow Outside Date or (c) the Issuer informs the Escrow Agent in writing that the Merger Agreement was terminated prior to the Escrow Outside Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem each series of Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to (x) with respect to the Dollar Notes, 100% of the initial issue price of the Dollar Notes, plus accrued but unpaid interest on the Dollar Notes, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) and (y) with respect to the Euro Notes, 100% of the initial issue price of the Euro Notes, plus accrued but unpaid interest on the Euro Notes, if any, from the Issue Date to the Special Mandatory Redemption Date, in each case, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date.

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee, each Paying Agent and the Escrow Agent, and will provide that each series of Notes shall be redeemed on a date that is no later than the third Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*") or otherwise in accordance with the procedures of DTC or of Euroclear or Clearstream, as applicable. On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder of the applicable series of Notes the applicable Special Mandatory Redemption Price for such Holder's Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

The Escrow Accounts will not include cash to fund any accrued and unpaid interest owing to Holders of the applicable series of Notes, which is included in the Special Mandatory Redemption Price. In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption for any series of Notes exceeds the amount of the applicable Escrowed Property, the Investors will be required to fund the difference between the applicable Special Mandatory Redemption Price and the amount of the applicable Escrowed Property pursuant to a commitment provided by them.

Activities Prior to Escrow Release

Prior to the Completion Date, Merger Sub's activities are restricted to issuing the Notes, issuing capital stock to, and receiving capital contributions, performing its obligations under the Merger Agreement and/or in connection with the Transactions, performing its obligations in respect of the Notes under the Indenture and/or the Escrow Agreement, engaging in activities in connection with entering into the Senior Credit Facilities, consummating the Release or redeeming the Notes as set forth above under the caption "—Escrow of Proceeds; Special Mandatory Redemption," and conducting such other activities as are related to the foregoing or are necessary or appropriate to effectuate the Transactions or the transactions relating thereto. Prior to the Completion Date, the Indenture will provide that Merger Sub will not engage in any business activity or enter into any transaction or agreement (including, without limitation, making any restricted payment, incurring any debt, incurring any Liens except in favor of the Holders of the Notes or the Trustee, entering into any merger, consolidation, amalgamation or sale of all or substantially all of its assets or engaging in any transaction with its Affiliates) except in the ordinary course of engaging in the actions and activities described in the immediately preceding sentence, as permitted in connection with the release of the Escrowed Property pursuant to the Escrow Agreement or as necessary to effectuate the Transactions or the transactions relating thereto.

Prior to the Completion Date, Boxer Parent Company Inc. and its Subsidiaries will not be parties to the Indenture and will not be controlled by Merger Sub; accordingly, prior to the Completion Date, Boxer Parent Company Inc. and its Subsidiaries will not be subject to the restrictions, agreements or covenants in the Indenture.

Redemption of Euro Notes for Tax Reasons

After the Completion Date, the Issuer may redeem the Euro Notes in whole, but not in part, at any time upon giving not less than 30 days' nor more than 60 days' prior written notice to the Holders of such Euro Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but not including the date fixed for redemption (a "*Tax Redemption Date*") (subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "—Payment of Additional Amounts on the Euro Notes"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below); or

(2) any amendment to, or change in an official written application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice or revenue guidance) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

a Payor (as defined below) is, or on the next interest payment date in respect of such Euro Notes would be, required to pay Additional Amounts with respect to such Euro Notes, and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent and, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or a Guarantor who can make such payment without the obligation to pay Additional Amounts, in either case, where this would be reasonable, but not including assignment of the obligation to make payment with respect to such Euro Notes). Such Change in Tax Law must (i) not have been publicly announced before the Issue Date and (ii) become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on such Euro Notes and (b) mutatis mutandis to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendments occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of any Euro Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing qualified under the laws of the Relevant Tax Jurisdiction to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders of the Euro Notes.

Payment of Additional Amounts on the Euro Notes

All payments made by or on behalf of the Issuer or any Guarantor (including, in each case, any successor entity) (each, a "*Payor*") in respect of the Euro Notes or with respect to any Guarantee thereof, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any Euro Note or Guarantee thereof is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction in which a Payor is organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor or the Paying Agent with respect to any Euro Note or Guarantee thereof, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such withholding or deduction from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Euro Note or Guarantee thereof in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of the Euro Note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Euro Note or the receipt of any payment or the exercise or enforcement of rights under such Euro Note, the Indenture or a Guarantee of such Euro Note;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Euro Note to provide an applicable Internal Revenue Service Form W-8 (with any required attachments) or W-9 or to comply with a reasonable written request of the Payor addressed to the Holder, after reasonable notice (at least 60 days before any such withholding or deduction would be made), to provide other certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but, only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of the Euro Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder or beneficial owner would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment on or with respect to the Euro Notes or any Guarantee thereof;

(5) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

(6) any Taxes imposed in connection with a Euro Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the Note to, or otherwise accepting payment from, another available Paying Agent in a member state of the European Union;

(7) any Taxes imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or agreements thereunder, official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code (or any amended or successor version that is substantively comparable), or any law, legislation, rules or practices implementing an intergovernmental agreement relating thereto;

(8) any Taxes imposed as a result of the beneficial owner being or having been (i) a "10-percent shareholder" of the Issuer as defined in Section 871(h)(3) of the Code or any successor provision or (ii) a controlled foreign corporation that is related to the Issuer within the meaning of Section 864(d)(4) of the Code or any successor provision;

(9) any Taxes imposed as a result of the Holder or beneficial owner being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code or any successor provision;

(10) any Taxes imposed by reason of the Holder's or beneficial owner's past or present status as a passive foreign investment company, a controlled foreign corporation, a foreign tax-exempt organization or a personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax; or

(11) any combination of the items (1) through (10) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or limited liability company or any person other than the beneficial owner of the Euro Notes, to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or limited liability company or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Euro Notes directly.

The applicable withholding agent will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant taxing authority in the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies, or if, notwithstanding the Payor's reasonable efforts to obtain such tax receipts, such tax receipts are not available, other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies or other evidence shall be made available to the Holders upon reasonable request and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Euro Note or Guarantee of a Euro Note, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee shall be entitled to rely solely, without further inquiry, on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Euro Notes or this "Description of Notes" there is mentioned, in any context, with respect to the Euro Notes:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Euro Notes;

(3) interest; or

(4) any other amount payable on or with respect to any Guarantee of a Euro Note,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and indemnify the Holders and beneficial owners of the Euro Notes for any present or future stamp, transfer, issue, registration, court or documentary taxes, or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, enforcement or registration of, or receipt of payments with respect to, any Euro Note, any Guarantee of a Euro Note, the Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Euro Notes after this offering and limited, solely to the extent of such taxes or similar charges or levies that arise from the receipt of any payments of principal or interest on the Euro Notes, to any such taxes or similar charges or levies that are not excluded under clauses (1) through (3) and (5) through (10)).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Euro Notes or Guarantees thereof is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Issuance in Euro; Payment on the Notes

Initial Holders of Euro Notes will be required to pay for the Euro Notes in euro, and all payments of principal of, the redemption price (if any), and interest and Additional Amounts (if any), will be payable in euro; *provided* that if, on or after the date of this Offering Circular, the euro is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond its control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the Euro Notes will be made in U.S. dollars until the euro is again available to the Issuer or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second Business Day prior to the relevant payment date. Any payment in respect of the Euro Notes so made in U.S. dollars will not constitute an event of default under the Euro Notes or the Indenture. In no event shall the Trustee or Paying Agent be responsible for monitoring any exchange rates or effecting any conversions.

Optional Redemption

Except as set forth above under the caption "Redemption of Euro Notes for Tax Reasons" with respect to the Euro Notes, below or in the circumstances set forth under "—Repurchase at the Option of Holders—Change of Control," the Issuer will not be entitled to redeem the Notes at its option prior to September 1, 2021.

At any time prior to September 1, 2021, the Issuer may, at its option and on one or more occasions, redeem all or a part of a series of Notes, upon notice as described under the heading "—Selection and Notice," at a redemption price equal to 100% of the principal amount of the Notes of the applicable series redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption (any applicable date of redemption hereunder, the "*Redemption Date*"), subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Redemption Date.

On and after September 1, 2021, the Issuer may, at its option and on one or more occasions, redeem the Dollar Notes and/or the Euro Notes, in whole or in part, upon notice as described under the heading "—Selection and Notice," at the redemption prices (expressed as percentages of principal amount of the applicable series of Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Redemption Date, if redeemed during the twelve-month period beginning on September 1 of each of the years indicated below:

Year	Dollar Notes Redemption Price	Euro Notes Redemption Price
2021	104.875%	104.188%
2022	102.438%	102.094%
2023 and thereafter	100.000%	100.000%

In addition, until September 1, 2021, the Issuer may, at its option and on one or more occasions, upon notice as described under the heading "—Selection and Notice," on one or more occasions redeem (i) up to 40% of the aggregate principal amount of Dollar Notes (including Additional Dollar Notes) issued under the Indenture at a redemption price (as calculated by the Issuer) equal to (x) 109.750% of the aggregate principal amount thereof, with an amount equal to or less than the net cash proceeds from one or more Equity Offerings to the extent such net cash proceeds are received by or contributed to the Issuer plus (y) accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Redemption Date and (ii) up to 40% of the aggregate principal amount of Euro Notes issued under the Indenture (including any Additional Euro Notes) at a redemption price (as calculated by the Issuer) equal to (x) 108.375% of the aggregate principal amount thereof, with an amount equal to or less than the net cash proceeds from one or more Equity Offerings to the extent such net cash proceeds are received by or contributed to the Issuer plus (y) accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Redemption Date; *provided* that (a) in the case of the Dollar Notes, at least 50% of the aggregate principal amount of Dollar Notes issued under the Indenture on the Issue Date (excluding, for the avoidance of doubt, any Additional Dollar Notes issued under the Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption, (b) in the case of the Euro Notes, at least 50% of the sum of (x) the aggregate principal amount of Euro Notes issued under the Indenture on the Issue Date and (y) the aggregate principal amount of any Additional Euro Notes issued under the Indenture after the Issue Date remains outstanding immediately after the occurrence of each such redemption, and (c) each such redemption occurs within 180 days of the date of closing of each such Equity Offering.

Notwithstanding the foregoing, in connection with any tender offer for any series of Notes, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all Notes of such series validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem (with respect to the Issuer) or purchase (with respect to a third party) all Notes of such series that remain outstanding following such purchase at a price equal to the price paid to each other Holder in such tender offer (which may be less than par) plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon on the Notes of such series, to, but excluding, the applicable Redemption Date or purchase 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 on or prior to the applicable Redemption Date or purchase date.

The Notes to be redeemed shall be selected in the manner described under "—Selection and Notice."

The Notes of either such series may be optionally redeemed in full or in part pursuant to the optional redemption provisions of the Indenture before the Notes of the other series is optionally redeemed in full (or at all).

Selection and Notice

With respect to any partial redemption or purchase of either series of Notes made pursuant to the Indenture, selection of the Notes of such series for redemption or purchase will be made in accordance with the requirements of the applicable securities exchange, if any, on which the Notes of such series are listed, and in compliance with the applicable procedures of DTC or of Euroclear or Clearstream, as applicable; *provided* that no Dollar Notes of less than $2,000 or Euro Notes of less than €100,000 can be redeemed or repurchased in part.

Notices of redemption or purchase shall be delivered electronically, in accordance with procedures of DTC or of Euroclear or Clearstream, as applicable, in the case of global notes, or mailed by first-class mail, postage prepaid, at least 10 days (or such shorter period as is specified solely in respect of any Special Mandatory Redemption), but except as set forth in the sixth paragraph under "—Optional Redemption," not more than 60 days before the purchase date or Redemption Date specified in any such notice to each Holder at such Holder's registered address or otherwise in accordance with the procedures of DTC or of Euroclear or Clearstream, as applicable, except that redemption notices may be delivered or mailed more than 60 days prior to a Redemption Date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. If any Note is to be redeemed or purchased in part only, any notice of redemption or purchase that relates to such Note shall state the portion of the principal amount thereof that has been or is to be redeemed or purchased.

With respect to Notes represented by certificated notes, if any Notes are to be purchased or redeemed in part only, the Issuer will issue a new Note in a principal amount equal to the unredeemed or unpurchased portion of the original Note in the name of the Holder thereof upon cancellation of the original Note; *provided* that the new Dollar Notes will be only issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof and the Euro Notes will only be issued in denominations of €100,000 and any integral multiple of €1,000 in excess thereof.

Notice of any redemption of, or any offer to purchase, a series of Notes (including upon an Equity Offering or in connection with another transaction (or series of related transactions) or an event that constitutes a Change of Control) may, at the Issuer's discretion, be given prior to the completion or the occurrence thereof and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion or occurrence of the related Equity Offering or other transaction or event, as the case may be. In addition, if such redemption or purchase is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the applicable Redemption Date, or by the applicable Redemption Date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied. In addition, the Issuer may provide in such notice that payment of the applicable redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person. In no event shall the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of the Notes eligible under the Indenture to be redeemed.

Notes of any series called for redemption or purchase become due on the date fixed for redemption or purchase, unless such redemption or purchase is conditioned on the happening of a future event. On and after the Redemption Date, unless the Issuer defaults in payment of the redemption price, interest shall cease to accrue on Notes of such series or portions of them called for redemption, unless such redemption remains conditioned on the happening of a future event.

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control occurs after the Completion Date, unless, prior to, or concurrently with, the time the Issuer is required to make a Change of Control Offer (as defined below), the Issuer has previously or concurrently mailed or delivered, or otherwise sent through electronic transmission, a redemption notice with respect to all the outstanding Notes as described under "—Optional Redemption" or "—Satisfaction and Discharge," the Issuer will make an offer to purchase all of the Notes pursuant to the offer described below (the "*Change of Control Offer*") at a price in cash (the "*Change of Control Payment*") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Change of Control Payment Date (as defined below). Within 30 days following any Change of Control, the Issuer will send notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee sent in the same manner, to each Holder to the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC or of Euroclear or Clearstream, as applicable, with the following information:

(1) that a Change of Control Offer is being made pursuant to the covenant entitled "—Repurchase at the Option of Holders—Change of Control," and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(2) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 60 days from the date such notice is sent (the "*Change of Control Payment Date*"), except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below;

(3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

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

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed or otherwise in accordance with the procedures of DTC or of Euroclear or Clearstream, as applicable, to the applicable Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; *provided* that the applicable Paying Agent specified in the notice receives, not later than the close of business on the second Business Day prior to the expiration time of the Change of Control Offer, an electronic transmission (in PDF), a facsimile transmission or letter setting forth the name of the Holder or otherwise in accordance with the procedures of DTC or of Euroclear and Clearstream, as applicable, the principal amount of the Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that if less than all of such Holder's Notes are tendered for purchase, such Holder will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that the unpurchased portion of the Notes must be equal to at least $2,000 or an integral multiple of $1,000 in excess thereof in relation to the Dollar Notes or at least €100,000 or an integral multiple of €1,000 in excess thereof in relation to the Euro Notes;

(8) if such notice is sent prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and describing each such condition, and, if applicable, stating that, in the Issuer's discretion, the Change of Control Payment Date may be delayed until such time (including more than 60 days after the notice is mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied, or that such purchase may not occur and such notice may be rescinded in the event that the Issuer shall determine that any or all such conditions shall not have been satisfied by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed; and

(9) such other instructions, as determined by the Issuer, consistent with this covenant, that a Holder must follow.

While the Notes are in global form and the Issuer makes an offer to purchase all of the Notes pursuant to the Change of Control Offer, a Holder may exercise its option to elect for the purchase of Notes through the facilities of DTC or of Euroclear and Clearstream, as applicable, subject to the applicable rules and regulations.

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

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

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

(2) deposit with the applicable Paying Agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered; and

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

The Senior Credit Facilities will, and future credit agreements or other agreements relating to Indebtedness to which the Issuer (or one of its Affiliates) becomes a party may, provide that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control under the Indenture). If we experience a change of control event that triggers a default under our Senior Credit Facilities and/or such other agreements, we could seek a waiver of such default or seek to refinance our Senior Credit Facilities and/or such other agreements. In the event we do not obtain such a waiver or refinance the Senior Credit Facilities and/or such other agreements, such default could result in amounts outstanding under our Senior Credit Facilities and/or such other agreements being declared due and payable.

Our ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases of the Notes. See "Risk Factors—Risks Relating to the Notes and our Indebtedness—We may not be able to repurchase the notes upon a change of control."

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

We will not be required to make a Change of Control Offer if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of the making of such Change of Control Offer.

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 and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice (*provided* that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Offer described above) to redeem all Notes of such series that remain outstanding following such purchase at a price in cash equal to 101% of the aggregate principal amount of such Notes, plus accrued and unpaid interest on the Notes of such series that remain outstanding to, but excluding, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date).

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

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control, including the definition of "*Change of Control,*" may be waived or modified at any time with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

Asset Sales

The Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate, directly or indirectly, an Asset Sale unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value (measured at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration for such Asset Sale (measured at the time of contractually agreeing to such Asset Sale), together with all other Asset Sales since the Completion Date (on a cumulative basis), received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that the amount of:

(i) any liabilities (as reflected on the Issuer's or such Restricted Subsidiary's, most recent consolidated balance sheet or in the footnotes thereto, or if incurred, accrued or increased subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's or such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence, accrual or increase had taken place on or prior to the date of such balance sheet, as determined by the Issuer) of the Issuer or any Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Notes or the Guarantees of the Notes, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) pursuant to a written agreement which releases the Issuer or such Restricted Subsidiary from such liabilities;

(ii) any securities, notes or other obligations or assets received by the Issuer or such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale; and

(iii) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (iii) that is at that time outstanding, not to exceed the greater of (x) $700.0 million and (y) 7.0% of Consolidated Total Assets of the Issuer for the Applicable Measurement Period at the time of the receipt of such Designated Non-cash Consideration, with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall, for purposes of the paragraphs under this caption "—Repurchase at the Option of Holders—Asset Sales" (and no other provision of the Indenture), be deemed to be cash or Cash Equivalents.

Within 450 days after the Issuer's or any Restricted Subsidiary's receipt of any Net Proceeds from any Asset Sale (the "*Asset Sale Proceeds Application Period*"), the Issuer or such Restricted Subsidiary, at its option, may apply an amount equal to the Net Proceeds from such Asset Sale,

(i) to repay:

(w) Obligations under a Credit Facility to the extent such Obligations were incurred under clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (and in the case of revolving obligations, to correspondingly reduce commitments with respect thereto);

(x) Obligations under Secured Indebtedness of the Issuer or a Guarantor (and in the case of revolving obligations, to correspondingly reduce commitments with respect thereto);

(y) Obligations under the Notes or any other Indebtedness (other than Subordinated Indebtedness) of the Issuer or any Restricted Subsidiary (and, in the case of other Senior Indebtedness, to correspondingly reduce any outstanding commitments with respect thereto, if applicable); *provided* that if the Issuer or any Restricted Subsidiary shall so repay any Senior Indebtedness other than the Notes, the Issuer will either (1) reduce Obligations under the Notes on a pro rata basis by, at its option, (A) redeeming Notes as described under "—Optional Redemption," or (B) purchasing Notes through open-market purchases or in arm's-length privately negotiated transactions, or (2) make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Notes on a ratable basis with such other Senior Indebtedness for no less than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, thereon; or

(z) Indebtedness of a Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to the Issuer or another Restricted Subsidiary;

(ii) to make (a) an Investment in any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and results in the Issuer or a Restricted Subsidiary, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes or continues to constitute a Restricted Subsidiary, (b) capital expenditures or (c) acquisitions of other property or assets (other than Capital Stock), in the case of each of clauses (a), (b) and (c), either (A) that is used or useful in a Similar Business or (B) that replace the businesses, properties and/or assets that are the subject of such Asset Sale; or

(iii) any combination of the foregoing;

provided that, in the case of clause (ii) above, a binding commitment or letter of intent shall be treated as a permitted application of the Net Proceeds from the date of such commitment or letter of intent so long as the Issuer or such Restricted Subsidiary enters into such commitment or letter of intent with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment or letter of intent within 180 days of the Asset Sale Proceeds Application Period (an "*Acceptable Commitment*") and such Net Proceeds are actually applied in such manner within the later of 450 days from the consummation of the Asset Sale and 180 days from the date of the Acceptable Commitment, and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, then such Net Proceeds shall constitute Excess Proceeds unless the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment within 180 days of such cancellation or termination (a "*Second Commitment*") and such Net Proceeds are actually applied in such manner within 180 days from the date of the Second Commitment; *provided, further,* that if any Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds to the extent the Asset Sale Proceeds Application Period has expired.

To the extent Net Proceeds from an Asset Sale exceed amounts that are invested or applied as provided and within the time period set forth in the preceding paragraph, such excess amount will be deemed to constitute "*Excess Proceeds.*" When the aggregate amount of Excess Proceeds exceeds $50.0 million, the Issuer shall make an offer to all Holders and, if required or permitted by the terms of other Indebtedness that is *pari passu* in right of payment with the Notes ("*Pari Passu Indebtedness*"), to the holders of such Pari Passu Indebtedness (an "*Asset Sale Offer*"), to purchase the maximum aggregate principal amount (or accreted value, as applicable) of the Notes and such Pari Passu Indebtedness, with respect to the Notes only, that is equal to $1,000 or an integral multiple of $1,000 in excess thereof in the case of the Dollar Notes, or that is equal to €1,000 or an integral multiple of €1,000 in excess thereof in the case of the Euro Notes, that may be purchased out of the Excess Proceeds at an offer price, with respect to the Notes only, in cash in an amount equal to 100% of the principal amount thereof (or accreted value thereof, if less), plus accrued and unpaid interest, if any, to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture and, if applicable, the other documents governing the applicable Pari Passu Indebtedness. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within twenty Business Days after the date that Excess Proceeds exceed $50.0 million by transmitting electronically or mailing the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. The Issuer may satisfy the foregoing obligation with respect to such Net Proceeds from an Asset Sale by making an Asset Sale Offer prior to the expiration of the Asset Sale Proceeds Application Period (the "*Advance Offer*") with respect to all or a part of the available Net Proceeds (the "*Advance Portion*") in advance of being required to do so by the Indenture.

To the extent that the aggregate principal amount (or accreted value, as applicable) of Notes and, if applicable, Pari Passu Indebtedness, tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Issuer may use any remaining Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion) in any manner not prohibited by the Indenture. If the aggregate principal amount (or accreted value, as applicable) of Notes or the Pari Passu Indebtedness tendered pursuant to an Asset Sale Offer exceeds the amount of Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Trustee shall select the Notes (subject to applicable procedures of DTC or of Euroclear or Clearstream, as applicable, as to global notes) and the Issuer or the representative of such Pari Passu Indebtedness shall select such Pari Passu Indebtedness to be purchased or repaid on a pro rata basis based on the accreted value or principal amount of the Notes or such Pari Passu Indebtedness, tendered with adjustments as necessary so that no Notes or Pari Passu Indebtedness, as the case may be, will be repurchased in part in an unauthorized denomination. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero (regardless of whether there are any remaining Excess Proceeds upon such completion), and in the case of an Advance Offer, the amount of Net Proceeds the Issuer is offering to apply in such Advance Offer shall be excluded in subsequent calculations of Excess Proceeds. Additionally, upon consummation or expiration of any Advance Offer, any remaining Net Proceeds shall not be deemed Excess Proceeds and the Issuer may use such Net Proceeds for any purpose not otherwise prohibited under the Indenture.

Pending the final application of an amount equal to the Net Proceeds pursuant to this covenant, the Issuer or the applicable Restricted Subsidiary may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility (including under the Senior Credit Facilities) or otherwise apply such Net Proceeds in any manner not prohibited by the Indenture.

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

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

The Senior Credit Facilities will limit, and future credit agreements or other agreements relating to Indebtedness to which the Issuer (or one of its Affiliates) becomes a party may prohibit or limit, the Issuer from purchasing any Notes pursuant to this Asset Sales covenant. In the event the Issuer is contractually prohibited from purchasing the Notes, the Issuer or one of its Affiliates, as the case may be, may seek the consent of its lenders to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If the Issuer or one of its Affiliates, as the case may be, does not obtain such consent or repay such borrowings, the Issuer will remain contractually prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute a Default under the Indenture.

Certain Covenants

Effectiveness of Covenants

Set forth below are summaries of certain covenants to be contained in the Indenture. If on any date following the Completion Date (i) the Notes of a series have an Investment Grade Rating from any two of the three Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), then beginning on such date and continuing until the Reversion Date (as defined below), the Issuer and the Restricted Subsidiaries will not be subject to the following covenants with respect to such series of Notes (collectively, the "*Suspended Covenants*"):

(1) "Repurchase at the Option of Holders—Asset Sales";

(2) "—Limitation on Restricted Payments";

(3) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(4) clause (4) of the first paragraph of "—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets";

(5) "—Transactions with Affiliates";

(6) "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries"; and

(7) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries."

Upon the occurrence of a Covenant Suspension Event (the date of such occurrence, the "*Suspension Date*"), the amount of Excess Proceeds from any Asset Sale shall be reset at zero. In the event that the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") any two of the three Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes of the applicable series below an Investment Grade Rating, then the Issuer and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events.

The period of time between (and including) the Suspension Date and the Reversion Date (but excluding the Reversion Date) is referred to in this description as the "*Suspension Period*." The Guarantees of the Guarantors will be released during the Suspension Period to the extent provided in clause (f) under "—Guarantees" and subject to the proviso thereto. If the Reversion Date occurs following a Suspension Date, no action taken or omitted to be taken by the Issuer or any of the Restricted Subsidiaries prior to the Reversion Date will give rise to a Default or Event of Default under the Indenture with respect to the Notes of the applicable series; *provided* that (1) with respect to Restricted Payments made on or after the Reversion Date, the amount of Restricted Payments made will be calculated as though the covenant described under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period (including with respect to a Limited Condition Acquisition entered into during the Suspension Period), (2) all Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period (or deemed incurred or issued in connection with a Limited Condition Acquisition entered into during the Suspension Period) will be classified to have been incurred or issued pursuant to clause (3) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (3) no Subsidiaries shall be designated as Unrestricted Subsidiaries during any Suspension Period, (4) any Affiliate Transaction entered into on or after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under "—Transactions with Affiliates," (5) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (a) of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries," (6) no Subsidiary of the Issuer shall be required to comply with the covenant described under "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries" on or after the Reversion Date with respect to any guarantee or direct obligation entered into by such Subsidiary during the Suspension Period, and (7) all Liens created, incurred or assumed during the Suspension Period in compliance with the Indenture will be deemed to have been outstanding on the Completion Date, so that they are classified as permitted under clause (11) of the definition of "Permitted Liens."

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

Notwithstanding that the Suspended Covenants may be reinstated on and after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the

Indenture, the Notes of the applicable series or the Guarantees with respect to the Suspended Covenants in respect of any actions taken or events occurring during the Suspension Period or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, and none of the Issuer or any of its Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time based solely on any action taken or event that occurred during the Suspension Period), and (2) on and after the Reversion Date, the Issuer and each Restricted Subsidiary will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

There can be no assurance that the Notes of any series will ever achieve or maintain Investment Grade Ratings. The Trustee shall have no duty to monitor the ratings of the Notes, determine whether a Suspension Date or Reversion Date has occurred or notify Holders of any of the foregoing.

Limitation on Restricted Payments

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

(I) declare or pay any dividend or make any payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(a) dividends, payments or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock); or

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

(II) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any Parent Entity, including in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or a Restricted Subsidiary;

(III) make any principal payment on, or redeem, repurchase, defease, discharge or otherwise acquire or retire for value, in each case prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness of the Issuer or any Guarantor, other than:

(a) Indebtedness permitted to be incurred or issued under clauses (7), (8) or (9) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

(b) the redemption, defeasance, purchase, repurchase, discharge or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of redemption, defeasance, purchase, repurchase, discharge or acquisition; or

(IV) make any Restricted Investment

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

(1) other than in the case of a Restricted Investment, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and, in the case of a Restricted Investment utilizing clause (3)(f) of this paragraph, no (x) Default that, with the passage of time or the giving of notice or both, would constitute an Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" or (y) Event of Default described under clause (1), (2) or (6) of the first paragraph of "—Events of Default and Remedies" shall have occurred and be continuing or would occur as a consequence thereof;

(2) other than in the case of (x) a Restricted Investment and (y) amounts attributable to subclauses (b), (c) and (f) of clause (3) below, immediately after giving effect to such transaction on a pro forma basis, the Issuer could incur $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Completion Date (including Restricted Payments permitted by clauses (1), (6)(c) and (8) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the sum of (without duplication):

(a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) beginning on the first day of the fiscal quarter during which the Completion Date occurs to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit; *plus*

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

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

(x) Equity Interests to any future, current or former employees, directors, managers or consultants of the Issuer, its Subsidiaries or any Parent Entity after the Completion Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph; and

(y) Designated Preferred Stock; and

(B) Equity Interests of Parent Entities, to the extent such net cash proceeds are actually contributed to the Issuer (excluding contributions of the proceeds from the sale of Designated Preferred Stock of such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph); or

(ii) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for such Equity Interests (other than Disqualified Stock) of the Issuer or a Parent Entity;

provided, however, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below), (X) Equity Interests (or Indebtedness or Disqualified Stock that has been converted or exchanged for Equity Interests) of the Issuer sold to a Restricted Subsidiary, (Y) Disqualified Stock or debt securities that have been converted or exchanged into Disqualified Stock or (Z) Excluded Contributions; *plus*

(c) 100% of the aggregate amount of cash and the fair market value of marketable securities or other property contributed to the capital of the Issuer or a Restricted Subsidiary or that becomes part of the capital of the Issuer or a Restricted Subsidiary through consolidation or merger following the Completion Date (other than net cash proceeds to the extent such net cash proceeds (i) have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (12)(a) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (ii) are contributed by a Restricted Subsidiary or (iii) constitute Excluded Contributions); *plus*

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

(i) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of, or other returns on Investment from, Permitted Investments made pursuant to clauses (8) and (13) of the definition thereof and Restricted Investments made by the Issuer or its Restricted Subsidiaries and repurchases and redemptions of, or cash distributions or cash interest received in respect thereof, such Investments from the Issuer or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Investments made by the Issuer or its Restricted Subsidiaries, in each case, after the Completion Date; or

(ii) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of the Equity Interests of an Unrestricted Subsidiary or a dividend or distribution from an Unrestricted Subsidiary after the Completion Date (other than to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment); *plus*

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after the Completion Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the net assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent such Investment constituted a Permitted Investment; *plus*

(f) the greater of (x) $180.0 million and (y) 20.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period.

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if, at the date of declaration or the giving of such notice, such payment would have complied with the provisions of the Indenture (assuming, in the case of a redemption payment, the giving of the notice of such redemption payment would have been deemed to be a Restricted Payment at such time);

(2) (a) the prepayment, redemption, repurchase, defeasance, discharge, retirement or other acquisition of any Equity Interests, including any accrued and unpaid dividends thereon ("*Treasury Capital Stock*"), or Subordinated Indebtedness of the Issuer or any Restricted Subsidiary or any Equity Interests of any Parent Entity, in exchange for, or in an amount equal to or less than the proceeds of a sale or issuance (other than to a Restricted Subsidiary) of Equity Interests of the Issuer or any Parent Entity to the extent contributed to the Issuer (in each case, other than any Disqualified Stock) ("*Refunding Capital Stock*") made within 120 days of such sale or issuance of Refunding Capital Stock and (b) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the prepayment, redemption, defeasance, repurchase, retirement, discharge, exchange or other acquisition for value of (i) Subordinated Indebtedness of the Issuer or a Guarantor made in exchange for, or in an amount equal to or less than the proceeds of a sale of, new Indebtedness of the Issuer or a Guarantor or Disqualified Stock of the Issuer or a Guarantor made within 120 days of such incurrence or issuance of new Indebtedness or Disqualified Stock or (ii) Disqualified Stock of the Issuer or a Guarantor made in exchange for, or out of the proceeds of a sale of, Disqualified Stock of the Issuer or a Guarantor made within 120 days of such sale of Disqualified Stock, that, in each case is incurred or issued in compliance with "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on, the Subordinated Indebtedness or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, discharged, acquired or retired for value, plus the amount of any premium (including tender premiums), defeasance costs, underwriting discounts and any fees, costs and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock and such prepayment, redemption, defeasance, repurchase, exchange, discharge, acquisition or retirement;

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

(c) such new Indebtedness or Disqualified Stock has a final scheduled maturity date or mandatory redemption date, as applicable, equal to or later than the final scheduled maturity date or mandatory redemption date of the Subordinated Indebtedness or Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, discharged, acquired or retired (or if earlier, such date that is at least 91 days after the maturity date of the Notes); and

(d) such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness or Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, discharged, acquired or retired (or requires no or nominal payments in cash (other than interest payments) prior to the date that is 91 days after the maturity date of the Notes);

(4) a Restricted Payment to pay for the repurchase, redemption, retirement or other acquisition of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent Entity held by any future, present or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Issuer, any of its Subsidiaries or any Parent Entity pursuant to any management, director, employee and/or advisor equity plan or equity option plan or any other management, director, employee and/or advisor benefit plan or agreement or any equity subscription or equityholder agreement or any termination agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by the Issuer or any Parent Entity in connection with such repurchase, retirement or other acquisition), including any Equity Interests rolled over by management, directors or employees of the Issuer, any of its Subsidiaries or any Parent Entity in connection with any corporate transaction (including the Merger); *provided, however,* that the aggregate Restricted Payments made under this clause (4) do not exceed in any fiscal year the greater of (x) $87.5 million and (y) 10.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period (which shall increase to the greater of (x) $175.0 million and (y) 20.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period subsequent to the consummation of an underwritten public Equity Offering by the Issuer or any Parent Entity) (with unused amounts in any fiscal year being carried over to succeeding fiscal years); *provided, further,* that such amount in any fiscal year may be increased by an amount not to exceed:

(a) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Issuer and, to the extent contributed to the Issuer, the cash proceeds from the sale of Equity Interests of any Parent Entity (other than Disqualified Stock), in each case to any future, present or former employees, directors, officers, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or any Parent Entity that occurs after the Completion Date; *provided* that the amount of such cash proceeds utilized for any such repurchase, retirement or other acquisition for value will not increase the amount available for Restricted Payments under clause (3) of the immediately preceding paragraph or clause (9) of this paragraph or utilized to incur Contribution Debt; *plus*

(b) the cash proceeds of key man life insurance policies received by the Issuer or the Restricted Subsidiaries (or any Parent Entity to the extent contributed to the Issuer) after the Completion Date; *less*

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

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) of this clause (4) in any fiscal year; and

provided further that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any future, present or former employees, directors, officers, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Issuer, any Parent Entity or any of the Issuer's Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Issuer or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

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

(6) (a) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Issuer or any of its Restricted Subsidiaries after the Completion Date;

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

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

provided, however, in the case of each of clause (a) and clause (c) of this clause (6), that for the Applicable Measurement Period at the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a pro forma basis, the Issuer could incur $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(7) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable in connection with the exercise or vesting of Equity Interests or any other equity award by any future, present or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Issuer, any Parent Entity or any of the Issuer's Restricted Subsidiaries and repurchases or withholdings of Equity Interests in connection with the exercise of any stock or other equity options or warrants or other incentive interests or the vesting of equity awards if such Equity Interests represent all or a portion of the exercise price thereof or payments in lieu of the issuance of fractional Equity Interests, or withholding obligation with respect to, such options or warrants or other incentive interests or other Equity Interests or equity awards;

(8) the declaration and payment of dividends on the Issuer's common equity (or the payment of dividends to any Parent Entity to fund a payment of dividends on such entity's common equity), following consummation of the first public offering of the Issuer's common equity or the common stock of any Parent Entity after the Completion Date, in an amount not to exceed 6.0% per annum of the net cash proceeds received by or contributed to the Issuer in or from any such public offering, other than public offerings with respect to the Issuer's common equity registered on Form S-8 and other than any public sale constituting an Excluded Contribution;

(9) Restricted Payments (a) in an amount that does not exceed the aggregate amount of Excluded Contributions received after the Completion Date and (b) without duplication with clause (a), in an amount equal to the net cash proceeds from any sale or disposition of, or distribution in respect of, Investments acquired after the Completion Date, to the extent the acquisition of such Investments was financed in reliance on clause (a) and provided that such amount will not increase the amount available for Restricted Payments under clause (3) of the immediately preceding paragraph;

(10) other Restricted Payments (a) in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (10), not to exceed the greater of $310.0 million and 35.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period at the time of such Restricted Payment and (b) without duplication with clause (a), in an

amount equal to the net cash proceeds from any sale or disposition of, or distribution in respect of, Investments acquired after the Completion Date, to the extent the acquisition of such Investments was financed in reliance on clause (a) and provided that such amount will not increase the amount available for Restricted Payments under clause (3) of the immediately preceding paragraph;

(11) any Restricted Payment (a) made in connection with the Transactions and the fees and expenses related thereto or (b) used to fund amounts owed to Affiliates (including dividends to any Parent Entity to permit payment by such Parent Entity of such amount) to the extent permitted by the covenant described under "—Transactions with Affiliates";

(12) the repurchase, redemption, defeasance, acquisition, retirement or discharge of any Subordinated Indebtedness (i) in accordance with provisions similar to those described under the captions "—Repurchase at the Option of Holders—Change of Control" and "—Repurchase at the Option of Holders—Asset Sales" or (ii) from Excess Proceeds to the extent permitted under "—Repurchase at the Option of Holders—Asset Sales" (assuming such Excess Proceeds were not reset at zero upon completion of an Asset Sale Offer); *provided* that (x) at or prior to such repurchase, redemption, defeasance, acquisition, retirement or discharge, the Issuer (or a third Person permitted by the Indenture) has made a Change of Control Offer or Asset Sale Offer, as the case may be, with respect to the Notes to the extent required as a result of such Change of Control or Asset Sale, as the case may be, and (y) all Notes tendered by Holders in connection with the relevant Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, defeased, acquired, retired or discharged;

(13) the declaration and payment of dividends or distributions by the Issuer to, or the making of loans to, any Parent Entity in amounts required for any Parent Entity to pay or cause to be paid, in each case without duplication,

(a) franchise, excise and similar taxes and other fees, taxes and expenses, in each case, required to maintain their corporate or other legal existence;

(b) for any taxable period for which the Issuer and/or any of its Subsidiaries are members of a consolidated, combined or unitary tax group for U.S. federal and/or applicable state, local, provincial, territorial or foreign income or similar tax purposes of which a Parent Entity is the common parent (a "*Tax Group*"), the portion of any U.S. federal, state, local, provincial, territorial or foreign income or similar taxes (as applicable), including any interest or penalties related thereto, of such Tax Group for such taxable period that are attributable to the income, revenue, receipts or capital of the Issuer and/or its Subsidiaries; *provided* that payments made pursuant to this clause (b) shall not exceed the amount of liability that the Issuer and/or its Subsidiaries (as applicable) would have incurred were such taxes determined as if such entity(ies) were a stand-alone taxpayer or a stand-alone group; *provided, further,* that payments under this clause (b) in respect of any taxes attributable to the income of any Unrestricted Subsidiaries of the Issuer may be made only to the extent that such Unrestricted Subsidiaries have made cash payments for such purpose to the Issuer or its Restricted Subsidiaries;

(c) customary salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, future, current or former officers, employees, directors, managers and consultants of any Parent Entity to the extent such salaries, bonuses, severance and other benefits and indemnities are attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, including the Issuer's or the Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a Public Company;

(d) general corporate, operating (including, without limitation, expenses related to the maintenance of corporate or other existence and auditing or other accounting or tax reporting matters) and other overhead costs and expenses and, following the first public offering of the Issuer's common stock or the common stock of any Parent Entity, listing fees and other costs and expenses attributable to being a Public Company, of any Parent Entity;

(e) fees and expenses related to any equity or debt offering, financing transaction, acquisitions, divestitures, investments or other non-ordinary course transaction (whether or not successful) of such Parent Entity; *provided* that any such transaction was in the good faith judgment of the Issuer intended to be for the benefit of the Issuer and its Restricted Subsidiaries;

(f) amounts (including fees and expenses) that would otherwise be permitted to be paid directly by the Issuer or its Restricted Subsidiaries pursuant to clauses (3), (4), (7), (8), (12) or (13) of the second paragraph of the covenant described under "—Transactions with Affiliates";

(g) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Issuer or any Parent Entity; and

(h) to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Issuer; *provided,* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such Parent Entity shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (2) the merger or amalgamation of the Person formed or acquired into the Issuer or one of its Restricted Subsidiaries (to the extent not prohibited by the covenant described under the caption "—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets" below) in order to consummate such Investment, (C) such Parent Entity and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (D) any property received by the Issuer or a Restricted Subsidiary shall not increase amounts available for Restricted Payments pursuant to clause (3) of the preceding paragraph or clause (9) of this paragraph, except to the extent the fair market value at the time of such receipt of such property exceeds the Restricted Payment made pursuant to this clause (h), and may not be utilized to incur Contribution Debt and (E) to the extent constituting an Investment, such Investment shall be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of this covenant or pursuant to the definition of "Permitted Investments" (other than clause (9) thereof);

(14) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any Restricted Subsidiary deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any Restricted Subsidiary, in each case, permitted under the Indenture;

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

(16) any Restricted Payment; *provided* that on a pro forma basis after giving effect to such Restricted Payment, the Consolidated Total Debt Ratio would be equal to or less than 5.60 to 1.00;

(17) 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 a consolidation, amalgamation, merger or transfer of assets that complies with "—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets";

(18) distributions or payments of Receivables Fees and purchases of receivables in connection with Permitted Receivables Financing or any repurchase obligation in connection therewith;

(19) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness consisting of Acquired Indebtedness; and

(20) mandatory redemptions of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries.

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (10) and (16), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in the preceding clauses (1) through (20) above and/or one or more of the clauses contained in the definition of "Permitted Investments," or is entitled to be made pursuant to the first paragraph of this covenant the Issuer will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Restricted Payment or Investment (or portion thereof) among such clauses (1) through (20) and/or such first paragraph and/or one or more of the clauses contained in the definition of "Permitted Investments," in a manner that otherwise complies with this covenant.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Issuer or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

As of the Completion Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will be permitted only if a Restricted Payment or Permitted Investment in such amount would be permitted at such time, whether pursuant to this covenant or pursuant to the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture and will not guarantee the Notes.

For the avoidance of doubt, this covenant shall not restrict the making of any "AHYDO catch up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Restricted Subsidiaries permitted to be incurred under the terms of the Indenture.

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

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "*incur*" and collectively, an "*incurrence*") with respect to any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided, however,* that the Issuer may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any of its Restricted Subsidiaries may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if either (i) the Fixed Charge Coverage Ratio for the Applicable Measurement Period would have been at least 2.00 to 1.00 or (ii) the Consolidated Total Debt Ratio for the Applicable Measurement Period would have been equal to or less than 7.00 to 1.00, in each case determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided, further,* that Restricted Subsidiaries that are not Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock if, after giving *pro forma* effect to such incurrence or issuance (including a pro forma application of the net proceeds therefrom), more than an aggregate of the greater of (x) $300.0 million and (y) 34.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Guarantors incurred pursuant to this paragraph, together with amounts incurred under clause (14)(x) of the next paragraph by Restricted Subsidiaries that are not Guarantors, would be outstanding at such time.

The foregoing limitations will not apply to:

(1) the incurrence of Indebtedness under Credit Facilities by the Issuer or any of its Restricted Subsidiaries and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof), up to an aggregate principal amount outstanding at any one time not to exceed the sum of (a) $4,775.0 million, (b) the greater of (i) $881.0 million and (ii) 100.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period, and (c) an additional amount after all amounts have been incurred under clauses (1)(a) and (b), if after giving pro forma effect to the incurrence of such additional amount and the application of the proceeds therefrom, the Consolidated Secured Debt Ratio would be no greater than 5.00 to 1.00, outstanding at any one time; *provided* that for purposes of determining the amount that may be incurred under this clause (1)(c), all Indebtedness incurred under this clause (1)(c) shall be deemed to be included in clause (1) of the definition of "Consolidated Secured Debt Ratio";

(2) the incurrence by the Issuer and any Guarantor of Indebtedness represented by the Notes (including any Guarantee thereof) (other than any Additional Notes, if any, or guarantees with respect thereto);

(3) Indebtedness of the Issuer and the Restricted Subsidiaries in existence on the Completion Date (other than Indebtedness described in clauses (1) and (2));

(4) Indebtedness (including Capitalized Lease Obligations and Purchase Money Obligations), Disqualified Stock and Preferred Stock incurred by the Issuer or any of the Restricted Subsidiaries, to finance the purchase, lease, expansion, construction, development, replacement, maintenance, upgrade, installation, replacement, repair or improvement of property (real or personal), equipment or any other asset, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets; *provided* that the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock incurred or issued and outstanding pursuant to this clause (4) (other than capital leases (and Capitalized Lease Obligations) that are characterized as such based on subjective acceleration clauses or cross default clauses, without giving effect to any change in GAAP subsequent to December 31, 2017), when aggregated with

the outstanding amount of Indebtedness under clause (13) of the second paragraph of this covenant incurred to refinance Indebtedness initially incurred in reliance on this clause (4), does not at any time outstanding exceed the greater of (x) $250.0 million and (y) 28.5% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period at the time of any incurrence;

(5) (a) Indebtedness incurred by the Issuer or any of the Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit, bankers' acceptances, bank guarantees, warehouse receipts or similar instruments issued or entered into, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with past practice, including letters of credit in favor of suppliers or trade creditors or in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to obligations regarding workers' compensation claims, performance, completion or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance and (b) Indebtedness of the Issuer or any of its Restricted Subsidiaries as an account party in respect of letters of credit, bank guarantees or similar instruments in favor of suppliers, customers or other creditors issued in the ordinary course of business or consistent with past practice;

(6) Indebtedness arising from agreements of the Issuer or any of the Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earn-out or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets, a Subsidiary or an Investment, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) Indebtedness of the Issuer to a Restricted Subsidiary; *provided* that any such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor, excluding any Indebtedness in respect of accounts payable incurred in connection with goods and services rendered in the ordinary course of business or consistent with past practice (and not in connection with the borrowing of money), is expressly subordinated in right of payment (to the extent permitted by applicable law and it does not result in material adverse tax consequences) to the Notes; *provided, further,* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien (but not foreclosure thereon)) shall be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause;

(8) Indebtedness of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary; *provided* that if a Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor, excluding any Indebtedness in respect of accounts payable incurred in connection with goods and services rendered in the ordinary course of business or consistent with past practice (and not in connection with the borrowing of money), such Indebtedness is expressly subordinated in right of payment (to the extent permitted by applicable law and it does not result in material adverse tax consequences) to the Notes or the Guarantee of the Notes of such Guarantor; *provided, further,* that any subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien (but not foreclosure thereon)) shall be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause;

(9) shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any

Capital Stock or any other event that results in any Restricted Subsidiary that holds such Preferred Stock or Disqualified Stock ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock or Disqualified Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Capital Stock constituting a Permitted Lien (but not foreclosure thereon)) shall be deemed in each case to be an issuance of such shares of Preferred Stock or Disqualified Stock, as applicable (to the extent such Preferred Stock or Disqualified Stock is then outstanding), not permitted by this clause;

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) obligations in respect of self-insurance and obligations in respect of stays, customs, performance, indemnity, bid, appeal, judgment, surety and other similar bonds or instruments and performance, bankers' acceptance facilities and completion guarantees and similar obligations provided by the Issuer or any of the Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice or in connection with judgments that do not result in an Event of Default;

(12) (a) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount or liquidation preference up to 100.0% of the net cash proceeds received by the Issuer since immediately after the Completion Date from the issue or sale of Equity Interests of the Issuer or cash contributed to the capital of the Issuer (in each case, other than Excluded Contributions or proceeds of Disqualified Stock or sales of Equity Interests to the Issuer or any of its Subsidiaries) as determined in accordance with clauses (3)(b) and (3)(c) of the first paragraph of "—Limitation on Restricted Payments" to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1), (2) and (3) of the definition thereof) (any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (12)(a), "*Contribution Debt*") and (b) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred or issued pursuant to this clause (12)(b) and any outstanding amount of Indebtedness under clause (13) of the second paragraph of this covenant incurred to refinance Indebtedness initially incurred in reliance on this clause (12), does not at any one time outstanding exceed the greater of (x) $400.0 million and (y) 45.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (12)(b) shall cease to be deemed incurred or outstanding for purposes of this clause (12)(b) but shall be deemed incurred pursuant to the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant);

(13) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or the issuance by the Issuer or any Restricted Subsidiary of Disqualified Stock or Preferred Stock that serves to refund, refinance, replace, renew, extend or defease (collectively, "*refinance*" with "*refinances,*" "*refinanced*" and "*refinancing*" having a correlative meaning) any Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or any of its Restricted Subsidiaries incurred or issued as permitted under the first paragraph of this covenant and clauses (2), (3), (4), 5(b) and (12), this clause (13) and clauses (14), (18), (19) and (27) of the second paragraph of this covenant or any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to so

refinance such Indebtedness, Disqualified Stock or Preferred Stock including additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing (the "*Refinancing Indebtedness*") on or prior to its respective maturity; *provided, however,* that such Refinancing Indebtedness:

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

(b) to the extent such Refinancing Indebtedness refinances (i) Indebtedness subordinated in right of payment to the Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated in right of payment to the Notes or such Guarantee at least to the same extent as the Indebtedness being refinanced or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively, and

(c) shall not include Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness or Disqualified Stock of the Issuer or a Guarantor;

and *provided further* that subclause (a) of this clause (13) will not apply to any refinancing of any Secured Indebtedness;

(14) Indebtedness, Disqualified Stock or Preferred Stock of (x) the Issuer or a Restricted Subsidiary incurred or issued to finance an acquisition or Investment or (y) Persons that are acquired by the Issuer or a Restricted Subsidiary or merged into, amalgamated with or consolidated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture (including designating an Unrestricted Subsidiary as a Restricted Subsidiary); *provided* that after giving pro forma effect to such Investment, acquisition, merger, amalgamation or consolidation, either:

(a) (i) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant, or (ii) the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries is equal to or greater than immediately prior to such Investment, acquisition, merger, amalgamation or consolidation; or

(b) (i) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Total Debt Ratio test set forth in the first paragraph of this covenant, or (ii) the Consolidated Total Debt Ratio of the Issuer and its Restricted Subsidiaries is equal to or less than immediately prior to such Investment, acquisition, merger, amalgamation or consolidation.

provided, however, that on a pro forma basis, together with amounts incurred and outstanding pursuant to the second proviso to the first paragraph of this covenant by Restricted Subsidiaries that are not Guarantors, no more than the greater of (A) $300.0 million and (B) 34.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period of Indebtedness, Disqualified Stock and Preferred Stock at any one time outstanding and incurred by Restricted Subsidiaries that are not Guarantors pursuant to subclause (x) of this clause (14) shall be incurred and outstanding.

(15) (a) Cash Management Obligations, (b) Indebtedness in respect of netting services, overdraft protections and similar arrangements and other Indebtedness arising from the honoring

by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, or (c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business or consistent with past practice of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;

(16) Indebtedness of the Issuer or any of its Restricted Subsidiaries supported by a letter of credit, bank guarantee or other instrument issued pursuant to any Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit, bank guarantee or such other instrument;

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

(b) any co-issuance by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary permitted under the terms of the Indenture;

(18) Indebtedness of any Restricted Subsidiary that is not a Guarantor; *provided* that the aggregate principal amount of Indebtedness outstanding in reliance on this clause (18) shall not exceed, when aggregated with the outstanding amount of Indebtedness under clause (13) of the second paragraph of this covenant incurred to refinance Indebtedness initially incurred in reliance on this clause (18), at the time of incurrence thereof and together with any other Indebtedness incurred under this clause (18), the greater of (x) $120.0 million and (y) 14.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period;

(19) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or any of its Restricted Subsidiaries incurred or issued to finance, or assumed in connection with, an acquisition or Investment in a principal amount not to exceed the greater of (x) $200.0 million and (y) 22.5% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period in the aggregate at any one time outstanding together with all other outstanding Indebtedness, Disqualified Stock or Preferred Stock issued under this clause (19) and any outstanding Indebtedness under clause (13) incurred to refinance Indebtedness initially incurred in reliance on this clause (19) (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (19) shall cease to be deemed incurred or outstanding for purposes of this clause (19) but shall be deemed incurred pursuant to the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant);

(20) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (a) the financing of insurance premiums or (b) take-or-pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice;

(21) Indebtedness consisting of Indebtedness issued by the Issuer or any of its Restricted Subsidiaries to future, current or former officers, directors, employees, managers or consultants thereof (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Issuer, any Restricted Subsidiary or any Parent Entity, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any Parent Entity to the extent described in clause (4) of the second paragraph under the caption "—Limitation on Restricted Payments";

(22) Indebtedness incurred by the Issuer or any of the Restricted Subsidiaries to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy and discharge the

Notes or exercise the Issuer's legal defeasance or covenant defeasance as described under "—Legal Defeasance and Covenant Defeasance," in each case in accordance with the Indenture;

(23) Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case with respect to the Transactions or any other acquisition (by merger, consolidation or amalgamation or otherwise) permitted under the Indenture;

(24) Indebtedness representing deferred compensation to employees of any Parent Entity, the Issuer or any Restricted Subsidiary incurred in the ordinary course of business or consistent with past practice;

(25) Indebtedness consisting of obligations under deferred compensation or any other similar arrangements incurred in connection with the Transactions, any Permitted Investment or any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under the Indenture;

(26) Indebtedness in the form of Capitalized Lease Obligations arising out of any Sale and Lease-Back Transaction;

(27) to the extent constituting Indebtedness, customer deposits and advance payments (including progress premiums) received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business or consistent with past practice;

(28) unfunded pension fund and other employee benefits plan obligations and liabilities incurred in the ordinary course of business or consistent with past practice; and

(29) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (28) above.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (29) of the preceding paragraph or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, will divide, classify or reclassify all or a portion of such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock (or portion thereof) in one of the above clauses or paragraphs; *provided* that all Indebtedness outstanding under the Senior Credit Facilities (without giving effect to clause (ii) of the definition thereof) on the Completion Date (after giving effect to the Transactions) will be treated as incurred on the Completion Date under clause (1)(a) of the preceding paragraph;

(2) at the time of incurrence, the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above; and

(3) the principal amount of Indebtedness outstanding under any clause of this covenant shall be determined after giving effect to the application of proceeds of any Indebtedness incurred to refinance any such Indebtedness.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. If Indebtedness originally incurred in reliance upon a percentage of Consolidated EBITDA or the Consolidated Secured Debt Ratio under clause (1) of the preceding paragraph is being refinanced under clause (1) of the preceding paragraph and such refinancing would cause the maximum amount of Indebtedness thereunder to be exceeded at such time, then such refinancing will nevertheless be permitted thereunder and such additional Indebtedness will be deemed to have been incurred under such clause (1) so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of Indebtedness being refinanced plus amounts permitted by the next sentence. Any Indebtedness incurred to refinance Indebtedness incurred pursuant to clauses (1) and (12)(b) above shall be permitted to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, *plus* the aggregate amount of accrued but unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

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

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

Limitation on Liens

The Issuer will not, and will not permit any Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) (each, a "*Subject Lien*") that secures Obligations under any Indebtedness or any related guarantee of Indebtedness on any asset or property of the Issuer or any Guarantor, unless (i) the Notes (or the related Guarantee in the case of Liens on assets of a Guarantor) are secured equally and ratably with, or on a senior basis to, (or on a senior basis to, in the case such Subject Lien secures any Subordinated Indebtedness) the Obligations secured by such Subject Lien until such time as such Obligations are no longer secured by a Lien or (ii) such Subject Lien is a Permitted Lien.

Any Lien created for the benefit of the Holders pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Lien that gave rise to the obligation to secure the Notes.

Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets

The Issuer will not merge, consolidate or amalgamate with or into or wind up into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to any Person unless:

(1) the Issuer is the surviving Person or the Person formed by or surviving any such merger, consolidation or amalgamation (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the jurisdiction of organization of the Issuer or the laws of the United States, any state thereof or the District of Columbia (such Person, as the case may be, being herein called the "*Successor Company*")*; provided* that in the case where the Successor Company is not a corporation, a corporation becomes a co-obligor of the Notes;

(2) the Successor Company, if other than the Issuer, expressly assumes all the Obligations of the Issuer under the Indenture and the Notes, in each case, pursuant to a supplemental indenture;

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

(4) immediately after giving pro forma effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the Applicable Measurement Period,

(a) the Successor Company or the Issuer would be permitted to incur at least $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," or

(b) either (x) the Fixed Charge Coverage Ratio for the Issuer (or the Successor Company, as applicable) and its Restricted Subsidiaries would be equal to or greater than the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries for the Applicable Measurement Period immediately prior to such transaction or (y) the Consolidated Total Debt Ratio for the Issuer (or the Successor Company, as applicable) and its Restricted Subsidiaries would be equal to or less than the Consolidated Total Debt Ratio of the Issuer and its Restricted Subsidiaries for the Applicable Measurement Period immediately prior to such transaction; and

(5) the Issuer or, if applicable, the Successor Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation, sale, assignment, transfer, lease, conveyance or disposition and such supplemental indentures or other documents or instruments, if any, comply with the Indenture.

The Successor Company will succeed to, and be substituted for the Issuer under the Indenture and the Notes and the Issuer will automatically be released and discharged from its obligations under the Indenture and the Notes. Notwithstanding the foregoing clauses (3) and (4),

(1) any Restricted Subsidiary may merge, consolidate or amalgamate with or into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Issuer or any Restricted Subsidiary, and

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

Notwithstanding the foregoing two paragraphs, the consummation of the Merger will be permitted under the Indenture with the only requirement under this covenant with respect to the consummation of the Merger being that, after consummation of the Merger, Boxer Parent Company Inc. expressly assumes all the obligations of Merger Sub under the Indenture and the Notes pursuant to the Supplemental Indenture.

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

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

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

(c) except in the case of a merger, consolidation or amalgamation entered into solely for the purpose of reincorporating a Guarantor in another jurisdiction, immediately after such transaction, no Event of Default exists; or

(2) the transaction is not prohibited by the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

Subject to certain limitations described in the Indenture, the Successor Guarantor will succeed to, and be substituted for, such Guarantor under the Indenture and such Guarantor's Guarantee and such Guarantor will automatically be released and discharged from its obligations under the Indenture and such Guarantor's Guarantee. Notwithstanding the foregoing, any Guarantor may (i) merge, consolidate or amalgamate with or into, wind up into or transfer all or part of its properties and assets to another Guarantor or the Issuer, (ii) merge, consolidate or amalgamate with or into an Affiliate of the Issuer solely for the purpose of reincorporating or reorganizing the Guarantor in the United States, any state thereof or the District of Columbia, (iii) convert into a Person organized or existing under the laws of the jurisdiction of organization of such Guarantor or a jurisdiction in the United States, or (iv) liquidate or dissolve or change its legal form if the Board of the Issuer or the senior management of the Issuer determines in good faith that such action is in the best interests of the Issuer and is not materially disadvantageous to the Holders, in each case, without regard to the requirements set forth in the preceding paragraph.

Transactions with Affiliates

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of the greater of (x) $87.5 million and (y) 10.0% of Consolidated EBITDA for the Applicable Measurement Period, unless:

(1) such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been

obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or, if in the good faith judgment of the Issuer, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Issuer or such Restricted Subsidiary from a financial point of view and when such transaction is taken in its entirety; and

(2) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of the greater of (x) $150.0 million and (y) 17.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period, a resolution adopted by a majority of the Board of the Issuer approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (1) above.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Issuer and a Restricted Subsidiary or between or among Restricted Subsidiaries or, in any case, any entity that becomes a Restricted Subsidiary as a result of such transaction and (b) any merger, amalgamation or consolidation of the Issuer into any Parent Entity; *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, amalgamation or consolidation is otherwise consummated in compliance with the terms of the Indenture and effected for a *bona fide* business purpose;

(2) (a) Restricted Payments permitted by the provisions of the Indenture described above under the covenant "—Limitation on Restricted Payments" (other than pursuant to clause (11)(b) or (13)(f) of the second paragraph of such covenant) and (b) Permitted Investments (other than Investments made in reliance on clause (11) of the definition thereof);

(3) (a) the payment of management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses to the Investors pursuant to the Sponsor Management Agreement (plus any unpaid management, consulting, monitoring, transaction, advisory and other fees, indemnities and expenses accrued in any prior year) and any termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public equity offering), or any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous, in the good faith judgment of the Board of the Issuer, to the Holders when taken as a whole, as compared to the Sponsor Management Agreement as in effect immediately prior to such amendment or replacement, and (b) the payment of indemnification and other similar amounts to the Investors and reimbursement of expenses of the Investors, in each case, approved by, or pursuant to arrangements approved by, a majority of the members of the Board of the Issuer;

(4) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided to or on behalf of, or for the benefit of, former, current or future officers, directors, managers, employees or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee) of the Issuer, any Restricted Subsidiary of the Issuer or any Parent Entity;

(5) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable, when taken as a whole, to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's length basis;

(6) any agreement or arrangement as in effect or contemplated in the good faith determination of the Issuer as of the Completion Date (other than any agreement or arrangement of the type described in clause (3) above), or any amendment thereto (so long as any such amendment is not disadvantageous in any material respect in the good faith judgment of the Board of the Issuer or the senior management of the Issuer to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Completion Date);

(7) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent Entity) is a party in connection with the Merger and any similar agreements which it (or any Parent Entity) may enter into thereafter; *provided, however,* that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries (or such Parent Entity) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Completion Date shall only be permitted by this clause (7) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect in the good faith judgment of the Board of the Issuer or the senior management thereof to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Completion Date;

(8) the Transactions and the payment of all fees and expenses related to the Transactions, including Transaction Expenses;

(9) transactions with customers, vendors, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services that are Affiliates, in each case in the ordinary course of business or that are consistent with past practice and otherwise in compliance with the terms of the Indenture which are fair to the Issuer and its Restricted Subsidiaries, in the reasonable determination of the Board of the Issuer or the senior management thereof, or are on terms, taken as a whole, that are not materially less favorable as might reasonably have been obtained at such time from an unaffiliated party;

(10) the issuance or transfer of (a) Equity Interests (other than Disqualified Stock) of the Issuer and the granting and performing of customary registration rights to any Parent Entity or to any Permitted Holder or to any former, current or future director, manager, officer, employee or consultant (or any Affiliate or Immediate Family Members of any of the foregoing, or any permitted transferee thereof) of the Issuer or any of its Subsidiaries or any Parent Entity and (b) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(11) transactions in connection with Permitted Receivables Financings;

(12) payments by the Issuer or any of its Restricted Subsidiaries to any of the Investors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures which payments are approved by the Board of the Issuer or the senior management of the Issuer in good faith;

(13) payments, loans, advances or guarantees (or cancellation of loans, advances or guarantees) to future, current or former employees, directors, officers, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Issuer, any of its Subsidiaries or any Parent Entity and employment agreements, consulting agreements, indemnification agreements, employee benefit plans, stock option plans and other compensatory or severance arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or similar arrangements with any such employees, directors, officers, managers or consultants (or their

respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) (including salary or guaranteed payments and bonuses) which, in each case, are approved by the Board of the Issuer or the senior management of the Issuer in good faith;

(14) (A) investments by Permitted Holders in securities or loans of the Issuer or any of its Restricted Subsidiaries (and any payment of out-of-pocket expenses incurred by such Permitted Holders in connection therewith) so long as the investment is being offered generally to other investors on the same or more favorable terms, and (B) payments to Permitted Holders in respect of securities or loans of the Issuer or any of its Restricted Subsidiaries contemplated in the foregoing subclause (A) or that were acquired from Persons other than the Issuer and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(15) transactions with a Person that is an Affiliate of the Issuer arising solely because the Issuer or any Restricted Subsidiary owns any Equity Interest in, or controls, such Person;

(16) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee and any Affiliate of the Issuer, as lessor, which is approved by the Board of the Issuer or the senior management of the Issuer in good faith;

(17) intellectual property licenses entered into in the ordinary course of business or consistent with past practice;

(18) an agreement between a Person and an Affiliate of such Person existing at the time such Person is acquired by, or merged into, the Issuer or a Restricted Subsidiary and not entered into in contemplation of such acquisition or merger; *provided* that such acquisition or merger complied with this covenant;

(19) transactions between the Issuer or any Restricted Subsidiary and any other Person that would constitute an Affiliate Transaction solely because a director of such other Person is also a director of the Issuer or any Parent Entity; *provided, however,* that such director abstains from voting as a director of the Issuer or such Parent Entity, as the case may be, on any matter including such other Person;

(20) pledges of Equity Interests of Unrestricted Subsidiaries; and

(21) payments to and from, and transactions with, any joint ventures entered into in the ordinary course of business or consistent with past practice (including, without limitation, any cash management activities related thereto).

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary that is not a Guarantor to:

(1) (i) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries that is a Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or

(ii) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries that is a Guarantor;

(2) make loans or advances to the Issuer or any of its Restricted Subsidiaries that is a Guarantor; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries that is a Guarantor,

except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Completion Date, including pursuant to the Senior Credit Facilities and the related documentation and Hedging Obligations;

(b) the Indenture, the Notes and the Guarantees;

(c) Purchase Money Obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (3) above on the property so acquired;

(d) applicable law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged, consolidated or amalgamated with or into the Issuer or any Restricted Subsidiary (or where such Person is an Unrestricted Subsidiary that is redesignated as a Restricted Subsidiary in accordance with the Indenture), or any other transaction entered into in connection with any such acquisition, merger, consolidation, amalgamation or redesignation, in existence at the time of such acquisition or at the time it merges, consolidates or amalgamates with or into the Issuer or any Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person or at the time it is redesignated (but, in each case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or redesignated;

(f) contracts, including sale-leaseback agreements, for the sale or disposition of assets, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of Capital Stock or assets of such Subsidiary;

(g) Secured Indebtedness and Liens otherwise permitted to be incurred pursuant to the covenants described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Limitation on Liens" that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(h) restrictions on cash or other deposits or net worth imposed by customers or other counterparties under contracts entered into in the ordinary course of business or consistent with past practice or restrictions on cash or other deposits permitted under the covenant "—Limitation on Liens" or arising in connection with any Permitted Liens;

(i) other Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not Guarantors that is permitted to be incurred or issued subsequent to the Completion Date pursuant to the provisions of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(j) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating to such joint venture;

(k) customary provisions contained in leases, subleases, licenses, sublicenses or similar agreements, including with respect to intellectual property and other agreements;

(l) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(m) other Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred subsequent to the Completion Date pursuant to the provisions of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that, (A) in the good faith judgment of the Issuer, such incurrence will not materially impair the Issuer's ability to make payments under the Notes when due, (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness or (C) the encumbrances and restrictions in such Indebtedness, Disqualified Stock or Preferred Stock either are not materially more restrictive taken as a whole than those contained in the Senior Credit Facilities or the Notes as in effect on the Completion Date or generally represent market terms at the time of incurrence or issuance and are imposed solely on such Restricted Subsidiary and its Subsidiaries;

(n) restrictions contained in any documentation relating to any Permitted Receivables Financing that, in the good faith judgment of the Issuer, are necessary or advisable to effect such Permitted Receivables Financing; and

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

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans and advances made to the Issuer or a Restricted Subsidiary to other Indebtedness incurred by the Issuer or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

The Issuer will not permit any of its Domestic Subsidiaries that is a Wholly-Owned Subsidiary (or any Domestic Subsidiary that is a non-Wholly-Owned Subsidiary if such non-Wholly-Owned Subsidiary incurs or guarantees Indebtedness under the Senior Credit Facilities or guarantees Indebtedness in respect of capital markets debt securities of the Issuer or any Guarantor), other than a Guarantor, a Receivables Subsidiary or a FSHCO, to (i) incur or guarantee the payment of Indebtedness under any Credit Facility permitted under clause (1) of the second paragraph under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (ii) guarantee Indebtedness in respect of capital markets debt securities of the Issuer or any other Guarantor in an aggregate principal amount in excess of $50.0 million unless:

(1) such Restricted Subsidiary within 30 days executes and delivers a supplemental indenture to the Indenture providing for a Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuer or any Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness

shall be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee;

provided that this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary shall not be required to comply with the 30 day period described in clause (1) above.

Each Guarantee shall be released in accordance with the provisions of the Indenture described under "—Guarantees."

Reports and Other Information

The Indenture will provide that following the Completion Date and so long as any Notes are outstanding, the Issuer will furnish to the Holders:

(1) (x) audited annual financial statements prepared in accordance with GAAP, plus a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a report on the annual financial statements by the Issuer's independent registered public accounting firm; (y) unaudited quarterly financial statements, subject to normal year-end adjustments, plus a "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and (z) with respect to the annual and quarterly information, a presentation of Consolidated EBITDA of the Issuer; *provided* that, for the avoidance of doubt, the Issuer shall have no obligation to present any information by "pillar," segment or division or present any information on a constant currency basis, notwithstanding such inclusion in the Offering Circular; and

(2) within 10 Business Days after the occurrence of an event required to be therein reported, such other information containing substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items 1.01, 1.02, 1.03, 2.01 (which with respect to acquisitions, shall be only with respect to acquisitions that are "significant" pursuant to clauses (1) and (2) of the definition of "Significant Subsidiary" under Rule 1-02 of Regulation S-X), 2.05, 2.06, 4.01, 4.02, 5.01 and 5.02(b) (with respect to the principal executive officer, president, principal financial officer, principal accounting officer and principal operating officer only) and (c) (other than with respect to information otherwise required or contemplated by Item 402 of Regulation S-K promulgated by the SEC) as in effect on the Issue Date if the Issuer were required to file such reports; *provided, however,* that no such current report will be required to include as an exhibit, or to include a summary of the terms of, any employment or compensatory arrangement agreement, plan or understanding between the Issuer (or any of its Subsidiaries) and any director, manager or executive officer, of the Issuer (or any of its Subsidiaries);

provided, however, that (i) in no event shall such information or reports be required to comply with Rule 3-10 of Regulation S-X promulgated by the SEC or contain separate financial statements for the Issuer, the Guarantors or other Subsidiaries the shares of which are pledged to secure the Notes or any Guarantee that would be required under (a) Section 3-09 of Regulation S-X to the extent that the

Issuer determines in its good faith judgment that such information would not be material to the Holders or the business, assets, operations, financial positions or prospects of the Issuer and its Restricted Subsidiaries, (b) Section 3-10 of Regulation S-X or (c) Section 3-16 of Regulation S-X, respectively, promulgated by the SEC, (ii) in no event shall such information or reports be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K promulgated by the SEC with respect to any non-GAAP financial measures contained therein, (iii) no such information or reports referenced under clause (2) above shall be required to be furnished if the Issuer determines in its good faith judgment that such event is not material to the Holders or the business, assets, operations or financial position of the Issuer and its Restricted Subsidiaries, taken as a whole, (iv) in no event shall such information or reports be required to include any information that is not otherwise similar to information currently included in the Offering Circular, other than with respect to reports provided under clause (2) above and (v) in no event shall reports referenced in clause (2) above be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits to a current report on Form 8-K except for (x) agreements evidencing material Indebtedness and (y) historical and pro forma financial statements to the extent reasonably available and, in any case with respect to pro forma financial statements, to include only pro forma revenues, Consolidated EBITDA and capital expenditures in lieu thereof.

All such annual information and reports shall be furnished within 120 days after the end of the fiscal year to which they relate, and all such quarterly information and reports shall be furnished within 60 days after the end of the fiscal quarter to which they relate; *provided* that the annual information and report for the first fiscal year ending after the Issue Date shall be furnished within 150 days after the end of such fiscal year; and *provided further* that the quarterly information and reports for the first fiscal quarter ending prior to the Issue Date and the first three fiscal quarters ending after the Issue Date shall be furnished within 75 days after the end of such applicable fiscal quarter.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" or other comparable section, of the financial condition and results of operations of the Issuer and Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of the Issuer.

The Issuer will make available such information and reports (as well as the details regarding the conference call described below) to the Trustee under the Indenture, to any Holder and, upon request, to any beneficial owner of the Notes, in each case by posting such information and reports on its website, on Intralinks or any comparable password-protected online data system which will require a confidentiality acknowledgment, and will make such information and reports readily available to any Holder, any bona fide prospective investor in the Notes, any securities analyst (to the extent providing analysis of investment in the notes) or any market maker in the Notes who agrees to treat such information and reports as confidential or accesses such information and reports on Intralinks or any comparable password-protected online data system which will require a confidentiality acknowledgment; *provided* that the Issuer shall post such information thereon and make readily available any password or other login information to any such Holder, bona fide prospective investor, securities analyst or market maker; *provided, further, however,* that the Issuer may deny access to any competitively-sensitive information and reports otherwise to be provided pursuant to this paragraph to any such Holder, prospective investor, security analyst or market maker that is a competitor of the Issuer and its Subsidiaries to the extent that the Issuer determines in good faith that the provision of such information and reports to such Person would be competitively harmful to the Issuer and its Subsidiaries; and *provided, further,* that such Holders, prospective investors, security analysts or market makers shall agree to (i) treat all such reports (and the information contained therein) and information as confidential, (ii) not use such reports and the information contained therein for any purpose other than their investment or potential investment in the Notes and (iii) not publicly disclose any such reports (and the information contained therein). The Issuer (or a Parent Entity) will hold a quarterly conference call for all Holders and securities analysts (to the extent providing analysis of investment in the Notes) to discuss such financial information (including a customary Q&A session) no later than ten (10) Business Days after distribution of such financial information.

The Issuer shall provide S&P and Moody's (and their respective successors) with information on a periodic basis as S&P or Moody's, as the case may be, shall reasonably require in order to maintain public ratings of the Notes. In addition, to the extent not satisfied by the foregoing, the Issuer shall furnish to prospective investors, upon their request, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

The Indenture will permit the Issuer to satisfy its obligations in this "Reports and Other Information" covenant with respect to financial information relating to the Issuer by furnishing financial and other information relating to any Parent Entity instead of the Issuer; *provided* that to the extent such Parent Entity holds assets (other than its direct or indirect interest in the Issuer) that exceeds the lesser of (i) 1% of consolidated revenues of such Parent Entity and (ii) 1% of the total consolidated revenue for the preceding fiscal year of such Parent Entity, then such information related to such Parent Entity shall be accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information of such Parent Entity, on the one hand, and the information relating to the Issuer and its Subsidiaries on a stand-alone basis, on the other hand.

The Issuer will be deemed to have furnished the financial statements and other information referred to in clauses (1) and (2) of the first paragraph of this covenant if the Issuer or any Parent Entity has filed reports containing such information with the SEC.

To the extent any information is not provided within the time periods specified in this section "—Reports and Other Information" and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

The Trustee will have no duty to monitor, inquire as to or ascertain compliance with the covenants described above.

Maintenance of Listing

After the Issue Date, the Issuer will use commercially reasonable efforts to cause the Euro Notes to be listed on the Official List of the Exchange and admitted to trading thereon, and to maintain such listing and admission so long as the Euro Notes are outstanding; *provided* that if (x) the Issuer is unable to list the Euro Notes on the Official List of the Exchange, (y) maintenance of such listing becomes unduly onerous, as reasonably determined by the Issuer or (z) the Authority requires additional financial information from the Issuer or any of its Restricted Subsidiaries in accordance with standards other than those accounting principles generally acceptable in the United States, then the Issuer will, prior to the delisting of the Euro Notes from the Official List of the Exchange (if then listed on the Official List of the Exchange), use all commercially reasonable efforts to obtain and maintain a listing of the Euro Notes on another internationally "recognised stock exchange" (as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom) (in which case, references in this covenant to the Exchange will be deemed to be refer to such other "recognised stock exchange") that would not cause the Issuer or any of its Subsidiaries to become subject to Regulation (EU) No 596/2014 on market abuse (market abuse regulation) and any applicable delegated regulations thereunder; *provided*, *further*, that if the Exchange or any such "recognised stock exchange" requires the Issuer to publicly file its financial statements or requires publication of any financial information from the Issuer or any of its Restricted Subsidiaries, then the Issuer shall not be required to maintain any listing or admission to trading on the Exchange or any other exchange.

Events of Default and Remedies

The Indenture will provide that each of the following is an "Event of Default" with respect to the Notes of any series under the Indenture:

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

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

(3) failure by the Issuer or any Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in principal amount of such series of Notes then outstanding (with a copy to the Trustee) to comply with any of its obligations, covenants or agreements (other than a default referred to in clauses (1) or (2) above) contained in the Indenture or the Notes; *provided* that in the case of a failure to comply with the Indenture provisions described under "—Certain Covenants—Reports and Other Information," such period of continuance of such default or breach shall be 120 days after written notice described in this clause (3) has been given;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of the Restricted Subsidiaries or the payment of which is guaranteed by the Issuer or any of the Restricted Subsidiaries (other than Indebtedness owed to the Issuer or a Restricted Subsidiary or any Permitted Receivables Financing), whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

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

(b) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, is in the aggregate, equal to the greater of (x) $100.0 million (or its foreign currency equivalent) and (y) 12.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period or more at any one time outstanding;

(5) failure by the Issuer or any Restricted Subsidiary to pay final judgments aggregating in excess of the greater of (x) $100.0 million and (y) 12.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied its obligation), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

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

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

If any Event of Default (other than of a type specified in clause (6) above) with respect to any such series of Notes occurs and is continuing under the Indenture, the Trustee by notice to the Issuer or the Holders of at least 30% in aggregate principal amount of the outstanding Notes of such series by notice to the Issuer and the Trustee may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes of such series to be due and payable immediately.

Upon the effectiveness of such declaration, such principal, premium, if any, interest and such other monetary obligations will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under clause (6) of the first paragraph of this section, the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. If a Default or Event of Default with respect to any series of Notes occurs and is continuing of which the Trustee has received written notice, the Trustee must send to each Holder of the applicable series notice of the Default or Event of Default within 90 days after receipt of such notice. The Indenture will provide that the Trustee may withhold from the Holders of the applicable series notice of any continuing Default or Event of Default, except a Default or Event of Default relating to the payment of principal, premium, if any, or interest, if it in good faith determines that withholding notice is in their interest.

The Indenture will provide that the Holders of a majority in aggregate principal amount of the then outstanding Notes of any series by notice to the Trustee may on behalf of the Holders of all of the Notes of such series waive any existing Default or Event of Default and its consequences under the Indenture (except a continuing Default or Event of Default in the payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder) and rescind any acceleration and its consequences with respect to the Notes of such series; *provided* such rescission would not conflict with any judgment of a court of competent jurisdiction. In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes of any series) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 20 days after such Event of Default arose:

(1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged; or

(2) the requisite holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

Subject to the provisions of the Indenture relating to the duties of the Trustee thereunder, in case an Event of Default with respect to any series of Notes 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 applicable Holders unless the applicable Holders have offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes of any series unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default with respect to such series of Notes is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes of such series have requested the Trustee in writing to pursue the remedy;

(3) Holders of such series of Notes have offered and, if requested, provided to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense;

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

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

Subject to certain restrictions, under the Indenture, the Holders of a majority in principal amount of the outstanding Notes of any series 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 with respect to such series of Notes. 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 involves the Trustee in personal liability.

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

No Personal Liability of Directors, Managers, Officers, Employees and Stockholders

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

Legal Defeasance and Covenant Defeasance

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

(1) the rights of Holders of such series to receive payments in respect of the principal of, premium, if any, and interest on the Notes of such series when such payments are due solely out of the trust created pursuant to the Indenture;

(2) the Issuer's obligations with respect to Notes of such series concerning issuing temporary Notes, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

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

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

(1) the Issuer must irrevocably deposit with the Trustee, in trust, (x) in the case of Legal Defeasance or Covenant Defeasance with respect to the Dollar Notes, cash in U.S. dollars, Government Securities or a combination thereof for the benefit of the Holders of the Dollar Notes and (y) in the case of Legal Defeasance or Covenant Defeasance with respect to the Euro Notes, cash in euros, Government Securities or a combination thereof for the benefit of the Holders of Euro Notes, in each case, in such amounts (including scheduled payments thereon) as will be sufficient (without consideration of any reinvestment of interest), in the opinion of an Independent Financial Advisor, to pay the principal of, premium, if any, and interest due on the applicable series of Notes on the stated maturity date or on the Redemption Date, as the case may be, and the Issuer must specify whether such Notes are being defeased to maturity or to a particular Redemption Date; *provided,* that upon any redemption that requires the payment of the relevant Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the relevant Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "*Applicable Premium Deficit*") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee prior to or simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

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

(a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or

(b) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law,

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

(3) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of

such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

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

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any material agreement or material instrument (other than the Indenture) to which, the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith);

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

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

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes of a series issued thereunder, when either:

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

(2) (a) all such Notes of such series not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or may 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 Issuer and the Issuer or any Guarantor have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely (x) in the case of a satisfaction and discharge of the Dollar Notes, cash in U.S. dollars, Government Securities or a combination thereof for the benefit of the Holders of Dollar Notes, and (y) in the case of a satisfaction and discharge of the Euro Notes, cash in euros, Government Securities or a combination thereof for the benefit of the Holders of Euro Notes, in each case, in such amounts (including scheduled payments thereon) as will be sufficient (without consideration of any reinvestment of interest) to pay and discharge the entire indebtedness on the Notes of the applicable series not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption, as the case may be; *provided,* that upon any redemption that requires the payment of the relevant Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the relevant Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee prior to or simultaneously with the deposit

of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(b) no Default or Event of Default (other than that resulting from borrowing funds to be applied to make such deposit or any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) with respect to the Indenture or the applicable series of Notes shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under any material agreement or material instrument (other than the Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith);

(c) the Issuer has paid or caused to be paid all sums payable by it under the Indenture with respect to such series of Notes; and

(d) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the applicable series of Notes at maturity or the Redemption Date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendment, Supplement and Waiver

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

The Indenture will provide that, notwithstanding anything to the contrary in the immediately preceding paragraph, without the consent of each Holder of Notes of the applicable series of Notes affected, an amendment, supplement or waiver may not, with respect to any Notes held by a non-consenting Holder:

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

(2) reduce the principal of or change the fixed final maturity of any Note of such series or reduce the premium payable upon the redemption of the Notes of such series or change the time at which the Notes of such series may be redeemed as described under "—Optional Redemption"; *provided* that any amendment to the minimum notice requirement may be made with the consent of the Holders of a majority in aggregate principal amount of the Notes of such series then outstanding;

(3) reduce the rate of or change the time for payment of interest on the Notes of such series;

(4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the Notes of such series, except a rescission of acceleration of the Notes of such series by the Holders of at least a majority in aggregate principal amount of the outstanding Notes of such series and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in the Indenture or any Guarantee which cannot be amended or modified without the consent of each Holder of Notes of the applicable series affected;

(5) make the Notes of such series payable in money other than that stated therein;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of or premium, if any, or interest on the Notes of such series;

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

(8) amend the contractual right of any Holder expressly set forth in the Indenture and the Notes to institute suit for the enforcement of any payment of principal, premium, if any, and interest on such Holder's Notes on or after the due dates therefor;

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

(10) except as expressly permitted by the Indenture, modify or release the Guarantees of any Significant Subsidiary in any manner materially adverse to the Holders.

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

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

(2) to provide for uncertificated Notes of such series in addition to or in place of certificated Notes or to alter the provisions of the Indenture relating to the form of the Notes (including the related definitions) in a manner that does not materially adversely affect any Holder;

(3) to comply with the covenant described under "—Certain Covenants—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets";

(4) to provide for the assumption of the Issuer's or any Guarantor's obligations to the Holders pursuant to the terms of the Indenture;

(5) to make any change that would provide any additional rights or benefits to the Holders of Notes of such series or that does not adversely affect the legal rights under the Indenture of any such Holder in any material respect;

(6) to add covenants for the benefit of the Holders of Notes of such series or to surrender any right or power conferred upon the Issuer or any Guarantor with respect to the Notes of such series;

(7) to provide for the issuance of additional Notes of such series in accordance with the terms of the Indenture;

(8) to comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, if applicable;

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

(10) to add a Guarantor with respect to the Notes of such series, a guarantee of a Parent Entity with respect to the Notes of such series or a co-obligor of the Notes of such series;

(11) to comply with the rules of any applicable securities depositary;

(12) to conform the text of the Indenture, the Guarantees or the Notes to any provision of this "Description of Notes" to the extent that such provision in this "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Guarantees or the Notes;

(13) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes of such series as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes; *provided, however,* that such amendment does not materially and adversely affect the rights of Holders of Notes of such series to transfer Notes;

(14) to secure the Notes of such series and/or the related Guarantees;

(15) to release any Guarantor from its Guarantee pursuant to the Indenture when permitted or required by the Indenture; and

(16) to make any amendment to the provisions of the Indenture, the Guarantees and/or the Notes to eliminate the effect of any Accounting Change or in the application thereof as described in the last paragraph of the definition of "GAAP."

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

Notices

Notices given by publication (including posting of information as contemplated by the Indenture provisions described under "—Certain Covenants—Reports and Other Information") will be deemed given on the first date on which publication is made, notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting; notices sent by overnight delivery service will be deemed given when delivered and notices given electronically will be deemed given when sent. Notice given in accordance with the procedures of DTC or of Euroclear or Clearstream, as applicable, will be deemed given on the date sent to DTC or of Euroclear or Clearstream, as applicable.

Concerning the Trustee

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

The Indenture will provide that the Holders of a majority in principal amount of the then outstanding Notes of any series will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee with respect to such series of Notes, subject to certain exceptions. The Indenture will provide that at all times that an Event of Default with respect to any series of Notes has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it under the Indenture, and use the same degree of care of and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless such Holder shall have offered to the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense with respect to such exercise.

Governing Law

The Indenture, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms to be used in the Indenture. For purposes of the Indenture, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person on a consolidated basis in accordance with GAAP, but excluding from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

"*Acquired Indebtedness*" means, with respect to any specified Person,

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

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

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

"*Applicable Calculation Date*" means the applicable date of calculation for (i) the Consolidated Secured Debt Ratio, (ii) the Consolidated Total Debt Ratio, (iii) the Fixed Charge Coverage Ratio, (iv) the Consolidated EBITDA or (v) the Consolidated Total Assets.

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Acquisition and any actions or transactions related thereto (including acquisitions, Investments, the incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence of Liens, repayments and Restricted Payments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer (which election may be made on the date of such acquisition), be the date the definitive agreements for such Limited Condition Acquisition are entered into (or, if applicable, the date of delivery of a binding offer, launch of a "certain funds" tender offer, delivery of an irrevocable notice, a declaration of a Restricted Payment, a dividend or a similar event) and such baskets or ratios shall be calculated with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio after giving effect to such Limited Condition Acquisition and any actions or transactions related thereto) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Acquisition, and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA of the Issuer or the target company for the Applicable Measurement Period) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition and any actions or transactions related thereto, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition and any actions or transactions related thereto; *provided, further,* that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition unless and until such Limited Condition Acquisition has been abandoned, as determined by the Issuer, prior to the consummation thereof.

"*Applicable Measurement Period*" means the most recently completed four consecutive fiscal quarters of the Issuer immediately preceding the Applicable Calculation Date for which internal financial statements are available.

"*Applicable Premium*" means with respect to any Note on any Redemption Date, the greater of:

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

(2) the excess, if any, of (a)(i) the sum of the present values at such Redemption Date of (A) the redemption price of such Dollar Note or Euro Note, as applicable, at September 1, 2021 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption"), plus (B) all required remaining scheduled interest payments due on such Note through September 1, 2021, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at, in the case of the Dollar Notes, the Treasury Rate, or, in the case of the Euro Notes, the Bund Rate, in each case as of such Redemption Date plus 50 basis points, *minus* (ii) accrued but unpaid interest to, but excluding, the Redemption Date *over* (b) the principal amount of such Note.

Calculation of the Applicable Premium will be made by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; *provided* that such calculation or the correctness thereof shall not be a duty or obligation of the Trustee.

"*Asset Sale*" means:

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

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of cash, Cash Equivalents or Investment Grade Securities or obsolete, damaged, unnecessary, unsuitable or worn out property or equipment or other assets in the ordinary course of business or any disposition of inventory, immaterial assets or goods (or other assets), property or equipment held for sale or no longer used or useful, or economically practicable to maintain, in the conduct of the business of the Issuer and its Subsidiaries;

(b) the disposition of all or substantially all of the assets of the Issuer or any Restricted Subsidiary in a manner permitted pursuant to the provisions described above under "—Certain Covenants—Merger, Consolidation, Amalgamation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control pursuant to the Indenture;

(c) any disposition, issuance or sale in connection with the making of any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments" or any Permitted Investment;

(d) any disposition of property or assets, or issuance or sale of Equity Interests of any Restricted Subsidiary, in any transaction or series of related transactions with an aggregate fair market value of less than the greater of (i) $100.0 million and (ii) 12.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period;

(e) any disposition of property or assets, or issuance of securities by a Restricted Subsidiary, to the Issuer or by the Issuer or a Restricted Subsidiary to another Restricted Subsidiary;

(f) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business, which may be in connection with an Asset Sale;

(g) the lease, assignment, sub-lease, license or sub-license of any real or personal property in the ordinary course of business or consistent with past practice;

(h) any issuance, sale or pledge of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action (whether by deed of condemnation or otherwise) with respect to assets or the granting of Liens not prohibited by the Indenture, and transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(j) sales of accounts receivables, or participations therein and related assets pursuant to any Permitted Receivables Financing;

(k) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Completion Date, including Sale and Lease-Back Transactions and asset securitizations permitted by the Indenture;

(l) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business or consistent with past practice;

(m) the sale, lease, assignment, license, sublease or discount of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or consistent with past practice or the conversion of accounts receivable to notes receivable or other dispositions of accounts receivable in connection with the collection or compromise thereof;

(n) the licensing, sub-licensing or cross-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with past practice or that is immaterial;

(o) the unwinding of any Hedging Obligations or Cash Management Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse, abandonment or invalidation of intellectual property rights, which in the reasonable determination of the Board of the Issuer or the senior management thereof are not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole or are no longer used or useful or economically practicable or commercially reasonable to maintain;

(r) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(s) the disposition of any assets (including Equity Interests) (i) acquired after the Completion Date in a transaction permitted under the Indenture, which assets are not used or useful in the core or principal business of the Issuer and its Restricted Subsidiaries, or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition permitted under the Indenture;

(t) any disposition of property or assets of a Foreign Subsidiary the Net Proceeds of which the Issuer has determined in good faith that the repatriation of such Net Proceeds (i) is prohibited or subject to limitations under applicable law, orders, decrees or determinations of any arbitrator, court or governmental authority or (ii) would have a material adverse tax consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation); *provided* that when the Issuer determines in good faith that repatriation of any of such Net Proceeds (i) is no longer prohibited or subject to limitations under such applicable law, orders, decrees or determinations of any arbitrator, court or governmental authority or (ii) would no longer have a material adverse tax consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation), such amount at such time shall be considered the Net Proceeds in respect of an Asset Sale;

(u) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the Net Proceeds of such disposition are promptly applied to the purchase price of such replacement property; and

(v) sales or dispositions of property or assets for an aggregate fair market value not to exceed the greater of (i) $220.0 million and (ii) 25.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

"*Asset Sale Offer*" has the meaning set forth in the third paragraph under "—Repurchase at the Option of Holders—Asset Sales."

"*Board*" with respect to a Person means the board of directors (or similar body) of such Person or any committee thereof duly authorized to act on behalf of such board of directors (or similar body).

"*Bund Rate*" means, as of any Redemption Date, the rate per annum equal to the equivalent yield to maturity as of such Redemption Date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(1) "*Comparable German Bund Issue*" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Redemption Date to September 1, 2021, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Euro Notes and of a maturity most nearly equal to September 1, 2021; provided, however, that, if the period from such Redemption Date to September 1, 2021 is less than one year, a fixed maturity of one year shall be used;

(2) "*Comparable German Bund Price*" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "*Reference German Bund Dealer*" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(4) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m., Frankfurt, Germany time, on the third Business Day preceding the relevant date.

"*Business Day*" means each day that is not a Legal Holiday.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Capitalized Lease Obligation*" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"*Capitalized Software Expenditures*" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"*Cash Equivalents*" means:

(1) U.S. dollars;

(2) (a) Canadian dollars, euros, pounds sterling or any national currency of any participating member state of the EMU; or

(b) other currencies held by the Issuer and the Restricted Subsidiaries from time to time in the ordinary course of business;

(3) securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of the U.S. government with average maturities of 36 months or less from the date of acquisition;

(4) certificates of deposit, time deposits and eurodollar time deposits with average maturities of 36 months or less from the date of acquisition, demand deposits, bankers' acceptances with average maturities of less than 36 months and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $100.0 million (or the foreign currency equivalent thereof);

(5) repurchase obligations for underlying securities of the types described in clauses (3), (4) and (10) entered into with any financial institution meeting the qualifications specified in clause (4) above;

(6) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P (or, if at any time, neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and variable and fixed rate notes issued by any financial institution meeting the qualifications specified in clause (4) above, in each case with average maturities of 36 months after the date of creation thereof;

(7) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(8) investment funds investing at least 90% of their assets in securities of the types described in clauses (1) through (7) above and (9) through (12) below;

(9) securities issued or directly and fully and unconditionally guaranteed by any state, commonwealth or territory of the United States or any political subdivision or taxing authority of any such state, commonwealth or territory or any public instrumentality thereof having average maturities of not more than 36 months from the date of acquisition thereof;

(10) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed by any foreign government or any political subdivision or public instrumentality thereof, in each case (other than in the case of such securities issued or guaranteed by any participating member state of the EMU) having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) with average maturities of 36 months or less from the date of acquisition;

(11) Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) with average maturities of 36 months or less from the date of acquisition;

(12) Investments with average maturities of 36 months or less from the date of acquisition in money market funds rated A (or the equivalent thereof) or better by S&P or A2 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(13) in the case of Investments by any Foreign Subsidiary of the Issuer, Investments for short-term cash management purposes of comparable tenor and credit quality to those described in the foregoing clauses (1) through (12) customarily utilized in countries in which such Foreign Subsidiary operates;

(14) Investments, classified in accordance with GAAP as current assets, in money market investment programs that are registered under the Investment Company Act of 1940 or that are administered by financial institutions meeting the qualifications specified in clause (4) above, and, in either case, the portfolios of which are limited such that substantially all of such Investments are of the character, quality and maturity described in clauses (1) through (13) of this definition; and

(15) Credit Card Receivables.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) and (2) above; *provided* that such amounts are converted into any currency listed in clauses (1) and (2) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Indenture regardless of the treatment of such items under GAAP.

"*Cash Management Obligations*" means (1) obligations in respect of any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements and cash management or treasury services or any automated clearing house transfers of funds, (2) other obligations in respect of netting services, employee credit or purchase card programs and similar arrangements and (3) obligations in respect of any other services related, ancillary or complementary to the foregoing (including any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements and cash management services, corporate credit and purchasing cards and related programs or any automated clearing house transfers of funds).

"*Change of Control*" means the occurrence of one or more of the following events after the Completion Date (and excluding, for the avoidance of doubt, the Transactions):

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than any Permitted Holders; or

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act), including any group acting for the purpose of acquiring, holding or disposing of Equity Interests of the Issuer (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation, amalgamation or other business combination or purchase, of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 50% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of the Issuer having a majority of the aggregate votes on the Board of the Issuer, unless the Permitted Holders otherwise have the right (pursuant to contract, proxy or otherwise), directly or indirectly, to designate, nominate or appoint a majority of the directors of the Issuer.

Notwithstanding the preceding or any provision of Section 13d-3 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own Voting Stock subject to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement, (ii) if any group (other than a Permitted Holder) includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Issuer owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred and (iii) a Person or group will not be deemed to beneficially own the Voting Stock of a Person (the "Subject Person") held by a parent of such Subject Person unless it owns 50% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such parent having a majority of the aggregate votes on the Board of such parent.

"*Code*" means the Internal Revenue Code of 1986, as amended, or any successor thereto.

"*Completion Date Preferred Stock*" means the preferred stock to be issued by Parent on or prior to the Completion Date in connection with the consummation of the Merger.

"*Consolidated Depreciation and Amortization Expense*" means with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees and expenses, capitalized expenditures (including Capitalized Software Expenditures), customer acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par, and incentive payments, conversion costs and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"*Consolidated EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis, *plus*:

(1) without duplication and to the extent already deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

   (a) Fixed Charges of such Person for such period (including (x) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (y) bank and letter of credit fees, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of "Consolidated Interest Expense" and any non-cash interest expense, *plus*

   (b) provision for taxes based on income, profits, revenue or capital gains, including, without limitation, U.S. federal, foreign and state income, franchise, excise, value added and similar taxes and foreign withholding taxes of such Person paid or accrued during such period (including in respect of repatriated funds), including any penalties and interest relating to such taxes or arising from any tax examinations, and any payments to a direct or indirect parent company pursuant to clause (13) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" in respect of such taxes, *plus*

   (c) Consolidated Depreciation and Amortization Expense of such Person for such period, *plus*

   (d) any expenses, fees, charges, or losses (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, Restricted Payment, acquisition, disposition, recapitalization, or the incurrence of Indebtedness permitted to be incurred under the Indenture (including a refinancing thereof) (whether or not successful and including any such transaction consummated prior to the Issue Date), including (1) such fees, expenses, or charges under the Senior Credit Facilities and any other credit facilities or incurred in connection with this offering of Notes or other debt issuances and all Transaction Expenses, (2) such fees, expenses, or charges related to this offering, and (3) any amendment or other modification of the Notes, the Senior Credit Facilities or other Indebtedness, *plus*

(e) any other non-cash charges, including any write-offs, write-downs, expenses, losses, deferred revenue or any effects of adjustments resulting from the application of purchase accounting, purchase price accounting (including any step-up in inventory and loss of profit on the acquired inventory) or other items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (*provided*, in each case, that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(f) the amount of any net income (loss) attributable to non-controlling interests in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(g) the amount of management, monitoring, consulting and advisory fees (including termination fees) and related indemnities and expenses paid or accrued in such period to the Investors pursuant to the Sponsor Management Agreement, *plus*

(h) costs of surety bonds incurred in such period in connection with financing activities, *plus*

(i) the amount of loss or discount on sales of receivables and related assets in connection with any Permitted Receivables Financing, *plus*

(j) any costs or expense incurred by such Person or any of its Restricted Subsidiaries pursuant to any management equity plan or stock option plan or phantom equity plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are non-cash or otherwise funded with cash proceeds contributed to the capital of such Person or Net Proceeds of an issuance of Equity Interests of such Person (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (3) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" and have not been relied on for purposes of any incurrence of Contribution Debt, *plus*

(k) the amount of expenses relating to payments made to option, phantom equity or profits interests holders of such Person or any of its subsidiaries or Parent Entities in connection with, or as a result of, any distribution made to equityholders of such Person or its Parent Entities, which payments are being made to compensate such option, phantom equity or profits interests holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case, to the extent permitted under the Indenture (including expenses relating to distributions made to equityholders of such Person or any of its Parent Entities resulting from the application of FASB Accounting Standards Codification Topic 718—*Compensation—Stock Compensation*), *plus*

(l) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (b) and (c) above relating to such joint venture corresponding to such Person and its Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

(m) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (2) below for any previous period and not added back, *plus*

(n) to the extent not already included in the Consolidated Net Income, (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any investment or any sale, conveyance, transfer, or other Asset Sale of assets permitted under the Indenture and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of the determination by the Issuer that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses with respect to liability or casualty events or business interruption, *plus*

(o) charges, expenses, and other items described in (1) the Offering Circular and (2) any quality of earnings report reasonably prepared in good faith by a nationally recognized accounting firm in connection with any investment, sale, transfer or other disposition of assets, incurrence or repayment of Indebtedness, Restricted Payment or Subsidiary designation or other event or action that, in each case, (x) by the terms of the Indenture requires compliance with a test or covenant on a pro forma basis and (y) is actually consummated by the Issuer or its Restricted Subsidiaries,

(2) increased by the amount of reasonably identifiable and factually supportable "run-rate" cost savings, operating expense reductions, operating enhancements and other synergies that are projected by the Issuer in good faith to result from actions either taken or expected to be taken within 18 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions, operating enhancements and synergies shall be calculated on a pro forma basis as though such cost savings, operating expense reductions, operating enhancements or synergies had been realized on the first day of such period); provided that the aggregate amount added back pursuant to this clause (2) (other than with respect to the Transactions) shall not cumulatively exceed 20% of Consolidated EBITDA for any Applicable Measurement Period (with such calculation being made after giving effect to any increase pursuant to this clause (2) and, for the avoidance of doubt, after giving pro forma effect to any such action or transaction),

(3) decreased by, without duplication and to the extent included in arriving at such Consolidated Net Income, non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period other than non-cash gains relating to the application of FASB Accounting Standards Codification Topic 840—*Leases*); *provided* that, to the extent non-cash gains are deducted pursuant to this clause (3) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein,

(4) increased or decreased by, without duplication and to the extent included in arriving at such Consolidated Net Income, the following amounts for such period:

(a) any net gain or loss resulting in such period from currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items, plus or minus, as the case may be; and

(b) any net gain or loss resulting in such period from Hedging Obligations, and the application of FASB Accounting Standards Codification Topic 815—*Derivatives and Hedging*, and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP,

in each case, as determined on a consolidated basis for such Person and its Restricted Subsidiaries. For purposes of testing the covenants under the Indenture in connection with any transaction, the Consolidated EBITDA of the Issuer and the Restricted Subsidiaries shall be adjusted to reflect such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"*Consolidated Interest Expense*" means cash interest expense (including that attributable to Capitalized Lease Obligations), net of cash interest income of such Person and its Restricted Subsidiaries with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under hedging agreements, but excluding, for the avoidance of doubt, (a) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses and any other amounts of non-cash interest (including as a result of the effects of acquisition method accounting or pushdown accounting), (b) non-cash interest expense attributable to the movement of the mark-to-market valuation of Indebtedness or obligations under Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification Topic 815—*Derivatives and Hedging*, (c) any one-time cash costs associated with breakage in respect of hedging agreements for interest rates, (d) commissions, discounts, yield, make-whole premium and other fees and charges (including any interest expense) incurred in connection with any Permitted Receivables Financing, (e) any "additional interest" owing pursuant to a registration rights agreement with respect to any securities, (f) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, including, without limitation, any Indebtedness issued in connection with the Transactions, (g) penalties and interest relating to taxes, (h) accretion or accrual of discounted liabilities not constituting Indebtedness, (i) interest expense attributable to a direct or indirect Parent Entity resulting from push-down accounting, (j) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, and (k) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto and with respect to the Transactions, any acquisition or Investment permitted hereunder, all as calculated on a consolidated basis.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis, and on an after-tax basis to the extent appropriate, and otherwise determined in accordance with GAAP; provided that Consolidated Net Income shall exclude (and shall exclude the effect of) without duplication,

(1) extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including any unusual or non-recurring operating expenses directly attributable to the implementation of cost savings initiatives and any accruals or reserves in respect of any extraordinary, non- recurring or unusual items), severance, relocation costs, integration and facilities' or bases' opening costs and other business optimization expenses (including related to new product introductions and implementation of other strategic or cost savings initiatives), restructuring charges, accruals or reserves (including restructuring and integration costs related to acquisitions and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, other executive recruiting and retention costs, transition costs, costs related to closure/consolidation of facilities or bases and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments), and any other extraordinary, unusual or non-recurring items,

(2) subject to the last paragraph of the definition of "GAAP", the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period,

(3) any gain (loss) (less all fees and expenses relating thereto) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business) or discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of),

(4) any effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors of the Issuer,

(5) the Net Income for such period of any Person that is not the Issuer or a Subsidiary, or that is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting; *provided* that Consolidated Net Income shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period,

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (3)(a) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than any Guarantor) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income or the payment of fees or other amounts under its management services agreement or other similar agreement with the Issuer or any of its Subsidiaries is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, is otherwise restricted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its equityholders, unless such restriction with respect to the payment of dividends or similar distributions or the payment of fees or other amounts (a) has been legally waived or released, (b) is imposed pursuant to the Senior Credit Facilities, the Indenture or other similar indebtedness or (c) arises pursuant to an agreement or instrument if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than the encumbrances and restrictions contained in the Indenture (as determined by the Issuer in good faith); *provided* that Consolidated Net Income of the Issuer will be increased by the

amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to the Issuer or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein,

(7) effects of adjustments (including the effects of such adjustments pushed down to the Issuer and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by FASB Accounting Standards Codification Topic 805—*Business Combinations* and Topic 350—*Intangibles-Goodwill and Other* resulting from the application of purchase accounting, including in relation to the Transactions and any other acquisition that is consummated after the Completion Date or the amortization or write-off of any amounts thereof, net of taxes,

(8) (a) any effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to (1) Indebtedness, (2) intercompany balances, (3) other balance sheet items and (4) to Hedging Obligations pursuant to FASB Accounting Standards Codification Topic 815—*Derivatives and Hedging* (or such successor provision), and (c) any non-cash expense, income, or loss attributable to the movement in mark-to-market valuation of foreign currencies, Indebtedness, or derivative instruments pursuant to GAAP,

(9) any impairment charge, asset write-off, or write-down pursuant to FASB Accounting Standards Codification Topic 350—*Intangibles-Goodwill and Other* and Topic 360—*Impairment and Disposal of Long-Lived Assets* and the amortization of intangibles arising pursuant to FASB Accounting Standards Codification Topic 805—*Business Combinations*,

(10) (a) any non-cash compensation expense recorded from or in connection with any share-based compensation arrangements including stock appreciation or similar rights, phantom equity, stock options, restricted stock, capital or profits interests or other rights to officers, directors, managers, or employees and (b) non-cash income (loss) attributable to deferred compensation plans or trusts,

(11) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, Asset Sale, issuance, or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Completion Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction,

(12) the effect of accruals and reserves (including contingent liabilities) that are established or adjusted within twelve months after the Completion Date that are so required to be established or adjusted as a result of the Transactions in accordance with GAAP,

(13) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of the determination by such Person that there exists such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption,

(14) any deferred taxes associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items,

(15) any costs or expenses incurred during such period relating to environmental remediation, litigation, or other disputes in respect of events and exposures that occurred prior to the Completion Date, and

(16) 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 costs and expenses attributable to being a Public Company.

There shall be excluded from Consolidated Net Income for any period the effects from applying acquisition method accounting, including applying acquisition method accounting to inventory, property and equipment, loans and leases, software and other intangible assets and deferred revenue (including deferred costs related thereto and deferred rent) required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries), as a result of the Transactions, any acquisition or Investment consummated prior to the Completion Date and any other acquisition (by merger, consolidation, amalgamation or otherwise) or other Investment or the amortization or write-off of any amounts thereof.

"*Consolidated Secured Debt Ratio*" means, as of any Applicable Calculation Date, the ratio of (1) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries that is secured by a Lien *minus* cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries, in each case, computed as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the Applicable Calculation Date to (2) the Issuer's Consolidated EBITDA for the Applicable Measurement Period, in each case with such pro forma adjustments to Consolidated Total Indebtedness, cash, Cash Equivalents and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio; *provided* that, for purposes of the calculation of Consolidated Secured Debt Ratio, in connection with (x) the Incurrence of any Indebtedness pursuant to clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (y) the Incurrence of any Lien pursuant to clause (34) of the definition of "Permitted Liens," the Issuer may elect, pursuant to an Officer's Certificate delivered to the Trustee, to treat all or any portion of the commitment (any such amount elected until revoked as described below, an "*Elected Amount*") under any Indebtedness which is to be Incurred (or any commitment in respect thereof) or secured by such Lien, as the case may be, as being Incurred as of the Applicable Calculation Date and (i) any subsequent Incurrence of Indebtedness under such commitment (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of this calculation, to be an Incurrence of additional Indebtedness or an additional Lien at such subsequent time, (ii) the Issuer may revoke an election of an Elected Amount pursuant to an Officer's Certificate delivered to the Trustee and (iii) for purposes of all subsequent calculations of the Consolidated Secured Debt Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding, so long as the applicable commitment remains outstanding.

"*Consolidated Total Assets*" means, as of any Applicable Calculation Date, the total consolidated assets of the Issuer and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries, determined on a pro forma basis in a manner consistent with the pro forma adjustments contained in the definition of Fixed Charge Coverage Ratio.

"*Consolidated Total Debt Ratio*" means, as of any Applicable Calculation Date, the ratio of (1) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries *minus* cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries, in each case, computed as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the Applicable Calculation Date, to (2) the Issuer's Consolidated EBITDA for the Applicable Measurement Period, in each case with such pro forma adjustments to Consolidated Total Indebtedness, cash, Cash Equivalents and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio; *provided* that, for purposes of the calculation of Consolidated Total Debt Ratio, in connection with the Incurrence of any Indebtedness pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuer may elect, pursuant to an Officer's Certificate delivered to the Trustee, to treat any Indebtedness which is to be Incurred (or any commitment in respect thereof) as an Elected Amount, and as being Incurred as of the Applicable Calculation Date and (i) any subsequent Incurrence of such Indebtedness under such commitment (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of this calculation, to be an Incurrence of additional Indebtedness at such subsequent time, (ii) the Issuer may revoke an election of an Elected Amount pursuant to an Officer's Certificate delivered to the Trustee and (iii) for purposes of all subsequent calculations of the Consolidated Total Debt Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding, so long as the applicable commitment remains outstanding.

"*Consolidated Total Indebtedness*" means, as at any date of determination, an amount equal to the sum of (1) the aggregate amount of all outstanding Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, unreimbursed drawings under letters of credit, Obligations in respect of Capitalized Lease Obligations and third party debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, (A) all undrawn amounts under revolving credit facilities (except to the extent of any Elected Amount), (B) Hedging Obligations, and (C) performance bonds or any similar instruments) and (2) the aggregate amount of all outstanding Disqualified Stock of the Issuer and all Disqualified Stock and Preferred Stock of the Restricted Subsidiaries on a consolidated basis, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case determined on a consolidated basis in accordance with GAAP. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock or Preferred Stock, such fair market value shall be determined in good faith by the senior management of the Issuer.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds

(a) for the purchase or payment of any such primary obligation, or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Contribution Debt*" has the meaning set forth in clause (12)(a) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Preferred Stock."

"*Controlled Investment Affiliate*" means, as to any Person, any other Person, other than any Investor, which directly or indirectly controls, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer and/or other Persons.

"*Credit Card Receivables*" shall mean, as of any date of determination, the amount due from third-party financial institutions for credit and debit card transactions that would, in conformity with GAAP, be set forth opposite the caption "cash equivalents" (or any like caption) on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries at such date.

"*Credit Facilities*" means, with respect to the Issuer or any of its Restricted Subsidiaries, one or more debt facilities, including the Senior Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities with banks or other institutional lenders or investors or indentures) providing for revolving credit loans, term loans, letters of credit or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, refinance, extend, renew, restate, amend, supplement or modify any part of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replacement, refunding, refinancing, extended, renewed, restated, amended, supplemented or modified facility or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (*provided* that such increase in borrowings or issuance is permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or other holders or investors.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of or collection or payment on such Designated Non-cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in exchange for consideration in the form of cash or Cash Equivalents in compliance with "Repurchase at the Option of Holders—Asset Sales."

"*Designated Preferred Stock*" means Preferred Stock of the Issuer, any Restricted Subsidiary or any Parent Entity (in each case other than Disqualified Stock) that is issued after the Completion Date for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate executed by the principal financial officer of the Issuer or the applicable Parent Entity, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (3) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments." For the avoidance of doubt, the Completion Date Preferred Stock does not constitute Designated Preferred Stock.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, casualty condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; *provided, however,* that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employees' termination, death or disability; *provided, further,* that any Capital Stock held by any future, current or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members, or any permitted transferee thereof) of the Issuer, any of its Subsidiaries or any Parent Entity or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "*affiliate*" by the Board of the Issuer (or the compensation committee thereof) shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries pursuant to any stockholders' agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement or in order to satisfy applicable statutory or regulatory obligations.

"*Domestic Subsidiary*" means, with respect to any Person, any Restricted Subsidiary of such Person that is organized or existing under the laws of the United States, any state thereof or the District of Columbia.

"*DTC*" means The Depository Trust Company.

"*Elected Amount*" has the meaning set forth in the definition of "—Consolidated Secured Debt Ratio."

"*EMU*" means economic and monetary union as contemplated in the Treaty on European Union.

"*Equityholding Vehicle*" means any Parent Entity of the Issuer and any equityholder thereof through which former, current officers or future officers, directors, employees, managers or consultants of the Issuer or any of its Subsidiaries or Parent Entities hold Capital Stock of such Parent Entity.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"*Equity Offering*" means any public or private sale or issuance of common equity or Preferred Stock of the Issuer or any Parent Entity (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or any of its Parent Entity's common stock registered on Form S-8;

(2) issuances to any Subsidiary of the Issuer; and

(3) any such public or private sale or issuance that constitutes an Excluded Contribution.

"*euro*" means the single currency of participating member states of the EMU.

"*Event of Default*" has the meaning set forth under "—Events of Default and Remedies."

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contribution*" means net cash proceeds, the fair market value of marketable securities or the fair market value of Qualified Proceeds received by the Issuer after the Completion Date from:

(1) contributions to its common equity capital;

(2) dividends, distributions, fees and other payments from any Unrestricted Subsidiaries or joint ventures or Investments in entities that are not Restricted Subsidiaries; and

(3) the sale (other than to a Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer,

in each case designated as Excluded Contributions by the Issuer, which shall be excluded from the calculation set forth in clause (3) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments" and the calculation set forth in clause (4)(a) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" and may not be utilized to incur Contribution Debt; *provided* that any such dividends, distributions, fees or other payments so designated pursuant to clause (2) of this definition shall be excluded from the definition of "Consolidated Net Income" for all purposes under the Indenture.

"*fair market value*" means, with respect to any Investment, asset, property or liability, the fair market value of such Investment, asset, property or liability as determined in good faith by the Board or the senior management of the Issuer.

"*FASB*" means the Financial Accounting Standards Board.

"Fitch" means Fitch Ratings Inc. and any successor to its rating agency business.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person as of any Applicable Calculation Date, the ratio of Consolidated EBITDA of such Person for the Applicable Measurement Period to the Fixed Charges of such Person for such Applicable Measurement Period. In the event that the Issuer or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the Applicable Measurement Period but on or prior to the Applicable Calculation Date, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock (in each case, including a pro forma application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period; *provided, however,* that the pro forma calculation shall not give effect to any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (other than pursuant to clause (14)(x) thereof); *provided, further,* that for purposes of the calculation of the Fixed Charge Coverage Ratio, in connection with the Incurrence of any Indebtedness pursuant to the first paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuer may elect, pursuant to an Officer's Certificate delivered to the

Trustee, to treat an Elected Amount under any Indebtedness which is to be Incurred (or any commitment in respect thereof), as being Incurred as of the Applicable Calculation Date and (i) any subsequent Incurrence of Indebtedness under such commitment that was so treated (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of this calculation, to be an Incurrence of additional Indebtedness at such subsequent time, (ii) the Issuer may revoke an election of an Elected Amount pursuant to an Officer's Certificate delivered to the Trustee and (iii) for subsequent calculations of the Fixed Charge Coverage Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding, so long as the applicable commitment remains outstanding.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers (including the Merger), amalgamations, consolidations and disposed operations (as determined in accordance with GAAP) and operational changes that have been made by the Issuer or any of its Restricted Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, disposed operations and operational changes (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such Applicable Measurement Period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed operation had occurred at the beginning of the Applicable Measurement Period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt and without duplication, cost savings, operating expense reductions and synergies resulting from any Asset Sale or other disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or other transaction (including the Transactions), in each case calculated in accordance with and permitted by clause (2) of the definition of "Consolidated EBITDA" herein). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Applicable Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period or, if lower, the maximum commitments under such revolving credit facility as of the Applicable Calculation Date. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of (without duplication):

(1) Consolidated Interest Expense of such Person and its Restricted Subsidiaries on a consolidated basis for such period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock (including any Designated Preferred Stock) or any Refunding Capital Stock of such Person or any of its Restricted Subsidiaries during such period; and

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock of such Person or any of its Restricted Subsidiaries during such period.

"*Foreign Subsidiary*" means, with respect to any Person, any Restricted Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia, and any Restricted Subsidiary of such Foreign Subsidiary.

"*FSHCO*" means any direct or indirect Domestic Subsidiary of the Issuer substantially all the assets of which are Equity Interests and/or Indebtedness of one or more direct or indirect Foreign Subsidiaries that are "controlled foreign corporations" within the meaning of Section 957 of the Code.

"*GAAP*" means generally accepted accounting principles in the United States of America 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 have been approved by a significant segment of the accounting profession, which are in effect from time to time; *provided* that all terms of an accounting or financial nature used in the Indenture shall be construed, and all computations of amounts and ratios referred to in the Indenture shall be made (a) without giving effect to any election under FASB Accounting Standards Codification Topic 825—*Financial Instruments,* or any successor thereto (including pursuant to the FASB Accounting Standards Codification), to value any Indebtedness of the Issuer or any Subsidiary at "fair value," as defined therein and (b) the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations. At any time after the Issue Date, the Issuer may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture); *provided* that any such election, once made, shall be irrevocable; *provided, further,* any calculation or determination in the Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to the Issuer's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. The Issuer shall give notice of any such election made in accordance with this definition to the Trustee. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

If there occurs a change in generally accepted accounting principles and such change would cause a change in the method of calculation of any standards, terms or measures used in a covenant under "—Certain Covenants" as determined in good faith by the Issuer (an "*Accounting Change*"), then the Issuer may elect in good faith, as evidenced by a written notice of the Issuer to the Trustee, to amend any provision hereof, including any financial ratio calculations, thresholds or covenants, to eliminate the effect of any Accounting Change or in the application thereof occurring after the Issue Date on the operation of such provision, regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, to reflect the effects of the Accounting Change, including but not limited to amending the financial ratio calculations, thresholds and any financial covenant in the Indenture to recalibrate such financial ratio calculation, threshold and financial covenant for the effects of the Accounting Change, so long as (1) such recalibration is limited to changes in the calculation of such financial ratio calculations, thresholds or covenant levels due to the effects of differences between GAAP as in effect on the Issue Date and any change occurring after the Issue Date, (2) the recalibrated financial ratio calculations, thresholds or covenant levels shall be determined in good faith and (3) any such recalibration shall be done in a manner such that, after giving effect to such recalibration, the recalibrated thresholds and covenant levels shall be consistent with the intention of the respective thresholds and covenant levels calculated under GAAP prior to such notice.

"*Government Securities*" means securities that are:

(1) (x) with respect to the Dollar Notes, direct obligations of, or obligations guaranteed by, the United States, or (y) with respect to the Euro Notes, direct obligations of the United States of America or any member nation of the European Union whose official currency is the euro, in each case, for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of (x) with respect to the Dollar Notes, the United States, or (y) with respect to the Euro Notes, the United States of America or any member nation of the European Union whose official currency is the euro, in each case, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, or such member nation, as applicable,

which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"*Guarantee*" means the guarantee by any Guarantor of the Issuer's Obligations under the Indenture and the Notes.

"*Guarantor*" means, each Restricted Subsidiary of the Issuer that executes the Supplemental Indenture as a Guarantor on the Completion Date and each other Restricted Subsidiary of the Issuer that thereafter guarantees the Notes in accordance with the terms of the Indenture, until, in each case, such Person is released from the guarantee of the Notes in accordance with the terms of the Indenture.

"*Hedging Obligations*" means, with respect to any Person, (1) the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, currency, commodity or equity risks either generally or under specific contingencies and (2) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*holder*" means, with reference to any Indebtedness or other Obligations, any holder or lender of, or trustee or collateral agent or other authorized representative with respect to, such Indebtedness or Obligations, and, in the case of Hedging Obligations, any counter-party to such Hedging Obligations.

"*Holder*" means the Person in whose name a Note is registered on the applicable Registrar's books.

"*IFRS*" means the international financial reporting standards and interpretations issued by the International Accounting Standards Board.

"*Immediate Family Members*" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships), and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"*Indebtedness*" means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) any earn-out obligations until such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP and if not paid within 120 days after becoming due and payable; or

(d) representing the net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness in clauses (a) through (d) (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided* that Indebtedness of any Parent Entity appearing on the balance sheet of the Issuer solely by reason of push-down accounting under GAAP shall be excluded

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any assets owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided, however,* that the amount of such Indebtedness will be the lesser of (a) the fair market value of such assets at such date of determination and (b) the amount of such Indebtedness of such other Person;

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (A) Contingent Obligations incurred in the ordinary course of business, (B) accrued expenses and royalties, (C) obligations under or in respect of operating leases or Sale and Lease-Back Transactions (except any resulting Capitalized Lease Obligations) and Permitted Receivables Financing or (D) asset retirement obligations and obligations in respect of performance bonds, reclamation and workers' compensation (including pensions and retiree medical care) that are not overdue by more than 90 days.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant to Persons engaged in Similar Businesses of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"*Investment Grade Rating*" means a rating equal to or higher than (w) Baa3 (or the equivalent), with respect to Moody's, (x) BBB- (or the equivalent), with respect to S&P, (y) BBB- (or the equivalent), with respect to Fitch, or (z) an equivalent rating by any other Rating Agency.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(3) investments in any fund that invests at least 90% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"*Investments*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, moving, entertainment, travel and similar expenses and advances to officers, directors, managers, employees and consultants, in each case made in the ordinary course of business or consistent with past practice), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "—Certain Covenants—Limitation on Restricted Payments:"

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however,* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to

continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined by the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash or Cash Equivalents by the Issuer or a Restricted Subsidiary in respect of such Investment.

"*Investors*" means KKR & Co. Inc. and its Affiliates (including the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any portfolio company of any of the foregoing or Parent and its Subsidiaries).

"*Issue Date*" means August 23, 2018.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which commercial banking institutions are not required or authorized to be open in the State of New York or, with respect to any payments to be made on the Euro Notes, the place of payment.

"*Lien*" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded, registered, published or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided that in no event shall an operating lease be deemed to constitute a Lien.

"*Limited Condition Acquisition*" means any acquisition or Investment, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third party financing; *provided* that solely for purposes of clause (3) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments" Consolidated Net Income shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

"*Management Investors*" means the former, current or future officers, directors, employees and managers (and Controlled Investment Affiliates and Immediate Family Members of the foregoing) of the Issuer, any Restricted Subsidiary or any Parent Entity of the Issuer who are or become direct or indirect investors in the Issuer, any Parent Entity of the Issuer or any Equityholding Vehicle, including any such officers, directors, employees and managers owning through an Equityholding Vehicle.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common Equity Interests of the Issuer or any Parent Entity on the date of the declaration of a Restricted Payment permitted pursuant to clause (8) of the second paragraph under "—Certain Covenants—Limitation on Restricted Payments" multiplied by (ii) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"*Merger*" means the transactions contemplated by the Merger Agreement.

"*Merger Agreement*" means the Agreement and Plan of Merger, by and among Boxer Parent Company Inc., Banff Parent Inc., Banff Merger Sub Inc., and the representative named therein, dated May 25, 2018, as the same may be amended prior to the Issue Date.

"*Moody's*" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"*Net Income*" means, with respect to any Person, the net income (loss) attributable to such Person and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP and before any reduction in respect of Preferred Stock (other than Disqualified Stock) dividends.

"*Net Proceeds*" means the aggregate cash proceeds and the fair market value of any Cash Equivalents received by the Issuer or any of the Restricted Subsidiaries in respect of any Asset Sale, including any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of (1) fees, out-of-pocket expenses and other direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including, without limitation, legal, accounting, consulting, investment banking and other customary fees, underwriting discounts and commissions, survey costs, title and recordation expenses, title insurance premiums, payments made in order to obtain a necessary consent or required by applicable law and brokerage and sales commissions and any relocation expenses incurred as a result thereof, (2) taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under the Indenture (including transfer taxes, deed or mortgage recording taxes and estimated taxes payable in connection with any repatriation of funds and after taking into account any available tax credits or deductions and any tax sharing arrangements), (3) amounts required to be applied to the repayment of principal, premium, if any, and interest on Senior Indebtedness, Indebtedness of any Restricted Subsidiary or Indebtedness secured by a Lien on such assets and in each case required (other than required by clause (i) of the second paragraph of "—Repurchase at the Option of Holders—Asset Sales") to be paid as a result of such transaction, (4) the pro rata portion of Net Proceeds thereof attributable to minority interests and not available for distribution to or for the account of the Issuer and the Restricted Subsidiaries as a result thereof, (5) any costs associated with unwinding any related Hedging Obligations in connection with such transaction, (6) any deduction of appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any of the Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, (7) any portion of the purchase price from an Asset Sale placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Sale or otherwise in connection with such Asset Sale; *provided*, that upon the termination of that escrow (other than in connection with a payment in respect of any such adjustment or satisfaction of indemnities), Net Proceeds will be increased by any portion of funds in the escrow that are released to the Issuer or any of its Restricted Subsidiaries and (8) the amount of any liabilities (other than Indebtedness in respect of the Senior Credit Facilities and the Notes) directly associated with such asset being sold and retained by the Issuer or any of its Restricted Subsidiaries.

"*Obligations*" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, provincial, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, premium, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness; *provided,* that any of the foregoing (other than principal and interest) shall no longer constitute "Obligations" after payment in full of such principal and interest except to the extent such obligations are fully liquidated and non-contingent on or prior to such payment in full.

"*Offering Circular*" means the Offering Circular dated August 9, 2018 relating to the offering of the Notes.

"*Officer*" means the Chairman of the Board, any Manager or Director, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President, Vice President or Assistant Vice President, the Treasurer, the Controller or the Secretary or any other officer designated by any such individuals of the Issuer or any other Person, as the case may be, or, in the event that the Issuer or such Person has no such officers, a person duly authorized under applicable law by the managers, members or a similar body to act on behalf of the Issuer or such Person.

"*Officer's Certificate*" means a certificate signed on behalf of the Issuer by an Officer of the Issuer or on behalf of any other Person, as the case may be, that meets the requirements set forth in the Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel who is reasonably acceptable to the Trustee (which opinion may be subject to customary assumptions and exclusions); such legal counsel may be an employee of or counsel to the Issuer.

"*Parent*" means Banff Parent Inc., a Delaware corporation and the indirect parent company of the Issuer.

"*Parent Entity*" means any Person that, with respect to another Person, owns 50% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such other Person having a majority of the aggregate votes on the Board of such other Person. Unless the context otherwise requires, any references to Parent Entity refer to a Parent Entity of the Issuer.

"*Permitted Asset Swap*" means the substantially concurrent purchase and sale or exchange, including as a deposit for future purchases, of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received must be applied in accordance with the "—Repurchase at the Option of Holders—Asset Sales" covenant.

"*Permitted Holders*" means (1) each of the Investors, the Management Investors (including any Management Investors holding Equity Interests through an Equityholding Vehicle), any Permitted Parent and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing or any Permitted Holder specified in the last sentence of this definition are members and any member of such group; provided, that, in the case of such group and without giving effect to the existence of such group or any other group, such Investors, Management Investors (including such Equityholding Vehicle), Permitted Parent and any Person or group specified in the last sentence of this definition, collectively, own, directly or indirectly, more than 50% of the total voting power of the Voting Stock entitled to vote for the election of directors of the Issuer having a majority of the aggregate votes on the Board of the Issuer held by such group and (2) any Permitted Plan. Any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Issuer or any of its Restricted Subsidiaries (including guarantees of obligations of its Restricted Subsidiaries); *provided* that with respect to any Investment of intellectual property by the Issuer or any Guarantor in any Restricted Subsidiary which is not a Guarantor, such Investment shall not exceed the greater of (a) $50.0 million and (b) 5.0% of Consolidated EBITDA at the time of such investment (with fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value);

(2) any Investment in cash and Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any of its Restricted Subsidiaries in a Person (including, to the extent constituting an Investment, in assets of a Person that represent substantially all of its assets or a division, business unit, product line or line of business, including research and development and related assets in respect of any product) that is engaged directly or through entities that will be Restricted Subsidiaries in a Similar Business if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person, in one transaction or a series of related transactions, is merged, amalgamated or consolidated with or into, or transfers or conveys substantially all of its assets (or such division, business unit, product line or business) to, or is liquidated into, the Issuer or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, transfer or conveyance;

(4) any Investment in securities or other assets (including earn-outs) not constituting cash, Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the provisions of "—Repurchase at the Option of Holders—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Completion Date or made pursuant to binding commitments in effect on the Completion Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment existing on the Completion Date or binding commitment in effect on the Completion Date; *provided* that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Completion Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under the Indenture;

(6) any Investment acquired by the Issuer or any of its Restricted Subsidiaries:

(ii) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable;

(iii) in satisfaction of judgments against other Persons;

(iv) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(v) received in compromise or resolution of (A) obligations of trade creditors, suppliers or customers that were incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary or consistent with past practice, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier or customer, or (B) litigation, arbitration or other disputes;

(7) Hedging Obligations permitted under clause (10) of the second paragraph of the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(8) any Investment (a) in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding, not to exceed the greater of (i) $350.0 million and (ii) 40.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period at the time of such Investment (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) and (b) without duplication with clause (a), in an amount equal to the net cash proceeds from any sale or disposition of, or any distribution in respect of, Investments acquired after the Completion Date, to the extent the acquisition of such Investments was financed in reliance on clause (a) and provided that such amount will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in "—Certain Covenants—Limitations on Restricted Payments; *provided, however,* that if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (8);

(9) Investments the payment for which consists of Equity Interests (exclusive of Disqualified Stock) of the Issuer or any Parent Entity or any Unrestricted Subsidiary; *provided, however,* that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in "—Certain Covenants—Limitations on Restricted Payments";

(10) guarantees of Indebtedness permitted under the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," performance guarantees and Contingent Obligations incurred in the ordinary course of business or consistent with past practice and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with the covenant described under "—Certain Covenants—Limitation on Liens";

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (5) and (9) of such paragraph);

(12) any Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment or other similar assets, or the licensing or contribution of intellectual property pursuant to joint development, joint venture or marketing arrangements with other Persons;

(13) additional Investments (a) having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding (without

giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (x) $400.0 million and (y) 45.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) and (b) without duplication with clause (a), in an amount equal to the net cash proceeds from any sale or disposition of, or any distribution in respect of, Investments acquired after the Completion Date, to the extent the acquisition of such Investments was financed in reliance on clause (a) and provided that such amount will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in "—Certain Covenants—Limitations on Restricted Payments; *provided, however,* that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (13);

(14) Investments in Receivables Subsidiaries in the form of assets required in connection with a Permitted Receivables Financing (including the contribution or lending of Cash Equivalents to Subsidiaries to finance the purchase of such assets from the Issuer or any Restricted Subsidiary or to otherwise fund required reserves);

(15) loans and advances to, or guarantees of Indebtedness of, officers, directors, managers, employees and consultants of the Issuer, any of its Subsidiaries or any Parent Entity not in excess of the greater of (x) $87.5 million and (y) 10.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period outstanding at any one time, in the aggregate;

(16) loans and advances to officers, directors, managers, employees and consultants of the Issuer, any of its Subsidiaries or any Parent Entity for business-related travel expenses, moving or relocation expenses, payroll advances and other analogous or similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice, or to fund such Person's purchase of Equity Interests of the Issuer or any Parent Entity;

(17) advances, loans or extensions of trade credit (including the creation of receivables) or prepayments to suppliers or lessors or loans or advances made to distributors, and performance guarantees, in each case in the ordinary course of business or consistent with past practice by the Issuer or any of its Restricted Subsidiaries;

(18) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice;

(19) repurchases of the Notes;

(20) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(21) Investments in Unrestricted Subsidiaries (a) having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (21) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities, not to exceed the greater of (i) $125.0 million and (ii) 15.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) and (b) without duplication with clause (a), in an amount equal to the net cash proceeds from any sale or disposition of, or any distribution in respect of, Investments acquired after the Completion Date, to the extent the acquisition of such Investments was financed in reliance on

clause (a) and provided that such amount will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in "—Certain Covenants—Limitations on Restricted Payments; *provided, however,* that if any Investment pursuant to this clause (21) is made in any Person that is an Unrestricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (21);

(22) Investments made as part of the Transactions;

(23) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business;

(24) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business or consistent with past practice;

(25) contributions to a "rabbi" trust for the benefit of employees, directors, managers, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Issuer or any Restricted Subsidiary;

(26) non-cash Investments in connection with tax planning and reorganization activities; and

(27) any other Investment; *provided* that on a pro forma basis after giving effect to such Investment the Consolidated Total Debt Ratio would be equal to or less than 5.85 to 1.00.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens for taxes, assessments or other governmental charges that are not overdue for a period of more than 60 days or not yet payable or subject to penalties for nonpayment or that are being contested in good faith by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP, or for property taxes on property the Issuer or one of its Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property;

(2) Liens imposed by law or regulation, such as landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's, architects' or construction contractors' Liens and other similar Liens that secure amounts not overdue for a period of more than 60 days or, if more than 60 days overdue, are unfiled and no other action has been taken to enforce such Liens or that are being contested in good faith by appropriate actions or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceeding for review, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(3) Liens incurred or deposits made in the ordinary course of business or consistent with past practice (a) in connection with workers' compensation, unemployment insurance, employers' health tax, and other social security or similar legislation or other insurance related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) and (b) securing reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) insurance carriers providing property, casualty or liability insurance to such Person or otherwise supporting the payment of items set forth in the foregoing clause (a);

(4) Liens incurred or deposits made to secure the performance of bids, tenders, trade contracts, governmental contracts, leases, public or statutory obligations, surety, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements, completion guarantees, stay, customs and appeal bonds, performance bonds, bankers'

acceptance facilities and other obligations of a like nature (including those to secure health, safety and environmental obligations), deposits as security for contested taxes or import duties or for payment of rent, performance and return of money bonds and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, incurred in the ordinary course of business or consistent with past practice;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights-of-way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects and irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties and other similar charges or encumbrances in respect of real property which were not incurred in connection with Indebtedness and which do not in any case materially interfere with the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries, taken as a whole;

(6) Liens securing, or otherwise arising from, judgments not constituting an Event of Default under clause (5) under "—Event of Default and Remedies";

(7) Liens on goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Issuer or any of its Subsidiaries or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments, *provided* that such Lien secures only the obligations of the Issuer or such Restricted Subsidiaries in respect of such letter of credit to the extent such obligations are permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar trade obligations in respect of bankers' acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(8) rights of set-off, banker's liens, netting agreements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance of administration of deposit accounts, securities accounts, cash management arrangements or in connection with the issuance of letters of credit, bank guarantees or other similar instruments;

(9) Liens arising from Uniform Commercial Code financing statements, including precautionary financing statements, or any similar filings made in respect of operating leases or consignments entered into by the Issuer or any of its Restricted Subsidiaries;

(10) Liens securing Indebtedness permitted to be incurred under Credit Facilities, including any letter of credit facility relating thereto, that was permitted by the terms of the Indenture to be incurred pursuant to clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(11) Liens existing on the Completion Date (other than Liens incurred in connection with the Senior Credit Facilities);

(12) Liens securing Indebtedness permitted to be incurred pursuant to clauses (4), (12), (13), (14), (15), (18) and (19) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that (a) Liens securing Indebtedness permitted to be incurred pursuant to such clause (4) extend only to the assets purchased with the proceeds of such Indebtedness, accessions to such assets and the proceeds and products thereof, and any lease of such assets (including accessions thereto) and the proceeds and the products thereof; *provided, further,* that individual financings of

equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender; (b) Liens securing Indebtedness permitted to be incurred pursuant to clause (14) shall only be permitted if 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, amalgamated or consolidated with or into the Issuer or any Restricted Subsidiary, in any transaction to which such Indebtedness relates; (c) Liens securing Obligations relating to any Indebtedness permitted to be incurred pursuant to clause (13) relate only to Obligations relating to Refinancing Indebtedness that (x) is secured by Liens on the same assets as the assets that secured the Indebtedness being refinanced or (y) extends, replaces, refunds, refinances, renews or defeases Indebtedness incurred or Disqualified Stock or Preferred Stock issued under clauses (3) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing), (4) or (12) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; (d) Liens securing Indebtedness permitted to be incurred pursuant to such clause (18) extend only to the assets of Restricted Subsidiaries that are incurring such Indebtedness; and (e) Liens securing Indebtedness permitted to be incurred pursuant to such clause (19) shall only be permitted if 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, amalgamated or consolidated with or into the Issuer or any Restricted Subsidiary, in the applicable acquisition or Investment to which such Indebtedness relates;

(13) leases, licenses, subleases or sublicenses granted to others that do not (a) interfere in any material respect with the business of the Issuer and its Restricted Subsidiaries, taken as a whole or (b) secure any Indebtedness;

(14) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(15) Liens (a) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to pooling, commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business or consistent with past practice and (c) in favor of a banking or other financial institution or electronic payment service providers arising as a matter of law or under general terms and conditions encumbering deposits (including the right of setoff) and that are within the general parameters customary in the banking or finance industry;

(16) Liens (a) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment (including any letter of intent or purchase agreement with respect to such investment), and (b) consisting of an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction permitted under "—Repurchase at the Option of Holders—Asset Sales," in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien;

(17) Liens existing on property at the time of its acquisition (by a merger, consolidation or amalgamation or otherwise) or existing on the property or shares of stock or other assets of any Person at the time such Person becomes a Subsidiary, in each case after the Completion Date; *provided* that (a) such Lien was not created in contemplation of such acquisition (by a merger, consolidation or amalgamation or otherwise) or such Person becoming a Subsidiary, (b) such Lien does not extend to or cover any other assets or property of the Issuer or any Restricted

Subsidiary (other than assets and property affixed or appurtenant thereto and the proceeds or products thereof and other than after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted under the Indenture that require or include, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition) and (c) any Indebtedness secured thereby is permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(18) any interest or title of a lessor under leases (other than leases constituting Capitalized Lease Obligations) entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(19) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(20) Liens deemed to exist in connection with Investments in repurchase agreements permitted under clause (5) of the definition of "Cash Equivalents";

(21) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(22) Liens that are contractual rights of setoff or rights of pledge (a) relating to the establishment of depository relations with banks not given in connection with the incurrence of Indebtedness, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with past practice of the Issuer and its Restricted Subsidiaries or (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(23) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Issuer or any of its Restricted Subsidiaries are located;

(24) (a) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto or (b) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business or consistent with past practice;

(25) Liens on cash and Permitted Investments used to satisfy or discharge Indebtedness; *provided* such satisfaction or discharge is permitted under the Indenture;

(26) Liens on receivables and related assets incurred in connection with Permitted Receivables Financings;

(27) receipt of progress payments and advances from customers in the ordinary course of business or consistent with past practice to the extent the same creates a Lien on the related inventory and proceeds thereof;

(28) Liens securing Hedging Obligations and the costs thereof;

(29) Liens securing Obligations relating to any Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary;

(30) Liens in favor of the Issuer or any Guarantor or the Trustee;

(31) Liens on vehicles or equipment of the Issuer or any of its Restricted Subsidiaries granted in the ordinary course of business;

(32) Liens to secure any modification, refinancing, refunding, restatement, exchange, extension, renewal or replacement (or successive refinancing, refunding, restatement, exchange, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (11), (12), (16), (17), (34), (38) and (39) of this definition; *provided, however,* that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus accessions, additions and improvements on such property, including after-acquired property that is (i) affixed or incorporated into the property covered by such Lien, (ii) after-acquired property subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property (it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition) and (iii) the proceeds and products thereof) and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (11), (12), (16), (17), (34), (38) and (39) of this definition at the time the original Lien became a Permitted Lien under the Indenture, and (y) an amount necessary to pay accrued but unpaid interest on such Indebtedness and any dividend, premium (including tender premiums), defeasance costs, underwriting discounts and any fees, costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such modification, refinancing, refunding, extension, renewal or replacement;

(33) other Liens securing Indebtedness (including Capitalized Lease Obligations) in an aggregate principal amount not to exceed the greater of (x) $400.0 million and (y) 45.0% of Consolidated EBITDA of the Issuer for the Applicable Measurement Period at any one time outstanding, with the amount determined on the dates of incurrence of such obligations;

(34) Liens incurred to secure Obligations in respect of any Indebtedness permitted to be incurred pursuant to the covenant described above under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that, with respect to Liens securing Obligations permitted under this clause (34), at the time of incurrence of such Obligations and after giving pro forma effect thereto, the Consolidated Secured Debt Ratio would be no greater than 5.00 to 1.00;

(35) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(36) Liens on Equity Interests of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(37) agreements to subordinate any interest of the Issuer or any Restricted Subsidiary in any accounts receivable or other proceeds arising from inventory consigned by the Issuer or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business or consistent with past practice;

(38) Liens on property or assets used to defease or to irrevocably satisfy and discharge Indebtedness; *provided* that such defeasance or satisfaction and discharge is not prohibited by the Indenture;

(39) Liens securing the Notes (other than any Additional Notes) and the related Guarantees;

(40) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with past practice;

(41) Liens securing obligations owed by the Issuer or any Restricted Subsidiary to any lender under the Senior Credit Facilities or any Affiliate of such a lender in respect of any

overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds;

(42) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted by the Indenture; and

(43) Liens relating to future escrow arrangements securing Indebtedness, including (i) Liens on escrowed proceeds from the issuance of Indebtedness for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters, arrangers, trustee or collateral agent thereof) and (ii) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, in either case to the extent such cash or Cash Equivalents prefund the payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance of such Indebtedness) and are held in an escrow account or similar arrangement to be applied for such purpose.

For purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but are permitted to be incurred in part under any combination thereof and of any other available exemption, (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens, Issuer shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition, and (C) in the event that a portion of Indebtedness secured by a Lien could be classified as secured in part pursuant to clause (34) above (giving pro forma effect to the incurrence of such portion of such Indebtedness), the Issuer, in its sole discretion, may classify such portion of such Indebtedness (and any Obligations in respect thereof) as having been secured pursuant to clause (34) above and thereafter the remainder of the Indebtedness as having been secured pursuant to one or more of the other clauses of this definition

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"*Permitted Parent*" means (a) any Parent Entity that at the time it became a Parent Entity of the Issuer was a Permitted Holder pursuant to clause (1) of the definition thereof and was not formed in connection with, or in contemplation of, a transaction that would otherwise constitute a Change of Control and (b) any Public Company (or Wholly-Owned Subsidiary of such Public Company), except to the extent (and until such time as) any Person or group is deemed to be or becomes a beneficial owner of Voting Stock of such Public Company representing more than 50% of the total voting power of the Voting Stock of such Public Company (as determined in accordance with the provisions of the final paragraph of the definition of "Change of Control").

"*Permitted Plan*" means any employee benefits plan of the Issuer or any Parent Entity and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan.

"*Permitted Receivables Financing*" means, collectively, (i) with respect to receivables of the type constituting any term securitizations, receivables securitizations or other receivables financings (including any factoring program), in each case that are non-recourse to the Issuer and the Restricted Subsidiaries (except for any customary limited recourse that is applicable only to Subsidiaries that are not the Issuer or a Guarantor, that is customary in the relevant local market, and reasonable extensions thereof) and (ii) with respect to receivables (including, without limitation, trade and lease receivables) not otherwise constituting term securitizations, other receivables securitizations or other similar financings (including any factoring program), in each case in an amount not to exceed 85% of the book value of all accounts receivable of the Issuer and its Restricted Subsidiaries as of any date and that are non-recourse to the Issuer and its Restricted Subsidiaries (except for any customary limited recourse that is applicable only to Subsidiaries that are not the Issuer or a Guarantor, that is customary in the relevant local market; *provided* that with respect to Permitted Receivables Financings incurred in the form of a factoring program under this clause (ii), the outstanding amount of such Permitted Receivables Financing for the purposes of this definition shall be deemed to be equal to the Permitted Receivables Net Investment for the last Applicable Measurement Period).

"*Permitted Receivables Net Investment*" means the aggregate cash amount paid by the purchasers under any Permitted Receivables Financing in the form of a factoring program in connection with their purchase of accounts receivable and customary related assets or interests therein, as the same may be reduced from time to time by collections with respect to such accounts receivable and related assets or otherwise in accordance with the terms of such Permitted Receivables Financing (but excluding any such collections used to make payments of commissions, discounts, yield and other fees and charges incurred in connection with any Permitted Receivables Financing in the form of a factoring program which are payable to any Person other than the Issuer or a Restricted Subsidiary).

"*Person*" means any individual, corporation, limited liability company, partnership (including limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"*Public Company*" means any Person with a class or series of Voting Stock that is traded on the New York Stock Exchange, the NASDAQ or the London Stock Exchange.

"*Purchase Money Obligations*" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"*Qualified Proceeds*" means assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"*Rating Agency*" means (1) S&P, Moody's and Fitch or (2) if S&P, Moody's or Fitch or each of them shall not make a corporate rating with respect to the Issuer or a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer, which shall be substituted for any or all of S&P, Moody's or Fitch, as the case may be, with respect to such corporate rating or the rating of the Notes, as the case may be.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest therein issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Permitted Receivables Financing.

"*Receivables Subsidiary*" means any Special Purpose Entity established in connection with a Permitted Receivables Financing.

"*Redemption Date*" has the meaning set forth under "—Optional Redemption."

"*Related Business Assets*" means assets (other than cash or Cash Equivalents) used or useful in a Similar Business; *provided* that any assets received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, at any time, any direct or indirect Subsidiary of the Issuer (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided, however,* that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary."

"*S&P*" means S&P Global Ratings and any successor to its rating agency business.

"*Sale and Lease-Back Transaction*" means any arrangement with any Person providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any real property or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person in contemplation of such leasing.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Secured Indebtedness*" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Senior Credit Facilities*" means (i) the revolving credit facility and term loan facilities under the credit agreement to be entered into by the Issuer as of the Completion Date, including, in each case, any related notes, mortgages, letters of credit, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any appendices, exhibits, annexes or schedules to any of the foregoing (as the same may be in effect from time to time) and (ii) any amendments, supplements, modifications, extensions, renewals, restatements, refundings, replacements, exchanges or refinancings thereof, in whole or in part, and any financing arrangements that amend, supplement, modify, extend, renew, restate, refund, replace, exchange or refinance any part thereof, including, without limitation, any such amended, supplemented, modified, extended, renewed, restated, refunding, replacement, exchanged or refinancing financing arrangement that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (provided that such increase in borrowings is permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" above) or adds Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders, investors, holders or otherwise.

"*Senior Indebtedness*" means:

(1) all Indebtedness of the Issuer or any Guarantor outstanding under the Senior Credit Facilities or Notes and related Guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer or any Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Completion Date or thereafter created or incurred) and all obligations of the Issuer or any Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all (x) Hedging Obligations (and guarantees thereof) and (y) Cash Management Obligations (and guarantees thereof) owing to a Lender (as defined in the Senior Credit Facilities) or any of its Affiliates (or any Person that was a Lender or an Affiliate of such Lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into), *provided* that such Hedging Obligations and Cash Management Obligations, as the case may be, are permitted to be incurred under the terms of the Indenture;

(3) any other Indebtedness of the Issuer or any Guarantor permitted to be incurred under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3);

provided, however, that Senior Indebtedness shall not include:

(a) any obligation of such Person to the Issuer or any of its Subsidiaries;

(b) any liability for federal, state, local or other taxes owed or owing by such Person;

(c) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(d) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of the Indenture.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Similar Business*" means any business conducted or proposed to be conducted by the Issuer and its Restricted Subsidiaries on the Completion Date or any business that is similar, reasonably related, complementary, incidental or ancillary thereto, or is a reasonable extension, development or expansion thereof.

"*Special Purpose Entity*" means a direct or indirect subsidiary of the Issuer, whose organizational documents contain restrictions on its purpose and activities and impose requirements intended to preserve its separateness from the Issuer and/or one or more Subsidiaries of the Issuer.

"*Sponsor Management Agreement*" means the services agreement among certain of the companies affiliated with the Investors and the Issuer and/or a Parent Entity, as in effect as of the closing of the Merger.

"*Subordinated Indebtedness*" means, with respect to the Notes and the Guarantees,

(1) any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting

power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which

(x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

For the avoidance of doubt, any entity that is owned at a 50% or less level (as described above) shall not be a "Subsidiary" for any purpose under the Indenture, regardless of whether such entity is consolidated on the Issuer's or any Restricted Subsidiary's financial statements.

"*Taxes*" shall mean all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"*Transaction Expenses*" means any fees or expenses incurred or paid by the Investors, a Parent Entity, the Issuer or any Subsidiary in connection with the Transactions (including payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses and charges for repurchase or rollover of, or modifications to, stock option, expenses in connection with hedging transactions related to the Senior Credit Facilities and any original issue discount or upfront fees), the Sponsor Management Agreement (to the extent accrued on or prior to the Completion Date), the Indenture, the Notes, the Senior Credit Facilities and the transactions contemplated hereby and thereby.

"*Transactions*" means the transactions described in the Offering Circular under "The Transactions."

"*Treasury Rate*" means, as obtained by the Issuer, as of any Redemption Date, the yield to maturity as of such Redemption Date of U.S. 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 applicable Redemption Date of the Notes (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to September 1, 2021; *provided, however,* that if the period from such Redemption Date to September 1, 2021 is less than one year, the weekly average yield on actively traded U.S. Treasury securities adjusted to a constant maturity of one year will be used.

"*Uniform Commercial Code*" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Issuer or any Restricted Subsidiary of the Issuer (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that

(1) any Unrestricted Subsidiary must be an entity of which the Equity Interests entitled to cast at least a majority of the votes that may be cast by all Equity Interests having ordinary voting power for the election of directors or Persons performing a similar function are owned, directly or indirectly, by the Issuer;

(2) such designation complies with the covenants described under "—Certain Covenants—Limitation on Restricted Payments"; and

(3) each of:

(a) the Subsidiary to be so designated and (b) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any Restricted Subsidiary (other than Equity Interests in the Unrestricted Subsidiary).

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Default shall have occurred and be continuing and either:

(1) the Issuer could incur at least $1.00 of additional Indebtedness pursuant to the first paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

(2) either (x) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be equal to or greater than such ratio or (y) the Consolidated Total Debt Ratio would be equal to or less than such ratio, in each case, for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation.

Any such designation by the Issuer shall be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of the Issuer or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years (calculated to the nearest one-twelfth) from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(2) the sum of all such payments.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person, 100% of the outstanding Equity Interests of which (other than directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

BOOK ENTRY; DELIVERY AND FORM

Each series of Notes offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes") will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "144A Global Notes"). The 144A Global Notes representing the Dollar Note (the "Dollar Rule 144A Global Notes") will be deposited with a custodian for DTC, and registered in the name of Cede & Co., as nominee of DTC. The 144A Global Notes representing the Euro Notes (the "Euro Rule 144A Global Notes") will be deposited with, or on behalf of, a common depositary (the "Common Depositary") for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

Each series of Notes sold in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S Notes") will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Regulation S Global Notes representing the Dollar Notes (the "Dollar Regulation S Global Notes") will be registered in the name of Cede & Co., as nominee of DTC and deposited with a custodian for DTC, for credit to Euroclear and Clearstream, and the Regulation S Global Notes representing the Euro Notes (the "Euro Regulation S Global Notes") will be deposited with, or on behalf of, the Common Depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

The Dollar Rule 144A Global Notes and the Dollar Regulation S Global Notes are collectively referred to herein as the "Dollar Global Notes." The Euro Rule 144A Global Notes and the Euro Regulation S Global Notes are collectively referred to herein as the "Euro Global Notes."

The Dollar Global Notes

Book Entry, Delivery and Form

The Dollar Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), and registered in the name of DTC or its nominee, in each case for credit to an account of a participant (as defined below) or indirect participant (as defined below) in DTC as described below. The notes will be issued at the closing of this offering only against payment in immediately available funds. Except as set forth below, the Dollar Notes will be issued in registered, global form in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Distribution Compliance Period"), beneficial interests in the Dollar Regulation S Global Notes may be held only through Euroclear and Clearstream (each as defined below) (as indirect participants in DTC), unless transferred to a person that takes delivery through a Dollar Rule 144A Global Note in accordance with the certification requirements described below.

Beneficial interests in the Dollar Rule 144A Global Notes may not be exchanged for beneficial interests in the Dollar Regulation S Global Notes at any time except in the limited circumstances described below. See "—Exchanges Among Dollar Global Notes."

Except as set forth below, the Dollar Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Dollar Global Notes may not be dollar exchanged for dollar notes in certificated form ("Certificated Dollar Notes") except in the limited circumstances described below. See "—Exchange of Dollar Global Notes for Certificated Dollar Notes." Except in the limited circumstances described below, owners of beneficial interests in the Dollar Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Dollar Rule 144A Notes (including beneficial interests in the Dollar Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions." Dollar Regulation S Notes will also be subject to certain restrictions on transfer and will also bear the legend as described under "Transfer Restrictions." In addition, transfers of beneficial interests in the Dollar Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear or Clearstream), which may change from time to time.

Depositary Procedures

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the "participants") and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "indirect participants"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised the Issuer that, pursuant to procedures established by it:

(1) upon deposit of the Dollar Global Notes, DTC will credit the accounts of participants designated by the initial purchasers with portions of the principal amount of the Dollar Global Notes; and

(2) ownership of these interests in the Dollar Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the Dollar Global Notes).

Investors in the Dollar Rule 144A Global Notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the Dollar Rule 144A Global Notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Investors in the Dollar Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Distribution Compliance Period (but not earlier), investors may also hold interests in the Dollar Regulation S Global Notes through participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Dollar Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank SA/NV, as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Dollar Global Note may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Dollar Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, beneficial owners of an interest in the Dollar Global Notes will not have dollar notes registered in their names, will not receive physical delivery of dollar notes in certificated form and will not be considered the registered owners or "holders" thereof under the indenture governing the Dollar Notes for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a Dollar Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture governing the Dollar Notes. Under the terms of the indenture governing the Dollar Notes, the Issuer and the Trustee will treat the Persons in whose names the dollar notes, including the Dollar Global Notes, are registered as the owners of such dollar notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer or the Trustee, nor any agent of the Issuer or the Trustee, has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the Dollar Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the Dollar Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised the Issuer that its current practice, upon receipt of any payment in respect of securities such as the dollar notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of dollar notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee or the Issuer. Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the dollar notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of dollar notes only at the direction of one or more participants to whose account DTC has credited the interests in the Dollar Global Notes and only in respect of such portion of the aggregate principal amount of the dollar notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the dollar notes, DTC reserves the right to exchange the Dollar Global Notes for legended dollar notes in certificated form, and to distribute such dollar notes to its participants.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the Dollar Global Notes among participants in DTC, it is under no obligation to perform such procedures, and such procedures may be discontinued or changed at any time. Neither the Issuer nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Dollar Global Notes for Certificated Dollar Notes

A Dollar Global Note is exchangeable for Certificated Dollar Notes if:

(1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depositary is not appointed;

(2) the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Dollar Notes; or

(3) there has occurred and is continuing a Default with respect to the Dollar Global Notes.

In addition, beneficial interests in a Dollar Global Note may be exchanged for Certificated Dollar Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the indenture governing the notes. In all cases, Certificated Dollar Notes delivered in exchange for any Dollar Global Note or beneficial interests in Dollar Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Dollar Notes for Dollar Global Notes

Certificated Dollar Notes may not be exchanged for beneficial interests in any Dollar Global Note unless the transferor first delivers to the Trustee a written certificate (in the form to be provided in each indenture governing the Dollar Notes) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such dollar notes. See "Transfer Restrictions."

Exchanges Among Dollar Global Notes

Prior to the expiration of the Distribution Compliance Period, beneficial interests in a Dollar Regulation S Global Note may be transferred only to non-U.S. persons under Regulation S or qualified institutional buyers under Rule 144A. Beneficial interests in a Dollar Regulation S Global Note may be exchanged for beneficial interests in a Dollar Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the relevant notes pursuant to Rule 144A; and

(2) the transferor first delivers to the Trustee a written certificate (in the form to be provided in the indenture governing the Dollar Notes) to the effect that the relevant notes are being transferred to a Person:

   (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

   (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

   (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interest in a Dollar Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Dollar Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in each indenture governing the notes) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests among the Dollar Regulation S Global Notes and the Dollar Rule 144A Global Notes will be effected in DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the Dollar Regulation S Global Note and the Dollar Rule 144A Global Note, as applicable. Any beneficial interest in one of the Dollar Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Dollar Global Note will, upon transfer, cease to be an interest in such Dollar Global Note and will become an interest in such other Dollar Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Dollar Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Distribution Compliance Period.

Same Day Settlement and Payment

The Issuer will make payments in respect of the dollar notes represented by the Dollar Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by the Dollar Global Note holder. The Issuer will make all payments of principal, interest and premium, if any, with respect to Certificated Dollar Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Dollar Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The dollar notes represented by the Dollar Global Notes are expected to be made eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such dollar notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Certificated Dollar Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

The Euro Global Notes

General

The Euro Global Notes will be deposited, on the issue date, with the Common Depositary (as defined under the caption "Description of Notes") and registered in the name of the Common Depositary or a nominee of the Common Depositary for the account of Euroclear and Clearstream (each as defined under the caption "Description of Notes"). Except as set forth below, the Euro Global Notes may be transferred, in whole and not in part, only to a Common Depositary for Clearstream and Euroclear or its nominee. No link is expected to be established among DTC and Clearstream or Euroclear in connection with the issuance of the Euro Notes.

Ownership of interests in the Euro Rule 144A Global Note (the "Euro Rule 144A Book Entry Interests") and ownership of interests in the Euro Regulation S Global Note (the "Euro Regulation S Book Entry Interests" and together with the Euro Rule 144A Book Entry Interests, the "Euro Book Entry Interests"), will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Euro Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Euro Book Entry Interests will not be issued in definitive form.

Euro Book Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain States of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Euro Book Entry Interests. In addition, while the Euro Notes are in global form, holders of Euro Book Entry Interests will not be considered holders of Euro Notes for any purpose.

So long as the Euro Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Euro Global Notes for all purposes under the indenture governing the Euro Notes (as defined under the caption "Description of Notes"). In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Euro Book Entry Interests, to transfer their interests or to exercise any rights of holders of Euro Notes under the indenture governing the Euro Notes.

None of the Issuer, the Trustee or any paying agent will have any responsibility, or be liable, for any aspect of the records relating to the Euro Book Entry Interests, nor the action or inaction of Euroclear, Clearstream or any common depositary.

The Issuer has obtained the information in this section, "Book Entry, Delivery and Form," concerning Clearstream and Euroclear and the book-entry system and procedures from sourced that it believes to be reliable, but the Issuer takes no responsibility for the accuracy of this information.

Definitive Registered Euro Notes

Under the terms of the indenture governing the Euro Notes, owners of the Euro Book Entry Interests will receive euro notes in certificated form (the "Definitive Registered Euro Notes"), (1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary for the Euro Notes and a successor depositary is not appointed by the Issuer within 120 days, (2) if the Issuer, at its option, notifies the Trustee and the applicable paying agent in writing that it elects to cause the issuance of Definitive Registered Euro Notes or (3) if the owner of a Euro Book Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default and commencement of enforcement action under the indenture governing the Euro Notes.

The Issuer understands that upon request by an owner of a Euro Book Entry Interest described in the immediately preceding clause (3), Euroclear's and Clearstream's current procedure would be to request that the Issuer issue or cause to be issued Euro Notes in definitive registered form to all owners of Euro Book Entry Interests.

In such an event, the Issuer will issue Definitive Registered Euro Notes, registered in the name or names and issued in any approved denominations requested by or on behalf of Euroclear, Clearstream or the Common Depositary, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Euro Book Entry Interests), and such Definitive Registered Euro Notes will bear the restrictive legend as provided in the indenture governing the Euro Notes, unless that legend is not required by the indenture governing the Euro Notes or applicable law. Should Definitive Registered Euro Notes be issued to individual holders of the Euro Notes, a holder of Euro Notes who, as a result of trading or otherwise, holds a principal amount of Euro Notes that is less than the minimum denomination of the Euro Notes would be required to purchase an additional principal amount of Euro Notes such that its holding of Euro Notes amounts to the minimum specified denomination.

To the extent permitted by law, the Issuer, the Trustee and the applicable paying agent each shall be entitled to treat the registered holder of any Euro Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Euro Global Notes will be evidenced through registration from time to time at the registered office of the registrar, and such registration is a means of evidencing title to the notes.

The Issuer will not impose any fees or other charges in respect of the Euro Notes; however, owners of the Euro Book Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Redemption of the Euro Global Notes

In the event that any Euro Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Euro Book Entry Interests in such Euro Global Note from the amount received by them in respect of the redemption of such Euro Global Note. The redemption price payable in connection with the redemption of such Euro Book Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Euro Global Note (or any portion thereof).

The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Euro Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Euro Book Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Euro Global Notes

The Issuer will make payments of any amounts owing in respect of the Euro Global Notes (including principal, premium, if any, interest and any Additional Amounts) to the applicable paying agent, and such paying agent will, in turn, make such payments to the Common Depositary or its nominee for Euroclear and Clearstream. The Common Depositary will distribute such payments to participants in accordance with their customary procedures. All payments of principal and interest on the Euro Notes by or on behalf of the Issuer will be made free and clear of and without withholding or deduction for or on account of any present or future tax, assessment or other governmental charge (and any interest, penalties and additions with respect thereto) unless required by applicable law or the official interpretation or administration thereof. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Euro Book Entry Interests held through such participants.

Under the terms of the indenture governing the Euro Notes, the Issuer, the Trustee and any agent of the Issuer or the Trustee will treat the registered holders of the Euro Global Notes (*e.g.*, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, any paying agent or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Euro Book Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Euro Book Entry Interest;
- Euroclear, Clearstream or any participant or indirect participant; or
- the records of the Common Depositary.

Payments by participants to owners of Euro Book Entry Interests held through participants are the responsibility of such participants.

Action by Owners of Book Entry Interests

The Issuer understands that Euroclear and Clearstream will take any action permitted to be taken by a holder of Euro Notes (including the presentation of Euro Notes for exchange as described above) only at the direction of one or more participants to whose account the Euro Book Entry Interests in the Euro Global Notes are credited and only in respect of such portion of the aggregate principal amount of Euro Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Euro Global Notes. However, if there is an Event of Default and commencement of enforcement action under the indenture governing the Euro Notes, Euroclear and Clearstream, at the request of the holders of the Euro Notes, reserve the right to exchange the Euro Global Notes for Definitive Registered Euro Notes, and to distribute such Definitive Registered Euro Notes to their respective participants.

Transfers

The Issuer understands that transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Euro Notes requires physical delivery of Definitive Registered Euro Notes for any reason, including to sell Euro Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such holder must transfer its interests in the Euro Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the indenture governing the Euro Notes.

The Euro Notes will bear a legend to the effect set forth under "Transfer Restrictions." Prior to the expiration of the Distribution Compliance Period, Euro Regulation S Book Entry Interests may be transferred only to non-U.S. persons under Regulation S or qualified institutional buyers under Rule 144A. Book Entry Interests in the Euro Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Transfer Restrictions." Transfers of Euro Book Entry Interests to persons wishing to take delivery of Euro Book Entry Interests will at all times be subject to such transfer restrictions.

Euro Rule 144A Book Entry Interests may be transferred to a person who takes delivery in the form of a Euro Regulation S Book Entry Interest only upon delivery by the transferor of a written certification (in the form to be provided in the indenture governing the Euro Notes) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act or any other exemption (if available under the Securities Act).

Euro Regulation S Book Entry Interests may be transferred to a Person who takes delivery in the form of a Euro Rule 144A Book Entry Interest only upon delivery by the transferor of a written certification (in the form to be provided in the indenture governing the Euro Notes) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A under the Securities Act or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Euro Regulation S Book Entry Interest for a Euro Rule 144A Book Entry Interest or an exchange of a Euro Rule 144A Book Entry Interest for a Euro Regulation S Book Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Euro Regulation S Global Note or Euro Rule 144A Global Note, as applicable, and a corresponding increase in the principal amount of the Euro Rule 144A Global Note or Euro Regulation S Global Note, as applicable.

Definitive Registered Euro Notes may be transferred and exchanged for Euro Book Entry Interests in a Euro Global Note only in accordance with the provisions of the indenture governing the Euro Notes, and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form to be provided in the indenture governing the Euro Notes) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Euro Notes. See "Transfer Restrictions."

Any Euro Book Entry Interest is one of the Euro Global Notes that is transferred to a Person who takes delivery in the form of a Euro Book Entry Interest in any other Euro Global Note will, upon transfer, cease to be a Euro Book Entry Interest in the first mentioned Euro Global Note and become a Euro Book Entry Interest in such other Euro Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Euro Book Entry Interests in such other Euro Global Note for as long as it remains such a Euro Book Entry Interest.

Information Concerning Euroclear and Clearstream

All Euro Book Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. None of the Issuer, the Trustee, any paying agent or the initial purchasers is responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book entry changes in the accounts of such participants, thereby eliminating the need for physical movement of certificates. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Euro Book Entry Interests. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Euro Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book Entry System

The Issuer understands that transfers of interests in the Euro Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Euro Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee or any paying agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Euro Notes through Clearstream and Euroclear systems on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear systems on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Euro Notes, or to make or receive a payment or delivery of the Euro Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether the Clearstream or Euroclear system is used.

Initial Settlement

Initial settlement for the Euro Notes will be made in euros. Euro Book Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Euro Book Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders of notes on the Business Day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Euro Book Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same day funds. The Issuer understands that, since the purchase determines the place of delivery, it is important to establish at the time of trading of any Euro Book Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TRANSFER RESTRICTIONS

The Notes and note guarantees have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Notes will not have the benefit of any registration rights. The Notes may be offered only in transactions that are exempt from, or not subject to, registration requirements under the Securities Act or the securities laws of any other jurisdiction. Accordingly, we are offering the Notes only to persons reasonably believed to be qualified institutional buyers (a “QIB”) pursuant to Rule 144A under the Securities Act and, outside the United States, to non-U.S. persons in compliance with Regulation S under the Securities Act.

Each purchaser of Notes will be deemed to represent, warrant, and agree 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) It is not an affiliate (as defined in Rule 144 promulgated under the Securities Act) of the Issuer and that it (A) (i) is a QIB, (ii) is acquiring the Notes for its own account or for the account of a QIB and (iii) is aware that the initial purchasers are selling the Notes to it in reliance on Rule 144A or (B) is not a U.S. person, as such term is defined in Rule 902 under the Securities Act, and is acquiring the Notes in an offshore transaction pursuant to Regulation S.

(2) It 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) for so long as the Notes are eligible for resale under Rule 144A, to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States to a non-U.S. person in a transaction complying with the provisions of Rule 904 under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act, including provided by Rule 144 (if available and provided that prior to such transfer, the trustee is furnished with an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act), (iv) pursuant to an effective registration statement under the Securities Act or (v) to us or any of our subsidiaries, in each of cases (i) through (v) in accordance with any applicable securities laws of any State of the United States, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in clause (A) above.

(3) It understands that the Notes will bear a legend substantially to the following effect:

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE

REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (b) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (c) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF APPLICABLE) OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY, IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY."

IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY OR ANY INTEREST HEREIN WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CERTIFY TO THE REGISTRAR THE MANNER OF SUCH TRANSFER. AS USED HEREIN THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT.

BY ITS ACQUISITION OF THIS SECURITY, THE HOLDER HEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (I) IT IS NOT ACQUIRING OR HOLDING THIS SECURITY (OR ANY INTEREST HEREIN) WITH ANY PORTION OF THE ASSETS OF ANY (A) EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS"), OR (C) ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT DESCRIBED IN CLAUSE (A) OR (B), OR (II) THE ACQUISITION AND HOLDING OF THIS SECURITY (OR ANY INTEREST HEREIN) 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.

ADDITIONALLY, IF THE HOLDER OF THIS SECURITY IS USING ASSETS OF ANY PLAN SUBJECT TO PART 4 OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (AN "ERISA PLAN") TO ACQUIRE OR HOLD THIS SECURITY, THEN SUCH HOLDER WILL BE DEEMED TO REPRESENT THAT NONE OF THE ISSUER, THE INITIAL PURCHASERS, OR ANY OF ITS OR THEIR RESPECTIVE AFFILIATES HAS ACTED AS THE ERISA PLAN'S FIDUCIARY, OR HAS BEEN RELIED UPON FOR ANY ADVICE, WITH RESPECT TO ITS DECISION TO ACQUIRE, HOLD, SELL, EXCHANGE, VOTE OR PROVIDE ANY CONSENT WITH RESPECT TO THE NOTES AND NONE OF THE ISSUER, THE INITIAL PURCHASERS, OR ANY OF ITS OR THEIR RESPECTIVE AFFILIATES SHALL AT ANY TIME BE RELIED UPON AS THE ERISA PLAN'S FIDUCIARY WITH RESPECT TO ANY DECISION TO ACQUIRE, CONTINUE TO HOLD, SELL, EXCHANGE, VOTE OR PROVIDE ANY CONSENT WITH RESPECT TO THIS SECURITY.

Each Note being sold pursuant to Regulation S will bear an additional legend substantially to the following effect unless otherwise agreed by the Issuer and the holder thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS SUCH NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THIS LEGEND WILL BE REMOVED AFTER THE EXPIRATION OF FORTY DAYS FROM THE LATER OF (i) THE DATE ON WHICH THESE NOTES WERE FIRST OFFERED AND (ii) THE DATE OF ISSUE OF THESE NOTES.

(4) If such purchaser is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, it acknowledges that until the expiration of the "40-day distribution compliance period" within the meaning of Rule 903 of Regulation S under the Securities Act, any offer or sale of these Notes shall not be made by such purchaser to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act, except in compliance with applicable securities laws. It (a) is able to act on its own behalf in the transactions contemplated by this offering circular, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Notes and (c) (or the account for which it is acting) has the ability to bear the economic risks of its prospective investment in the Notes and can afford the complete loss of such investment.

(5) It acknowledges that (a) none of us, the initial purchasers or any person acting on behalf of any of the foregoing has made any statement, representation or warranty, express or implied, to it with respect to the Company or the offer or sale of any Notes, other than the information we have included in this offering circular, (b) any information it desires concerning the Company, the Notes or any other matter relevant to its decision to acquire the Notes (including a copy of the offering circular) is or has been made available to it and (c) the initial purchasers have made no representation or warranty as to the accuracy or completeness of the offering circular.

(6) (a) Either (i) no portion of the assets used by it to acquire or hold the Notes or any interest therein constitutes assets of any (A) employee benefit plan that is subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (B) plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") (plans subject to such sections of ERISA and the Code, "ERISA Plans") or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws") or (C) entity whose underlying assets are considered to include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) of any such plan, account or arrangement described in clause (A) or (B) or (ii) the acquisition and holding of the Notes or any interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) each purchaser or transferee that is or is acquiring a Note or any interest therein with the assets of an ERISA Plan (including, but not limited to, an entity whose assets are "plan assets") will be deemed to represent and warrant that none of the Company, the guarantors and the initial purchasers (the "Transaction Parties"), or any of their respective affiliates has acted as the ERISA Plan's fiduciary, or has been relied upon for any advice, with respect to the purchaser's or transferee's decision to acquire, hold, sell, exchange, vote or provide any consent with respect to the Notes and none of the Transaction Parties or any of their respective affiliates shall at any time be relied upon as the ERISA Plan's fiduciary with respect to any decision to acquire, continue to hold, sell, exchange, vote or provide any consent with respect to the Notes.

(7) It acknowledges that the Trustee will not be required to accept for registration of transfer any Notes acquired by it, except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth herein have been complied with.

(8) It acknowledges that we and the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the foregoing acknowledgements, representations and agreements deemed to have been made by it are no longer accurate, it will promptly notify the initial purchasers. If such purchaser is acquiring the Notes as a fiduciary or agent for one or more investor accounts, such purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the Notes by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, or provisions under any other federal, state, local, non-U.S. or other Similar Laws, and entities whose underlying assets are considered to include “plan assets” (within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) of any such plan, account or arrangement (each, a “Plan”).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of an ERISA Plan and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. Plans that are “governmental plans” (as defined in Section 3(32) of ERISA or Section 4975(g)(2) of the Code), certain “church plans” (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar prohibitions under other applicable Similar Laws. The acquisition and/or holding of Notes by an ERISA Plan with respect to which any of the Issuer, the initial purchasers or any of their respective affiliates is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or “PTCEs,” that may apply to the acquisition and holding of the Notes. These class exemptions include, without limitation: PTCE 84-14, respecting transactions determined by independent qualified professional asset managers; PTCE 90-1, respecting insurance company pooled separate accounts; PTCE 91-38, respecting bank collective investment funds; PTCE 95-60, respecting life insurance company general accounts; and PTCE 96-23, respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that none of the Issuer, the initial purchasers or any of their respective affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan receives no less, nor pays any more than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code) in connection with the transaction. Each of the above noted exceptions contains certain conditions and limitations on its application. Fiduciaries of Plans considering acquiring and/or holding the Notes in reliance of any of these or any other exemption should carefully review the exemption to ensure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the Notes should not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a Note, each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by or on behalf of such purchaser or transferee to acquire or hold the Notes (or any interest therein) constitutes assets of any Plan or (ii) the acquisition and holding of the Notes (or any interest therein) by such purchaser or transferee 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.

Additionally, if any purchaser or subsequent transferee of the Notes is using assets of any ERISA Plan to acquire or hold the Notes, such purchaser and subsequent transferee will be deemed to represent that none of us, the initial purchasers or any of our or their respective affiliates has acted as the ERISA Plan’s fiduciary, or has been relied upon for any advice, with respect to the purchaser’s or transferee’s decision to acquire, hold, sell, exchange, vote or provide any consent with respect to the Notes and none of us, the initial purchasers or any of our or their respective affiliates shall at any time be relied upon as the ERISA Plan’s fiduciary with respect to any decision to acquire, continue to hold, sell, exchange, vote or provide any consent with respect to the Notes.

The foregoing discussion is general in nature and is not intended to be all inclusive and should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the Notes. Each purchaser or subsequent transferee has exclusive responsibility for ensuring that its purchase and holding of Notes (or any interest therein) does not violate the fiduciary or prohibited transaction rules of ERISA or the Code or the provisions of applicable Similar Laws. The sale of any Notes to a Plan is in no respect a representation by us, the initial purchasers or any of our or their affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan or that such investment is appropriate for Plans generally or any particular Plan.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income and, in the case of Non-U.S. Holders (as defined below), estate tax consequences of the purchase, ownership and disposition of the Notes as of the date hereof.

This summary deals only with Notes held as capital assets (generally, assets held for investment) that are purchased for cash pursuant to this offering at their initial "issue price" (the first price at which a substantial amount of the Notes is sold to investors for cash (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler)), and does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt entity;
- an insurance company;
- a controlled foreign corporation;
- a passive foreign investment company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for United States federal income tax purposes;
- a person required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement;
- a U.S. Holder (as defined below) whose "functional currency" is not the United States dollar; or
- a United States expatriate.

This summary is based on the Code, United States Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, so as to result in United States federal income and estate tax consequences different from those summarized below. We have not sought, and will not seek, any rulings from the IRS regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the Notes that are different from those discussed below.

This summary does not represent a detailed description of the United States federal income and estate tax consequences to you in light of your particular circumstances and does not address the Medicare contribution tax on net investment income or the effects of any state, local or non-United States tax laws. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of Notes.

If any entity classified as a partnership for United States federal income tax purposes holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in the Notes, you should consult your own tax advisors.

If you are considering purchasing Notes, you should consult your own tax advisors concerning the particular United States federal income and estate tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under any other United States federal tax laws and the laws of any other taxing jurisdiction.

Treatment of the Notes

In certain circumstances (see "Description of Notes— Escrow of Proceeds; Special Mandatory Redemption" and "Description of Notes—Repurchase at the Option of Holders—Change of Control,"), we may be required to redeem or repurchase the Notes significantly earlier than their scheduled maturity date and/or pay amount in excess of stated interest and principal on the Notes. The foregoing contingencies may implicate the provisions of the United States Treasury regulations relating to "contingent payment debt instruments." However, we believe and intend to take the position that the foregoing contingencies should not cause the Notes to be subject to the contingent payment debt instrument rules. Our position is binding on you unless you disclose that you are taking a contrary position in the manner required by applicable United States Treasury regulations. However, the position is not binding on the IRS. If the IRS were to successfully challenge this position, you might be required to accrue interest income at a higher rate than the stated interest rate on the Notes, and to treat as ordinary income (rather than capital gain) any gain realized on the taxable disposition of a Note. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments. Holders of the Notes are urged to consult their own tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Effect of the Merger

We intend to take the position that the Merger will not result in a taxable event to holders of the Notes for United States federal income tax purposes. Our position, however, is not binding on the IRS. If the IRS were to successfully challenge this position, the Merger may result in a taxable event to holders of the Notes, and such taxable event could cause the amount and timing of a holder's income with respect to the Notes to differ from that otherwise described herein. This discussion assumes that the Merger will not result in a taxable event to holders of the Notes for United States federal income tax purposes. Prospective holders should consult with their own tax advisors regarding the possible United States federal income tax consequences of the Merger to them.

U.S. Holders

The following is a summary of certain United States federal income tax consequences that will apply to you if you are a U.S. Holder.

"U.S. Holder" means a beneficial owner of a Note that is for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Dollar Notes

Payments of Stated Interest

Stated interest on a Dollar Note will generally be taxable to you as ordinary income at the time it is paid or accrued, in accordance with your method of accounting for United States federal income tax purposes.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Dollar Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Dollar Note, you will generally recognize gain or loss equal to the difference, if any, between the amount realized upon the sale, exchange, retirement, redemption or other taxable disposition (less any amount attributable to any accrued but unpaid stated interest, which will be taxable as ordinary income for United States federal income tax purposes to the extent not previously included in income) and the adjusted tax basis of the Dollar Note. Your adjusted tax basis in a Dollar Note will, in general, be your U.S. dollar cost for that Note. Any gain or loss you recognize will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the Dollar Note for more than one year. Long-term capital gains of non-corporate U.S. Holders are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Euro Notes

Payments of Stated Interest

Stated interest on a Euro Note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes.

If you use the cash method of accounting for United States federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount of stated interest received on the Euro Notes, determined by translating the euros received at the spot rate for euros on the date such payment is received, regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize foreign currency exchange gain or loss with respect to the receipt of such payment (but may recognize foreign currency exchange gain or loss on the disposition of the euros so received).

If you use the accrual method of accounting for United States federal income tax purposes, you may determine the amount of income recognized with respect to stated interest on the Euro Notes in accordance with either of two methods. Under the first method you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued on the Euro Notes held during such year, determined by translating such stated interest at the average rate of exchange for the period or periods (or portions thereof) within such year during which such stated interest accrued. Under the second method, you may elect to translate stated interest income at the spot rate on:

- the last day of the accrual period;
- the last day of the taxable year, if the accrual period straddles your taxable year; or

- the date the stated interest payment is received if such date is within five business days of the end of the accrual period.

If you elect to use the second method, the election must be consistently applied by you to all debt instruments from year to year and can be changed only with the consent of the IRS.

If you use the accrual method of accounting, upon receipt of a stated interest payment on a Euro Note (including, upon the sale or other disposition of a Euro Note, the receipt of amounts attributable to accrued stated interest previously included in income), you will recognize foreign currency exchange gain or loss (generally taxable as United States source ordinary income or loss) in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate on the date such payment is received) and the U.S. dollar value of the stated interest income you previously included in income with respect to such payment (as determined above).

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Euro Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Euro Note, you will generally recognize gain or loss equal to the difference, if any, between the amount realized upon the sale, exchange, retirement, redemption or other taxable disposition (less any amount attributable to any accrued but unpaid stated interest, which will be taxable as ordinary income for United States federal income tax purposes to the extent not previously included in income) and the adjusted tax basis in the Euro Note. Your adjusted tax basis in a Euro Note will, in general, be your U.S. dollar cost for that Note. Your U.S. dollar cost generally will be the U.S. dollar value of the euros paid for such Euro Note determined at the spot rate on the date of such purchase. If your Euro Note is sold, exchanged, retired, redeemed or otherwise disposed of in a taxable transaction for euros, then your amount realized generally will be based on the spot rate in effect on the date of such sale, exchange, retirement, redemption or other taxable disposition. If, however, you are a cash method taxpayer and the Euro Notes are traded on an established securities market for United States federal income tax purposes, euros received will be translated into U.S. dollars at the spot rate on the settlement date of the sale or other taxable disposition. If you use the accrual method of accounting for United States federal income tax purposes, you may elect the same treatment with respect to the sale or other taxable disposition of Euro Notes traded on an established securities market, provided that such election is applied consistently to all debt instruments held by you from year to year. Such election cannot be changed without the consent of the IRS. An accrual method taxpayer that does not make the election described above will recognize foreign currency exchange gain or loss (generally taxable as United States source ordinary income or loss) upon the sale, exchange, retirement, redemption or other taxable disposition of a Euro Note to the extent that the U.S. dollar value of the euros received (based on the spot rate on the settlement date) differs from the U.S. dollar value of the amount realized on the disposition date.

Except with respect to gain or loss attributable to changes in exchange rates as discussed below, any gain or loss you recognize will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the Euro Note for more than one year. Long-term capital gains of non-corporate U.S. Holders are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A portion of your gain or loss with respect to the principal amount of a Euro Note may be treated as foreign currency exchange gain or loss. Foreign currency exchange gain or loss will generally be treated as United States source ordinary income or loss. For these purposes, the principal amount of the Euro Note is your purchase price for the Euro Note calculated in euros on the date of purchase, and the amount of foreign currency exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date of the sale, exchange, retirement, redemption or other taxable disposition of the Euro Note (or, possibly, in the case of cash basis or electing accrual basis taxpayers, the settlement date of such disposition, provided the Euro Note is treated as traded on an established securities market for United States federal income tax purposes) and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the Euro Note. The amount of foreign currency exchange gain or loss recognized on the disposition of a Euro Note (with respect to both principal and accrued stated interest) will be limited to the amount of overall gain or loss recognized on the disposition of the Euro Note.

Disposition of Euros

Your tax basis in euros received as stated interest on a Euro Note or on the sale, exchange, retirement, redemption or other taxable disposition of a Euro Note will be the U.S. dollar value thereof at the spot rate in effect on the date the euros are received. Any gain or loss recognized by you on a sale, exchange or other taxable disposition of the euros will generally be treated as foreign currency exchange gain or loss (generally taxable as United States source ordinary income or loss).

Reportable Transactions

United States Treasury regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the United States Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement, redemption or other taxable disposition of a Euro Note, or euros received in respect of a Euro Note, to the extent that such sale, exchange, retirement, redemption or other taxable disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of Euro Notes, you should consult with your own tax advisors to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Non-U.S. Holders

The following is a summary of certain United States federal income and estate tax consequences that will apply to you if you are a Non-U.S. Holder of Notes. “Non-U.S. Holder” means a beneficial owner of a Note, other than an entity treated as a partnership for United States federal income tax purposes, that is not a U.S. Holder (as defined under “—U.S. Holders” above).

United States Federal Withholding Tax

Subject to the discussion below concerning backup withholding and FATCA, United States federal withholding tax will not apply to any payment of interest on the Notes under the “portfolio interest exemption,” provided that:

- interest paid on the Notes is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of voting stock of the Issuer within the meaning of the Code and applicable United States Treasury regulations;
- you are not a controlled foreign corporation that is related to the Issuer through stock ownership;
- you are not a bank whose receipt of interest on the Notes is described in Section 881(c)(3)(A) of the Code; and

- either (a) you provide a properly completed applicable IRS Form W-8, including your name and address and a certification, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your Notes through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to Non-U.S. Holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to a 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or W-8BEN-E (or other applicable form) certifying an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or
- IRS Form W-8ECI (or other applicable form) certifying that interest paid on the Notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under "—United States Federal Income Tax").

United States federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement, redemption or other taxable disposition of a Note.

United States Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the Notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment or fixed base), then you will be subject to United States federal income tax on that interest on a net income basis (although you will be exempt from the 30% United States federal withholding tax, provided the certification requirements discussed above in "—United States Federal Withholding Tax" are satisfied) in generally the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to certain adjustments.

Subject to the discussion below concerning backup withholding and FATCA, any gain realized on the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment or fixed base), in which case you will be subject to United States federal income tax (and possibly branch profits tax) on such gain in the same manner as described above with respect to effectively connected interest; or
- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case you will be subject to United States federal income tax at a rate of 30% (or a lower rate under an applicable income tax treaty) on such gain (net of certain United States source losses).

United States Federal Estate Tax

If you are an individual who is neither a citizen nor a resident (as specifically defined for United States federal estate tax purposes) of the United States at the time of your death, your estate will not be subject to United States federal estate tax on Notes beneficially owned (or deemed to be beneficially owned) by you at the time of your death, provided that any interest payment to you on the Notes would be eligible for exemption from United States federal withholding tax under the “portfolio interest rule,” described above under “—United States Federal Withholding Tax,” without regard to the statement requirement described in the fifth bullet point of that section.

Information Reporting and Backup Withholding

U.S. Holders

In general, information reporting requirements will apply to payments of interest and to the proceeds of a sale or other taxable disposition (including a retirement or redemption) of a Note paid to you (unless you are an exempt recipient such as a corporation). Backup withholding may apply to such payments and proceeds if you fail to provide a taxpayer identification number or a certification that you are not subject to backup withholding, or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability, provided the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest paid to you and the amount of tax, if any, withheld with respect to those payments generally will be reported to the IRS. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty. In general, you will not be subject to backup withholding with respect to payments of interest on the Notes that we make to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received from you the required certification that you are a Non-U.S. Holder described above in the fifth bullet point under “—Non-U.S. Holders—United States Federal Withholding Tax.”

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other taxable disposition (including a retirement or redemption) of Notes within the United States or conducted through certain United States-related financial intermediaries, unless you certify to the payor under penalties of perjury that you are a Non-U.S. Holder (and the payor does not have actual knowledge or reason to know that you are a United States person as defined under the Code), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as “FATCA”), a 30% United States federal withholding tax may apply to any interest income paid on the Notes and, for a disposition of a Note occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a “foreign financial institution” (as specifically defined in the Code, and which may include entities in addition to banks and traditional financial institutions, such as investment funds and certain holding companies) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a “non-financial foreign entity” (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Non-U.S. Holders—United States Federal Withholding Tax," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. If you are a foreign financial entity or a non-financial foreign entity in a jurisdiction that has entered into an intergovernmental agreement with the United States, you may be subject to different rules. You should consult your own tax advisor regarding these rules and whether they may be relevant to your ownership and disposition of the Notes.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated the date hereof, we have agreed to sell to the initial purchasers, for whom Goldman Sachs & Co. LLC is acting as representative, the following respective principal amounts of the applicable series of Notes indicated opposite its name as set forth in the following tables:

Initial Purchasers	Principal Amount of Dollar Notes
Goldman Sachs & Co. LLC	$ 298,302,000
Credit Suisse Securities (USA) LLC	309,750,000
KKR Capital Markets LLC	205,971,000
Jefferies LLC	205,971,000
Macquarie Capital (USA) Inc.	205,971,000
Mizuho Securities USA LLC	205,971,000
Barclays Capital Inc.	43,066,000
Total	$ 1,475,000,000

Initial Purchasers	Principal Amount of Euro Notes
Goldman Sachs & Co. LLC	€ 60,975,000
Credit Suisse Securities (Europe) Limited	63,315,000
KKR Capital Markets LLC	42,102,000
Jefferies International Limited	42,102,000
Macquarie Capital (USA) Inc.	42,102,000
Mizuho International plc	42,102,000
Barclays Bank PLC	8,803,000
Total	€ 301,500,000

One or more of the initial purchasers may use affiliates or other appropriately licensed entities for sales of the Notes in jurisdictions in which such initial purchasers are not otherwise permitted.

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the purchase agreement if any of the Notes are purchased. The purchase agreement also provides that if an initial purchaser defaults the purchase commitments of non-defaulting initial purchasers may be increased or the offering may be terminated. The initial purchasers will receive customary commissions and discounts under the purchase agreement upon the consummation of the offering of the Notes pursuant to this offering circular.

The initial purchasers propose to offer each series of the Notes initially at the offering prices on the cover page of this offering circular and may also offer the Notes to selling group members at the offering price less a selling concession. After the initial offering, the offering price may be changed. The initial purchasers may also offer and sell the Notes to investment funds managed by affiliates of the Sponsor at a discount from the offering price set forth on the cover of this offering circular.

The Notes have not been and will not be registered under the Securities Act. Each initial purchaser has agreed that it will only offer or sell the Notes (A) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and (B) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act.

In connection with sales outside the United States, the initial purchasers have agreed that they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as part of the initial purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Notes are originally issued. The initial purchasers will send to each dealer to whom it sells such Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, with respect to Notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of the offering, or the date the Notes are originally issued, an offer or sale of Notes within the U.S. by a broker/dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

It is expected that delivery of the Notes will be made against payment therefor on or about the date specified on the cover of this offering circular, which is the tenth business day following the date of pricing of the Notes (such settlement cycle being referred to as "T+10"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding seven (7) business days will be required, by virtue of the fact that the Notes initially will settle T+10, 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 the period described above should consult their own advisor.

General

We, Merger Sub and the guarantors have agreed that, for a period of 90 days after the date hereof, we will not, directly or indirectly, (i) offer for sale, sell or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any capital markets debt securities of Merger Sub, the Company or the guarantors substantially similar to each series of Notes or securities convertible into or exchangeable for such debt securities of Merger Sub, the Company or the guarantors, or sell or grant options, rights or warrants with respect to such debt securities of Merger Sub, the Company or the guarantors or securities convertible into or exchangeable for such debt securities of Merger Sub, the Company or the guarantors, (ii) except as otherwise disclosed, enter into any swap or other derivative transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such debt securities of Merger Sub, the Company or the guarantors, whether any such transaction described in clause (i) above or this clause (ii) is to be settled by delivery of debt securities of Merger Sub, the Company or the guarantors or other securities, in cash or otherwise or (iii) publicly announce an offering of any debt securities of Merger Sub, the Company or the guarantors substantially similar to the Notes or securities convertible or exchangeable into such debt securities, in each case without the prior written consent of Goldman Sachs & Co. LLC.

We and the guarantors have agreed to indemnify the initial purchasers against liabilities that could arise from the use of this offering circular or to contribute to payments which they may be required to make in that respect.

Each series of Notes are a new issue of securities with no established trading market. The initial purchasers have advised us that they presently intend to make a market in the Notes as permitted by applicable law. The initial purchasers are not obligated, however, to make a market in the Notes and any market making may be discontinued at any time at their sole discretion without notice. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes. We do not intend to apply for listing of the Dollar Notes on any securities exchange or for inclusion of the Notes in any automated quotation system. We intend to apply to list the Euro Notes to be admitted to trading on the Official List of the Exchange in a reasonable period following the issue date of the Euro Notes. The

Exchange is not a regulated market for the purposes of the Markets in Financial Instruments Directive. The listing application for the Euro Notes will be subject to approval by the Authority. There is no assurance that the application will be successful or that the Euro Notes will be listed and admitted to trading on the Exchange. Consummation of the offering of the Euro Notes is not contingent on the Issuer making an application for or obtaining such listing or admission to trading.

In connection with the offering, the initial purchasers may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater number of Notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The initial purchasers also may impose a penalty bid. This occurs when a particular initial purchaser repays to the initial purchasers a portion of the underwriting discount received by it because Goldman Sachs & Co. LLC or its affiliates have repurchased Notes sold by or for the account of such initial purchaser in stabilizing or short covering transactions.

These activities by the initial purchasers, as well as other purchases by the initial purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the initial purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The initial purchasers and their respective affiliates have from time to time performed, various financial advisory, commercial banking, investment banking and other related services for the Sponsor, us, the Guarantors and our affiliates for which they have received customary compensation, and they may continue to do so in the future.

Certain of the initial purchasers or their respective affiliates have committed to become agents, arrangers, book-runners, managers or lenders under the Credit Facilities and will receive customary fees and expenses in connection therewith. Credit Suisse AG, Cayman Islands Branch, is the administrative agent and collateral agent for the Existing Credit Facilities. Certain of the initial purchasers or their respective affiliates are agents and lenders to us and our subsidiaries under our Existing Credit Facilities and accordingly, will receive a portion of the net proceeds from this offering through the repayment by us of amounts outstanding under the Existing Credit Facilities if such funds are released from escrow upon consummation of the Merger. See “Use of Proceeds.” Certain of the initial purchasers or their respective affiliates are also acting as joint lead arrangers with respect to the Credit Facilities and may become lenders thereunder, for which they expect to receive customary compensation. In addition, the initial purchasers or their respective affiliates have also agreed to provide interim financing to the Issuer with respect to an unsecured bridge facility to finance a portion of the Merger under certain circumstances in the event that the offering of the Notes is not consummated, for which these initial purchasers will be paid customary fees. These bridge commitments will be reduced by an amount equal to the aggregate gross proceeds of this offering. See “Description of Certain Other Indebtedness.”

Goldman Sachs & Co. LLC and Credit Suisse Securities (USA) LLC are serving as financial advisors to the selling stockholders of Boxer Parent Company in connection with the Merger, for which they will receive customary fees. Macquarie Capital (USA) Inc. is acting as exclusive financial advisor to KKR in connection with the Merger, for which it will similarly receive customary fees. In addition, KKR Capital Markets LLC, one of the initial purchasers, is an affiliate of KKR, and therefore an affiliate of Parent and the Issuer. KKR Capital Markets LLC will also act as a joint lead arranger for the Credit Facilities. For a description of certain related party arrangements to be effective from and after the consummation of the Merger, see "Certain Relationships and Related Party Transactions." In addition, certain of the initial purchasers or their respective affiliates have been engaged as placement agents for the issuance and sale of the PIK Preferred Equity and will receive fees and commissions in connection therewith.

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, serve as hedge counterparties in foreign currency hedge agreements and actively trade debt and equity 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 other activities may involve or relate to assets, securities and/or instruments of Merger Sub or the Company (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships with Merger Sub or the Company. 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 for their own account and for the accounts of their customers, or recommend to clients that they acquire long and/or short positions in such assets, securities and instruments.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

i. a retail investor means a person who is one (or more) of the following:
    A. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
    B. a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
    C. not a qualified investor as defined in the Prospectus Directive; and
ii. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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 the Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Notes. This offering circular is not a prospectus for the purposes of the Prospectus Directive.

Notice to Prospective Investors in the Netherlands

This offering circular is directed only at qualified investors (*gekwalificeerde beleggers*) as defined in the Prospectus Directive, as amended and as implemented in the Netherlands. The Notes have not, may not and will not be offered to the public in the Netherlands, other than exclusively to qualified investors (*gekwalificeerde beleggers*). This offering circular must not be acted on or relied on by persons who are not qualified investors (*gekwalificeerde beleggers*). Any investment or investment activity to which this offering circular relates is available only to qualified investors (*gekwalificeerde beleggers*) and will be engaged in only with qualified investors (*gekwalificeerde beleggers*). Recipients of this offering circular are not permitted to transmit it to any other person. For the purposes of this provision, the expression "offer of notes to the public" in relation to any Notes in the Netherlands means (i) to make a sufficiently specific offer addressed to more than one person as referred to in section 217(1) of Book 6 of the Dutch Civil Code to conclude a contract to purchase or otherwise acquire the Notes, or to issue an invitation to make an offer of the Notes, or (ii) the placement of the Notes through financial intermediaries as referred to in section 2(1)(d) of the Prospectus Directive.

Notice to Prospective Investors in Austria

The Notes may only be offered in the Republic of Austria in compliance with the provisions of the Austrian Capital Market Act and other laws applicable in the Republic of Austria governing the offer and sale of the Notes in the Republic of Austria. The Notes are not registered or otherwise authorized for public offer in Austria under the Austrian Capital Market Act or any other securities laws in Austria and the offering circular has not been and/ or will not be published pursuant to the Austrian Capital Market Act. The Notes may only be marketed to investors in Austria on the basis of, and in accordance with, an exemption from the obligation to publish a prospectus pursuant to section 3 of the Austrian Capital Market Act. Accordingly, the Notes may not be, and are not being, offered or advertised publicly and the Notes will only be available to, and this offering circular and any other offering material in relation to the Notes is directed only at, persons to whom such offer or disclosure may be lawfully made. Any resale of the Notes in Austria may only be made in accordance with the Austrian Capital Market Act and other applicable laws and in any case only on the basis of, and in accordance with, an exemption from the obligation to publish a prospectus pursuant to section 3 of the Austrian Capital Market Act.

Notice to Prospective Investors in Belgium

This offering circular relates to a private placement of the Notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the Notes. The offering has not been and will not be notified to, and this offering circular has not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/ Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of Notes. Accordingly, the offering, as well as any other materials relating to the offering, may not be advertised, the Notes may not be offered or sold, and this offering circular or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any other person located and/or resident in Belgium other than in circumstances which do not constitute an offer to the public in Belgium pursuant to the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market or (ii) to any persons qualifying as a consumer within the meaning of Book VI of the Belgian Economic Law Code. This offering circular has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium.

Notice to Prospective Investors in Canada

The Notes may be sold in Canada 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 underwriting conflicts of interest in connection with this offering.

Notice to Prospective Purchasers in Hong Kong

This offering circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The securities to be sold under this offering circular may 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, Laws of Hong Kong) and any rules made thereunder; or (b) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong); or (c) 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, Laws of Hong Kong), and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in the United Kingdom

The issue and distribution of this offering circular is restricted by law. This offering circular is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by, a person authorized under the Financial Services and Markets Act 2000. This offering circular is for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order")); (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order; (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This 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 offering circular relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this offering circular should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Issuer. The Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

Each initial purchaser represents, warrants and agrees as follows:

(i) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act of 2000 (the "FSMA")) received by them in connection with the issue or sale of the Notes in circumstances in which Section 21 of the FSMA does not apply to the Issuer or the guarantors; and

(ii) they have complied with, and will comply with, all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Spain

This offering circular has not been registered as a prospectus with the *Spanish Comisión Nacional del Mercado de Valores* and therefore the Notes may not be offered in Spain by any means, except in circumstances which do not qualify as a public offer of securities in Spain in accordance with Article 35 of the Security Market Act 4/2015, of October 23 (R*eal Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended and restated or pursuant to an exemption from registration in accordance with Article 41 of the Royal Decree 1310/2005 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado De valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*).

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 described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, 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. Accordingly, the Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Neither this offering circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

Notice to Prospective Purchasers in Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes have not and may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) 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 (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the securities 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 is an accredited investor; then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA, or to a relevant person under Section 275(2) of the SFA, or 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 given for the transfer; (iii) by operation of law; or (iv) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The Notes may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Notice to Prospective Investors in Sweden

This offering circular is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*Sw. lagen (1991:980) om handel med finansiella instrument*) nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this offering circular or will examine, approve or register this offering circular. Accordingly, this offering circular may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Swedish Financial Instruments Trading Act.

Notice to Prospective Purchasers in France

This offering circular has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the French *Code Monétaire et Financier* and therefore has not been filed with the French Financial Markets Authority (*Autorité des Marchés Financiers)* for prior approval. The Issuer represents that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Notes which are the subject of the offering contemplated by this offering circular to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this offering circular, or any other offering material relating to the Notes. The offers, sales or distributions in France will be made only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle retreint d'investisseurs*) acting for their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D411-4, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier.*

The Notes thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier.*

Notice to Prospective Investors in Italy

The offering of the Notes has not been cleared by the Italian Securities Exchange Commission (Commissione Nazionale per le Società e la Borsa (the "CONSOB")) pursuant to Italian securities legislation and, accordingly, the Notes may not and will not be offered, sold or delivered, nor may or will copies of this offering circular or any other documents relating to the Notes or the offer be distributed in Italy other than (i) to qualified investors (investitori qualificati), pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and as defined in Article 34-ter, first paragraph, letter b) of the CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("Regulation No. 11971"), or (ii) in other circumstances which are exempted from the compliance with the public offer rules in accordance with Article 100 of the Financial Services Act, and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this offering circular or any other document relating to the Notes or the offer in Italy under (i) or (ii) above must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 385 (the "Banking Law"), the Financial Services Act of 1 September 1933, as amended, CONSOB Regulation No. 16190 of 29 October 2007, as amended, and any other applicable laws and regulations; (b) in compliance with Article 129 of the Banking Act, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian authority.

Please note that in connection with the subsequent distribution of the Notes (with a minimum denomination lower than €50,000) in Italy, in accordance with Article 100 bis of the Financial Services Act where no exemption from the rules on public offer applies under (ii) above, the subsequent distribution of the Notes in the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the intermediaries transferring the Notes being liable for any damages suffered by potential purchasers in connection with such sales.

Any investor purchasing Notes in the offer is solely responsible for ensuring that any offer or resale of Notes it purchased in the offer occurs in compliance with applicable laws and regulations. This offering circular and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its content.

Notice to Prospective Investors in the United States

The Initial Purchaser has represented and agreed that, except for offers made to non-U.S. Persons in compliance with Regulations S, it has not offered, and it will not offer, the Notes to any person who is not a QIB within the meaning of the Securities Act).

The Initial Purchaser has represented that it has not solicited any offer to buy or offered, and agrees that it will not solicit any offer to buy or offer, the Notes by means of any form of general solicitation or general advertising (as those terms are used in Regulation D) or in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the Securities Act.

Notice to Prospective Investors in Portugal

See "PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors" above.

Notice to Prospective Investors in Germany

This offering circular has not been prepared in accordance with the requirements for a securities or sales prospectus under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), the German Sales Prospectus Act (*Verkaufsprospektgesetz*), or the German Investment Act (Investmentgesetz). Neither the German Federal Financial Services Supervisory Authority (*Bundesanstaltfür Finanzdienstleistungsaufsicht—BaFin*) nor any other German authority has been notified of the intention to distribute the Notes in Germany. Consequently, the Notes may not be distributed in Germany by way of public offering, public advertisement or in any similar manner and this offering circular and any other document relating to this offering, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Notes to the public in Germany or any other means of public marketing. The Notes are being offered and sold in Germany only to qualified investors which are referred to in Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, Section 8f paragraph 2 no. 4 of the German Sales Prospectus Act, and in Section 2 paragraph 11 sentence 2 no. 1 of the German Investment Act. This offering circular is strictly for the use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Notice to Prospective Investors in Luxembourg

The terms and conditions relating to this offering circular have not been approved by and will not be submitted for approval to (i) the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in the Grand Duchy of Luxembourg ("Luxembourg") of the Notes or admission to the official list of the Luxembourg Stock Exchange ("LxSE") and trading on the LxSE's regulated market or to (ii) the LxSE for purposes of admitting the Notes to the official list of the LxSE and trading on the LxSE's Euro MTF market. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, or listed or traded on the LxSE's regulated market or the LxSE's Euro MTF market, and neither this offering circular nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended.

Notice to Prospective Investors in Ireland

The Initial Purchaser will represent and warrant that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Notes or do anything in Ireland in respect of any Notes, otherwise than in compliance with the provisions of: (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 (and any amendments thereto, including Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012) and any rules of the Central Bank of Ireland (the "Central Bank") under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (as amended) (the "2005 Act"); (ii) the Irish Companies Act 2014; (iii) the

European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and it will conduct itself in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank with respect to anything done by it in relation to the Notes; (iv) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank under Section 34 of the 2005 Act; and (v) the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

In addition, see "PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors" above.

LEGAL MATTERS

The validity of the Notes, the note guarantees and certain other legal matters will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters will be passed upon for the initial purchasers by Milbank, Tweed, Hadley & McCloy LLP, New York, New York.

INDEPENDENT AUDITORS

The consolidated financial statements of Boxer Parent Company Inc. as of March 31, 2018 and 2017, and for each of the three years in the period ended March 31, 2018, included in this offering circular have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

This offering circular summarizes documents that are not delivered herewith. The description of these documents contained in this offering circular does not purport to be complete and is subject to, or qualified in its entirety by reference to, the definitive documents. Copies of such documents are available upon request, without charge, by writing us at 2103 CityWest Boulevard, Houston, Texas 77042 2827, Attention: Chet Fenner, Vice President, FP&A and Investor Relations. We are not and do not expect to become subject to the periodic reporting requirements of the Exchange Act.

For so long as any Notes remain outstanding we will furnish to the holders of Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the contact information above. See “Description of Notes—Certain Covenants—Reports and Other Information.” Our website is located at http:// www.bmc.com. The information contained on our website or that can be accessed through our website is not part of this offering circular and you should not rely on that information.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of Boxer Parent Company Inc.

We have audited the accompanying consolidated financial statements of Boxer Parent Company Inc., which comprise the consolidated balance sheets as of March 31, 2018 and 2017, and the related consolidated statements of comprehensive loss, stockholders' deficit and cash flows for each of the three years in the period ended March 31, 2018, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Boxer Parent Company Inc. at March 31, 2018 and 2017, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2018, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

June 15, 2018

BOXER PARENT COMPANY INC.
CONSOLIDATED BALANCE SHEETS
(in millions)

	March 31, 2018	March 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 530.4	$ 604.7
Restricted cash	32.8	24.1
Trade accounts receivable, net	547.2	520.4
Trade finance receivables, net	107.3	86.8
Other current assets	106.0	100.1
Total current assets	1,323.7	1,336.1
Property and equipment, net	123.1	122.9
Software development costs, net	39.9	94.3
Long-term trade finance receivables, net	64.8	55.6
Intangible assets, net	1,584.4	1,929.3
Goodwill	4,248.7	4,090.7
Deferred tax assets, net	20.4	40.7
Other long-term assets	119.9	217.8
Total assets	$ 7,524.9	$ 7,887.4
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Trade accounts payable	$ 23.5	$ 23.5
Finance payables	8.3	8.2
Accrued liabilities	333.9	345.9
Deferred revenue	1,287.0	1,228.8
Current portion of long-term borrowings	35.6	36.1
Total current liabilities	1,688.3	1,642.5
Long-term deferred revenue	1,416.2	1,282.7
Deferred tax liabilities, net	83.6	248.4
Long-term borrowings	5,641.1	5,723.0
Other long-term liabilities	135.5	110.1
Total liabilities	8,964.7	9,006.7
Total stockholders' deficit	(1,439.8)	(1,119.3)
Total liabilities and stockholders' deficit	$ 7,524.9	$ 7,887.4

The accompanying notes are an integral part of these consolidated financial statements.

BOXER PARENT COMPANY INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)

	Year Ended March 31,		
	2018	2017	2016
Revenue:			
Perpetual license	$ 353.0	$ 364.5	$ 359.9
Perpetual maintenance and SaaS	936.8	895.9	819.8
Term license and maintenance	459.2	373.2	293.0
Professional services	99.9	104.9	110.1
Total revenue	1,848.9	1,738.5	1,582.8
Operating expenses:			
Cost of license, maintenance and SaaS revenue	230.2	245.6	240.8
Cost of professional services revenue	89.5	94.4	110.3
Selling and marketing expenses	558.3	553.1	554.4
Research and development expenses	163.6	166.9	160.2
General and administrative expenses	184.2	165.9	184.8
Depreciation and amortization expenses	524.5	530.9	517.8
Gain on patent litigation, net	—	(215.0)	—
Total operating expenses	1,750.3	1,541.8	1,768.3
Operating income (loss)	98.6	196.7	(185.5)
Other expense, net:			
Other income (expense), net	(104.8)	22.8	(4.3)
Interest expense, net	(417.2)	(428.6)	(434.0)
Total other expense, net	(522.0)	(405.8)	(438.3)
Loss before income taxes	(423.4)	(209.1)	(623.8)
Benefit for income taxes	(116.4)	(117.1)	(184.3)
Net loss	$ (307.0)	$ (92.0)	$ (439.5)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment, including tax provision of $5.4, $0.4 and $5.7, respectively	(35.4)	38.8	25.1
Unrealized gain (loss) on cash flow hedges, including tax provision of $3.6, $2.4 and $1.1, respectively	(32.2)	24.9	(23.7)
Reclassification adjustment on cash flow hedges	43.7	(15.0)	23.3
Total other comprehensive income (loss)	(23.9)	48.7	24.7
Total comprehensive loss	$ (330.9)	$ (43.3)	$ (414.8)

The accompanying notes are an integral part of these consolidated financial statements.

BOXER PARENT COMPANY INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(in millions)

	Class A and Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss		Treasury Stock, at Cost	Total Stockholders' Deficit
	Shares	Amount			Foreign Currency Translation Adjustment, Net of Taxes	Unrealized Gain (Loss) on Cash Flow Hedges, Net of Taxes		
Balance, March 31, 2015	12.4	$0.1	$561.3	$ (977.4)	$(256.4)	$(25.0)	$(1.0)	$ (698.4)
Comprehensive loss:								
Net loss	—	—	—	(439.5)	—	—	—	(439.5)
Other comprehensive income, including total tax provision of $6.8	—	—	—	—	25.1	(0.4)	—	24.7
Share-based compensation expense	—	—	19.7	—	—	—	—	19.7
Treasury stock repurchases, net	—	—	—	—	—	—	(0.2)	(0.2)
Balance, March 31, 2016	12.4	$0.1	$581.0	$(1,416.9)	$(231.3)	$(25.4)	$(1.2)	$(1,093.7)
Comprehensive loss:								
Net loss	—	—	—	(92.0)	—	—	—	(92.0)
Other comprehensive income, including total tax provision of $2.8	—	—	—	—	38.8	10.0	—	48.8
Share-based compensation expense	—	—	19.5	—	—	—	—	19.5
Cumulative effect of accounting changes, net of tax of $1.5	—	—	—	(2.4)	—	—	—	(2.4)
Treasury stock issuances, net	—	—	—	—	—	—	0.5	0.5
Balance, March 31, 2017	12.4	$0.1	$600.5	$(1,511.3)	$(192.5)	$(15.4)	$(0.7)	$(1,119.3)
Comprehensive loss:								
Net loss	—	—	—	(307.0)	—	—	—	(307.0)
Other comprehensive loss, including total tax provision of $9.0	—	—	—	—	(35.4)	11.5	—	(23.9)
Liability classification of stock options	—	—	(10.6)	—	—	—	—	(10.6)
Share-based compensation expense	—	—	27.4	—	—	—	—	27.4
Common stock issued under stock option plans	—	—	0.3	—	—	—	—	0.3
Treasury stock repurchases, net	—	—	(1.8)	(1.4)	—	—	(3.5)	(6.7)
Balance, March 31, 2018	12.4	$0.1	$615.8	$(1,819.7)	$(227.9)	$ (3.9)	$(4.2)	$(1,439.8)

The accompanying notes are an integral part of these consolidated financial statements.

BOXER PARENT COMPANY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended March 31,		
	2018	2017	2016
Cash flows from operating activities:			
Net loss	$ (307.0)	$ (92.0)	$(439.5)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization expenses	524.5	530.9	517.8
Amortization of debt issuance costs and other	61.4	35.0	30.6
Loss (gain) on extinguishment of debt	17.4	(21.8)	—
Deferred income tax benefit	(177.3)	(242.0)	(211.5)
Unrealized loss (gain) on derivative instruments	69.3	(24.1)	—
Non-cash compensation expense	30.4	21.7	21.3
Changes in operating assets and liabilities, net of acquisitions:			
Trade accounts receivable	(27.5)	(42.6)	(2.8)
Trade finance receivables	(29.9)	(9.3)	(12.6)
Prepaid and other current assets	(8.7)	(5.4)	—
Other long-term assets	1.7	7.6	9.5
Accrued and other current liabilities	(23.8)	45.2	(35.8)
Deferred revenue	191.7	307.0	262.8
Other long-term liabilities	(0.2)	5.4	(28.4)
Other operating assets and liabilities	(103.7)	46.2	(33.5)
Net cash provided by operating activities	218.3	561.8	77.9
Cash flows from investing activities:			
Purchases of property and equipment	(48.1)	(44.8)	(72.6)
Capitalization of software development costs	(9.4)	(20.5)	(46.2)
Cash paid for acquisitions	—	—	(11.0)
Cash paid for premiums on derivative instruments, net	(7.4)	(1.1)	—
Maturities (purchases) of investments	—	5.0	(4.9)
Net cash used in investing activities	(64.9)	(61.4)	(134.7)
Cash flows from financing activities:			
Repayments related to refinancing of Term Loans	(1,013.6)	—	—
Proceeds from refinancing of Term Loans, net of debt issuance costs	1,146.3	—	—
Proceeds from issuance of Senior Notes, net of debt issuance costs	147.3	—	—
Repayments of borrowings and capital lease obligations	(562.7)	(277.8)	(46.7)
Proceeds from termination of derivative instruments	44.7	—	—
Proceeds from stock option exercises (repurchases of stock) and other	(2.1)	0.4	—
Net cash used in financing activities	(240.1)	(277.4)	(46.7)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	21.1	(4.2)	1.5
Net change in cash, cash equivalents and restricted cash	(65.6)	218.8	(102.0)
Cash, cash equivalents and restricted cash, beginning of period	628.8	410.0	512.0
Cash, cash equivalents and restricted cash, end of period	$ 563.2	$ 628.8	$ 410.0
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of amounts capitalized	$ 387.5	$ 398.9	$ 403.2
Cash paid for income taxes, net	$ 66.5	$ 49.4	$ 40.3

The accompanying notes are an integral part of these consolidated financial statements.

(1) Summary of Significant Accounting Policies

Basis of Presentation

On September 10, 2013 (the Acquisition Date), Boxer Parent Company Inc. (the Parent) acquired BMC Software, Inc. (BMC) (the Acquisition), pursuant to an Agreement and Plan of Merger dated May 6, 2013 (as amended, the Merger Agreement), through its subsidiary, BMC Software Finance, Inc. (BSFI). The Parent is a Delaware corporation whose majority shareholders are Bain Capital Private Equity, LP, Golden Gate Private Equity, Inc., Insight Venture Management, LLC and a company affiliated with GIC (Ventures) Pte. Ltd. (together, the Sponsors). Unless otherwise stated or unless the context otherwise requires, the “Company,” “we,” “us” and “our” refer to the Parent and its consolidated subsidiaries.

The accompanying consolidated financial statements include our accounts and the accounts of our subsidiaries and are prepared in conformity with United States (U.S.) generally accepted accounting principles (GAAP). All significant intercompany balances and transactions have been eliminated in consolidation. We have evaluated subsequent events through June 15, 2018, the date these financial statements are available for issuance.

Nature of Operations

We provide IT Operations Management software solutions to help our customers monitor, manage, automate and secure their mission-critical IT workloads across hybrid environments, whether mobile, multi-cloud, client-server or mainframe. Our portfolio of solutions helps customers ensure seamless IT operations and performance across applications and infrastructure by managing the IT systems and processes that enable mission-critical business functions. In addition to licensing our software under both perpetual and term license models for on-premises use, we provide on-demand software-as-a-service (SaaS) and managed services offerings delivered through hosted solutions. We also provide our customers with maintenance and support services for our products and assist customers with software implementation, integration, IT process and organizational transformation and education services.

New Accounting Pronouncement Not Yet Adopted

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, and issued subsequent amendments in 2015, 2016 and 2017 (collectively, Topic 606 or the Standard). Topic 606 supersedes nearly all revenue recognition guidance under previously existing GAAP. The core principle of Topic 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Topic 606 defines a five-step process to achieve this core principle and, in doing so, it is likely that more judgment and estimates may be required within the revenue recognition process than are required under previously existing GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation, among others. Topic 606 also provides guidance on the recognition of costs related to obtaining customer contracts and requires enhanced disclosures. Topic 606 is effective for the Company in fiscal year 2020 and early adoption is permitted. Topic 606 may be applied retrospectively to each prior period presented (full retrospective method) or with the cumulative effect recognized as of the date of initial application (modified retrospective method). We anticipate adopting Topic 606 in the first quarter of fiscal 2020 using the full retrospective method.

While the Company is continuing to determine the full impact of Topic 606, it currently anticipates the Standard will have a material effect on its consolidated financial statements and related disclosures, and believes the most significant effect relates to the timing of the recognition of software license revenue. Specifically, under Topic 606, the Company currently expects to recognize substantially all software license revenue, in both perpetual licensing and term licensing arrangements, at the point in time the licensed software is transferred to the customer. This represents a substantial change to our application of previously existing GAAP, under which a substantial portion of our perpetual license revenue and all of our term license revenue is generally deferred and recognized ratably, most commonly over the term of the associated maintenance arrangements but in some cases over the longest expected delivery period of other undelivered elements in the arrangement. As a result, the Company also anticipates a significant reduction in deferred license revenue upon adoption of Topic 606, principally relating to the cumulative earlier recognition of deferred license revenue recognized upon software transfer to our customers. The Company currently believes that the point-in-time recognition requirement of Topic 606 will increase the volatility of its revenue and earnings period to period. The Company does not currently expect Topic 606 to have a significant effect on the timing of revenue recognition for its maintenance, SaaS and professional services contracts.

Under Topic 606, a larger portion of the Company's sales commissions and other incremental costs to acquire contracts will be subject to capitalization as compared to our application of previously existing GAAP. However, incremental costs related to software license deliverables will be expensed as incurred whereas under our application of current GAAP, a portion of such costs are capitalized and amortized commensurate with the timing of software license revenue recognition. Additionally, the Company currently anticipates that it will amortize incremental costs related to new customer business over an expected period of benefit of approximately five years, which is generally longer than amortization periods utilized under our application of previously existing GAAP. The Company is currently assessing the potential financial statement impact of these new requirements.

The Company is also currently assessing the income tax impacts related to Topic 606, mostly relating to the potential impacts from earlier recognition of revenue and the associated reduction in deferred revenue under the Standard. Subject to the Company's overall tax attributes and other factors, the adoption of Topic 606 could result in an increase in income taxes payable and accelerated cash tax payment requirements in periods subsequent to adoption of the Standard in comparison to existing tax treatment.

We do not believe Topic 606 will have a material impact on the timing of our customer contract billings and cash receipts, and thus on our operating or free cash flows, other than the potential tax impacts noted above.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenue and expenses during the reporting periods and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include, but are not limited to, revenue recognition, valuation of goodwill, valuation of intangible assets as well as their associated useful lives, valuation of share-based compensation, capitalization and amortization of software development costs, the valuation allowance for deferred income taxes and accounting for unrecognized tax benefits.

Cash, Cash Equivalents and Restricted Cash

We consider highly liquid investments with an original maturity of ninety days or less when purchased to be cash equivalents. At March 31, 2018 and 2017, our cash equivalents were comprised of foreign certificates of deposit. Our cash equivalents are subject to potential credit risk.

Our restricted cash balances are primarily comprised of cash balances that are pledged as collateral for letters of credit and balances that have been collected in our capacity as servicer for financial institutions related to trade finance receivable balances that have been transferred to the financial institutions. Refer to Note 2 for further information regarding trade finance receivables.

Receivables

In the ordinary course of business, we extend credit to our customers on both trade and financed terms. Trade and finance receivables are recorded at their outstanding principal balances, adjusted for interest receivable to date, if applicable, and adjusted by the allowance for doubtful accounts. Interest income on finance receivables is recognized using the effective interest method and is presented as other income (expense), net, in the consolidated statements of comprehensive loss. Interest income on these finance receivables was $6.5 million, $4.5 million and $5.6 million during the years ended March 31, 2018, 2017 and 2016, respectively. In estimating the allowance for doubtful accounts, we consider the length of time receivable balances have been outstanding, historical collection experience, current economic conditions and customer-specific information. When we ultimately conclude that a receivable is uncollectible, the balance is charged against the allowance for doubtful accounts. At March 31, 2018 and 2017, the allowance for doubtful trade accounts receivable was $3.2 million and $3.7 million, respectively. There was no allowance for doubtful trade finance receivables at March 31, 2018 and 2017. During the years ended March 31, 2018, 2017 and 2016, the provision (recovery) for bad debts was $0.6 million, $(0.2) million and $1.8 million, respectively, and the amounts written off against the allowance for doubtful accounts totaled $1.1 million, $3.1 million and $1.6 million, respectively.

Long-lived and Indefinite-lived Assets

Property and Equipment

Property and equipment are recorded at cost. Depreciation on property and equipment, other than leasehold improvements, is recorded using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Leasehold improvements are depreciated using the straight-line method over the shorter of the lease term or the estimated useful lives of the assets, which range from three to ten years.

Costs incurred to develop internal-use software (including software used to deliver SaaS) during the application development stage are capitalized and amortized using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Application development stage costs generally include costs associated with internal-use software configuration, coding, installation and testing. Costs of significant upgrades and enhancements that result in additional functionality are also capitalized, whereas costs incurred for maintenance and minor upgrades and enhancements are expensed as incurred.

Software Development Costs

Costs of software developed internally for licensing to third parties are expensed until the technological feasibility of the software product has been established. Thereafter, software development costs incurred through the general release of the software products are capitalized and subsequently reported at the lower of unamortized cost or net realizable value. Costs of software developed using agile development methods are generally expensed as incurred because the development efforts between technological feasibility and general release of the software products are insignificant. Capitalized software development costs are then amortized using the greater of an amount determined by the ratio of current revenues recognized to the total anticipated revenues for a product or straight-line over the product's estimated economic life beginning at the date of general availability of the product to our customers. The amortization of capitalized software development costs related to share-based compensation is included in cost of license, maintenance and SaaS revenue; the remaining amortization, including any amounts accelerated for products that are not expected to generate sufficient future revenue to realize their carrying values, is included in depreciation and amortization expenses in the consolidated statements of comprehensive loss. During the year ended March 31, 2018, amounts capitalized were $9.8 million (including $0.4 million of capitalized interest and $0.4 million of share-based compensation costs), and amounts amortized were $64.2 million (including $2.7 million related to share-based compensation costs). During the year ended March 31, 2017, amounts capitalized were $21.5 million (including $1.0 million of capitalized interest and $1.0 million of share-based compensation costs), and amounts amortized were $77.6 million (including $3.7 million related to share-based compensation costs). During the year ended March 31, 2016, amounts capitalized were $47.4 million (including $2.3 million of capitalized interest and $1.2 million of share-based compensation costs), and amounts amortized were $68.0 million (including $3.4 million related to share-based compensation costs).

Definite-lived Intangible Assets

Definite-lived intangible assets at March 31, 2018 and 2017 consisted principally of acquired technology, customer relationships and certain product-related trademarks and tradenames recorded in connection with the Acquisition, as well as subsequent acquisitions. Definite-lived intangible assets are amortized over their respective estimated economic lives, ranging from three to fifteen years, either on a straight-line basis or using a method more representative of the time pattern over which the benefit is derived.

Impairment of Long-lived Assets

We review long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. If there is an impairment indicator, a quantitative test is performed based on a comparison of the undiscounted future cash flows to the recorded value of the asset or asset group. If the asset or asset group fails this quantitative test, the asset or asset group is written down to its estimated fair value.

Indefinite-lived Intangible Assets

Indefinite-lived intangible assets at March 31, 2018 and 2017 consisted of our corporate trademark and tradename recorded in connection with the Acquisition. The indefinite-lived intangible assets are not subject to amortization and thus are assessed for impairment on an annual basis, or more frequently if events or circumstances indicate that it is more likely than not that the asset is impaired. If, after assessing the totality of the events and circumstances, we conclude that it is not more likely than not that the indefinite-lived asset is impaired, we are not required to take any further action. We test our indefinite-lived intangible assets for impairment on January 1 of each year.

Goodwill

Goodwill represents the excess of the purchase consideration over the net of the acquisition-date fair value of identifiable assets acquired, including identifiable intangible assets, and liabilities assumed in connection with our business combinations. Upon acquisition, goodwill is assigned to the reporting units that are expected to benefit from the synergies of the business combination. A reporting unit is the operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management. If a reorganization causes the Company's reporting units to change, goodwill is reassigned to the reporting units based on their relative fair values.

We assess goodwill for impairment as of January 1 of each fiscal year, or more frequently if events or changes in circumstances indicate that the fair value of a reporting unit has been reduced below its carrying value. When conducting our annual goodwill impairment assessment, we use a three step process. The first step is to perform an optional qualitative evaluation as to whether it is more likely than not that the fair value of any of our reporting units is less than its carrying value, using an assessment of relevant events and circumstances. In performing this assessment, we are required to make assumptions and judgments including but not limited to an evaluation of macroeconomic conditions as they relate to our business, industry and market trends, as well as the overall future financial performance of our reporting units and future opportunities in the markets in which they operate. If we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, we are not required to perform any additional tests in assessing goodwill for impairment. However, if we conclude otherwise or elect not to perform the qualitative assessment, we perform a second step for that reporting unit, consisting of a quantitative assessment of goodwill impairment. This quantitative assessment requires us to estimate the fair value of each reporting unit and compare the estimated fair value of each reporting unit, determined using a combination of the income and market approaches on an invested capital basis, to its respective carrying value (including goodwill) as of the date of the impairment test. The third step, employed for any reporting unit whose carrying value exceeds its fair value, is used to measure the amount of any potential impairment and compares the implied fair value of the reporting unit's goodwill with its carrying amount. If a reporting unit's carrying value is negative, the Company does not follow this three-step process, and instead performs a qualitative evaluation to determine whether it is more likely than not that the reporting unit's goodwill is impaired. If we determine it is more likely than not impaired, the third step discussed above is performed to determine if there is an impairment and measure the amount of any potential impairment.

Foreign Currency Translation and Risk Management

We operate globally and transact business in various foreign currencies. The functional currency for many of our foreign subsidiaries is the respective local currency. The balance sheets of these foreign operations are translated into U.S. dollars using the currency exchange rates in effect at the balance sheet dates. Revenue and expenses of these subsidiaries are translated into U.S. dollars using the average exchange rates during the period, on a monthly basis. The substantial majority of our revenue derived from customers outside the United States is billed in local currencies from regional headquarters. Fluctuations in foreign currency exchange rates can significantly impact the translated amount of revenue and expenses recognized in our consolidated statements of comprehensive loss. Balance sheet translation adjustments are included in accumulated other comprehensive loss within stockholders' deficit. We also have foreign currency exposure related to foreign currency denominated assets and liabilities, primarily accounts receivable and intercompany balances. Foreign currency transaction gains or losses on these balance sheet exposures are included in other income (expense), net, in the consolidated statements of comprehensive loss.

Revenue Recognition

We derive revenue principally from software-related arrangements consisting of software license and maintenance offerings, non-software arrangements consisting of our SaaS offerings as well as the associated professional services for each of these types of arrangements. We recognize revenue when all of the following core revenue recognition criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) delivery of the license or service has occurred; (iii) the arrangement fee is fixed or determinable and (iv) collection of the arrangement fee is probable.

Software License and Maintenance Arrangements

Software license revenue is recognized upfront on perpetual license sales when the core revenue recognition criteria above are satisfied and vendor-specific objective evidence (VSOE) of the fair value of undelivered elements exists. As substantially all of our software licenses are sold in multiple-element arrangements that include either maintenance or both maintenance and professional services, we use the residual method to determine the amount of license revenue to be recognized. Under the residual method, consideration is allocated to undelivered elements based upon VSOE of the fair value of those elements, with the residual of the arrangement fee allocated to and recognized as license revenue. We have established VSOE of the fair value of our maintenance offerings through independent maintenance renewals. These demonstrate a consistent relationship of pricing maintenance as a percentage of either the net license fee or the discounted or undiscounted license list price. VSOE of the fair value of professional services is established based on daily rates when sold on a stand-alone basis, as well as management-approved pricing for certain new offerings.

We are unable to establish VSOE of the fair value for all undelivered elements in certain arrangements that include multiple software products for which the associated maintenance pricing is based on a combination of undiscounted license list prices, net license fees or discounted license list prices. We are also unable to establish VSOE of the fair value of all undelivered elements in certain arrangements that include unlimited licensing rights and certain arrangements that contain rights to future unspecified software products as part of the maintenance offering. If VSOE of the fair value of one or more undelivered elements does not exist, license revenue is deferred and recognized upon delivery of those elements or when VSOE of the fair value exists for all remaining undelivered elements, or if the deferral is due to the factors described above, license revenue is recognized ratably over the longest expected delivery period of undelivered elements in the arrangement, which is typically the longest maintenance term.

In our time-based license agreements, we are unable to establish VSOE of the fair value of undelivered maintenance elements because the contractual maintenance terms in these arrangements are the same duration as the license terms, and VSOE of the fair value of maintenance cannot be established. Accordingly, license and maintenance fees in time-based license arrangements are recognized ratably over the term of the arrangements and are included in term license and maintenance revenue in the consolidated statements of comprehensive loss.

Maintenance revenue is recognized ratably over the contractual terms of the maintenance arrangements, which primarily range from one to three years and in some instances can extend up to five or more years.

Professional Services Arrangements

Professional services revenue, which principally relates to consulting, implementation and education services associated with our products, is derived under both time-and-material and fixed fee arrangements. In most fixed fee arrangements, revenue is recognized on a proportional performance basis based on days of effort. If no discernible customer deliverable exists until the completion of the professional services, we apply the completed performance method and defer the recognition of professional services revenue until completion of the services, which is typically evidenced by a signed completion letter from the customer. Services that are sold in connection with software license arrangements generally qualify for separate accounting from the license elements because they do not involve significant production, modification or customization of our products and are not otherwise considered to be essential to the functionality of such products. In arrangements where the professional services do not qualify for separate accounting from the license elements, the combined software license and professional services revenue is recognized based on contract accounting using either the percentage-of-completion or completed-contract method.

SaaS Arrangements

SaaS subscription fees are recognized ratably over the contractual terms of the subscription arrangements beginning on the date that the service is made available to customers. Additional professional services fees, principally related to optional services engagements that are not essential to the functionality of our core SaaS offerings and are considered to have stand-alone value, are generally recognized on a proportional performance basis based on days of effort. In our consolidated statements of comprehensive loss, SaaS subscription revenue and optional professional services revenue are included in perpetual maintenance and SaaS revenue and professional services revenue, respectively. To date, SaaS and related professional services revenues have not represented a significant percentage of our total revenue in any period.

Other Revenue Recognition Considerations

In arrangements containing both software and non-software (e.g., SaaS) elements, which to date have been infrequent, we allocate the arrangement consideration first into software and non-software units of accounting based on a relative selling price hierarchy and then apply the applicable software and non-software revenue recognition criteria to each unit of accounting. To date, we have determined the relative selling price of software and non-software units of accounting based on management's best estimate of selling price as other means of determining relative selling price (e.g., VSOE of the fair value or other third-party evidence) have not been available with respect to all of the components in bundled software and non-software arrangements.

We also execute arrangements through resellers, distributors and systems integrators (collectively, channel partners) in which the channel partners act as the principals in the transactions with the end users of our products and services. We recognize revenue from transactions with channel partners on a net basis (the amount actually received by us from the channel partners) when all other revenue recognition criteria are satisfied. We do not offer right of return or price protection to any of our channel partners.

Revenue from financed customer transactions are generally recognized in the same manner as those requiring current payment, as we have a history of offering installment contracts to customers and successfully enforcing original payment terms without making concessions. In arrangements where the fees are not considered to be fixed or determinable, we recognize revenue when payments become due under the arrangement. If we determine that a transaction is not probable of collection or a risk of concession exists, we do not recognize revenue in excess of the amount of cash received.

We are required to charge certain taxes on our revenue transactions. These amounts are not included in revenue. Instead, we record a liability when the amounts are invoiced and relieve the liability when payments are made to the applicable government agency.

In our consolidated statements of comprehensive loss, revenue is categorized as perpetual license, perpetual maintenance and SaaS, term license and maintenance or professional services revenue. We allocate revenue from arrangements containing multiple elements to each of these categories based on the VSOE of the fair value of the elements in each revenue arrangement and the application of the residual method for arrangements in which we have established VSOE of the fair value of all undelivered elements. In arrangements where we are not able to establish VSOE of the fair value of all undelivered elements, we first allocate revenue to any undelivered elements for which VSOE of fair value has been established, then allocate revenue to any undelivered elements for which VSOE of the fair value has not been established based upon management's best estimate of fair value of those undelivered elements and apply a residual method to determine the license fee. Management's best estimate of fair value of undelivered elements for which VSOE of the fair value has not been established is based upon the VSOE of the fair value of similar offerings and other objective criteria.

Cost of License, Maintenance and SaaS Revenue

Cost of license, maintenance and SaaS revenue is primarily comprised of the amortization of share-based compensation components of capitalized software development costs, license-based royalties to third parties, production and distribution costs for initial product licenses, costs associated with the customer support and research and development personnel that provide maintenance, enhancement and support services to our customers, as well as internal and third party infrastructure hosting and support costs associated with our SaaS offerings.

Sales Commissions

We pay commissions, other incentives and sales bonuses to our direct sales force related to customer transactions under sales compensation plans established annually. We defer the portion of commissions that are direct and incremental to customer contracts and recognize them as selling and marketing expenses in the consolidated statements of comprehensive loss over the terms of the related customer contracts, in proportion to the recognition of the associated revenue. The commission payments are typically paid in full in the month following execution of the customer contracts. Deferred commissions at March 31, 2018 and 2017 were $91.0 million (of which $45.4 million was included in other current assets and $45.6 million was included in other long-term assets) and $89.0 million (of which $42.5 million was included in other current assets and $46.5 million was included in other long-term assets), respectively.

Share-Based Compensation

Share-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as compensation expense either on a straight-line basis (for time-based awards) or using the accelerated method (for market-based awards) over the requisite service period of the award, which is typically the vesting period. Forfeitures are accounted for when they occur.

Refer to Note 8 for further information regarding share-based compensation.

Income Taxes

We account for income taxes under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities recognized for financial reporting purposes and their respective tax bases, along with net operating losses and tax credit carryforwards. Income taxes include U.S. and foreign income taxes, including U.S. federal taxes on undistributed earnings of foreign subsidiaries to the extent such earnings are not considered to be indefinitely reinvested. We record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is more likely than not to be realized.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. We utilize a “more likely than not” threshold for the recognition and derecognition of tax positions and measure positions accordingly. We reflect changes in recognition or measurement in the period in which the change in judgment occurs, which can be caused by the closing of a tax audit, judicial rulings, expirations of the statute of limitations or refinements of estimates based on changing facts or circumstances. We recognize interest and penalties in benefit for income taxes in our consolidated statements of comprehensive loss.

Refer to Note 7 for further information regarding income taxes.

(2) Financial Instruments

Cash, Cash Equivalents and Restricted Cash

Our cash, cash equivalents and restricted cash were comprised of the following:

	March 31,	
	2018	2017
	(in millions)	
Cash on hand	$497.3	$531.1
Certificates of deposit	33.1	73.6
Total cash and cash equivalents	530.4	604.7
Restricted cash	32.8	24.1
Total cash, cash equivalents and restricted cash	$563.2	$628.8

Derivative Financial Instruments

In order to minimize the impact of increases in interest rates on interest payments associated with our variable-rate U.S. Term Loans and Foreign Euro Term Loans (as defined in Note 5), we entered into a series of interest rate cap agreements (the Interest Rate Caps), the terms of which are as follows:

Notional	€400.0 million	€300.0 million	$2,304.0 million	$1,728.0 million
Effective Date	February 6, 2014	September 5, 2016	February 6, 2014	September 6, 2016
Maturity Date	September 3, 2016	September 3, 2018	September 6, 2016	September 4, 2018
Strike Rate	3.00%	5.00%	3.00%	5.00%
Index	3-month EURIBOR	3-month EURIBOR	3-month USD-LIBOR-BBA	3-month USD-LIBOR-BBA

The Interest Rate Caps have quarterly interest rate reset dates. To the extent the index interest rate exceeds the strike rate on an interest rate reset date, the counterparty will pay us an amount equal to the notional amount of the Interest Rate Cap multiplied by the amount by which the index interest rate exceeds the Interest Rate Cap’s strike rate.

The €400.0 million Euro-denominated Interest Rate Cap was not designated as a hedge for accounting purposes during the years ended March 31, 2017 and 2016, and matured on September 3, 2016. The $2,304.0 million Interest Rate Cap was designated as a cash flow hedge of the variability of interest payments under the U.S. Term Loans due to changes in the underlying benchmark interest rate (LIBOR) and matured on September 6, 2016. The $1,728.0 million Interest Rate Cap was designated as a cash flow hedge of the variability of interest payments under the U.S. Term Loans due to changes in the underlying benchmark interest rate (LIBOR) and was de-designated effective December 25, 2016. The €300.0 million Euro-denominated Interest Rate Cap is designated as a cash flow hedge of the variability of interest payments under the Foreign Euro Term Loans due to changes in the underlying benchmark interest rate (EURIBOR). The critical terms of those Interest Rate Caps designated as cash flow hedges closely match those of the hedged portions of the Term Loans and the derivative instruments were, or are expected to be, highly effective at offsetting changes in the hedged forecasted future interest payments associated with the hedged portions of the underlying debt.

In October 2013, we entered into four cross currency interest rate swap agreements (the Foreign Cross Currency Swaps) on a total notional amount of $335.0 million. During the year ended March 31, 2018, the Company terminated all the Foreign Cross Currency Swaps in connection with the repayment of the Foreign USD Term Loans pursuant to Amendment No. 3 and Amendment No. 4 (both as defined in Note 5) for total proceeds of $44.7 million, representing the fair value of the swaps on the termination dates. We recognized a net loss of $4.4 million, which is included in other income (expense), net, during the year ended March 31, 2018, related to the terminations.

The Foreign Cross Currency Swaps were designated as cash flow hedges of the variability of interest payments under the Foreign USD Term Loans due to changes in the underlying benchmark interest rates (LIBOR) and the variability of the principal balance due to changes in the Euro to U.S. dollar exchange rate. The critical terms of the Foreign Cross Currency Swaps closely matched those of the hedged portions of the Foreign USD Term Loans and, until their termination, the derivative instruments were highly effective at offsetting changes in the hedged forecasted future interest payments as well as foreign currency remeasurement gains and losses associated with the hedged portions of the Foreign USD Term Loans.

In September 2016, we entered into a cross currency swap (the U.S. Cross Currency Swap) on a total notional amount of $1.0 billion and a deferred premium currency call option (the USD/EUR Option) with a U.S. dollar/Euro strike price of approximately 1.35. Under the terms of the U.S. Cross Currency Swap, we swapped U.S. dollar variable-rate interest payments on $1.0 billion of principal of the U.S. Term Loans for a fixed interest rate of approximately 4.62% on a fixed Euro notional amount of €889.4 million (determined based on a Euro spot exchange rate of 1.12). The counterparty pays us an amount equal to the U.S. dollar notional amount multiplied by the applicable variable interest rate, and we pay the counterparty a fixed interest payment equal to the Euro notional amount multiplied by the fixed interest rate. Upon final settlement at maturity of the U.S. Cross Currency Swap, we will pay the counterparty €444.7 million and will receive $500.0 million from the counterparty. The U.S. Cross Currency Swap matures on September 10, 2019. Under the terms of the USD/EUR Option, we pay a quarterly premium at a fixed rate of 0.88% on a fixed Euro notional of €444.7 million. Upon final settlement at maturity of the USD/EUR Option, we have the option to pay the counterparty $600.0 million and to receive €444.7 million from the counterparty, limiting our exposure to changes in Euro to U.S. dollar exchange rates related to the final settlement of the U.S. Cross Currency Swap. The USD/EUR Option also matures on September 10, 2019.

The Company recognizes all derivative instruments on a gross basis in the consolidated balance sheets as other long-term assets or other long-term liabilities.

Changes in the fair value of the €300.0 million Euro-denominated Interest Rate Cap, the $2,304.0 million Interest Rate Cap, the $1,728.0 million Interest Rate Cap (through December 25, 2016) and the Foreign Cross Currency Swaps (through their respective termination dates) are recorded in accumulated other comprehensive loss within stockholders' deficit. Hedge ineffectiveness was immaterial for all periods presented. Changes in the fair value of the €400.0 million Euro-denominated Interest Rate Cap, the $1,728.0 million Interest Rate Cap (subsequent to December 25, 2016), the U.S. Cross Currency Swap and the USD/EUR Option are recognized within other income (expense), net, in the consolidated statements of comprehensive loss.

We are exposed to credit-related losses in the event of non-performance by the counterparty to our derivative instruments, but we do not expect our counterparty to fail to meet its obligations given its high credit ratings.

For the years ended March 31, 2018, 2017 and 2016, we recorded net losses of $14.3 million, $27.9 million and $16.4 million, respectively, in other income (expense), net, related to our foreign currency exposures, including a loss of $34.7 million, a gain of $20.6 million and a loss of $19.9 million, respectively, on the Foreign Cross Currency Swaps. For the year ended March 31, 2018, other income (expense), net, also includes a net loss of $73.7 million related to the U.S. Cross Currency Swap and a net gain of $4.8 million related to the USD/EUR Option. For the year ended March 31, 2017, other expense, net, also includes a net gain of $32.5 million related to the U.S. Cross Currency Swap and a net loss of $8.4 million related to the USD/EUR Option.

For the years ended March 31, 2018, 2017 and 2016, we reclassified losses of $9.0 million (pre-tax), $5.6 million (pre-tax) and $3.5 million (pre-tax), respectively, out of accumulated other comprehensive loss into interest expense, net. As of March 31, 2018, only the €300.0 million Euro-denominated Interest Rate Cap is designated as a cash flow hedge. The Company expects to reclassify losses of approximately $5.0 million, net, from accumulated other comprehensive loss into interest expense, net, related to the Company's Interest Rate Caps in the next twelve months.

Trade Finance Receivables

A substantial portion of our trade finance receivables is transferred to financial institutions on a non-recourse basis. We utilize wholly-owned finance subsidiaries in these finance receivables transfers. These entities are consolidated into our financial position and results of operations. We account for such transfers as sales in accordance with applicable accounting rules pertaining to the transfers of financial assets and the sale of future revenue when we have surrendered control of such receivables (including determining that such assets have been isolated beyond our reach and the reach of our creditors) and when we do not have significant continuing involvement in the generation of cash flows due the financial institutions. During the years ended March 31, 2018, 2017 and 2016, we transferred $136.2 million, $279.2 million and $250.7 million, respectively, of such receivables through these programs. Trade finance receivables are typically transferred within several months after origination and the outstanding principal balance at the time of transfer typically approximates fair value, resulting in no material gain or loss at the time of sale.

For trade finance receivables that have not been transferred, we evaluate the credit risk of trade finance receivables in our portfolio based on characteristics specific to the risk climate in each of our geographic operations as well as based on internal credit quality indicators for individual receivables. We evaluate the credit risk of trade finance receivables quarterly using an internal credit rating system based on whether an individual receivable meets specific internal criteria, including counterparty credit rating and receivable maturity date, and assign an internal credit rating of 1, 2 or 3, with a credit rating of 1 representing the best credit quality.

At March 31, 2018 and 2017, our trade finance receivables balances by region and by internal credit rating were as follows:

	March 31, 2018				
	North America	EMEA	Asia Pacific	Latin America	Total
			(in millions)		
Class 1	$52.4	$36.9	$21.9	$23.9	$135.1
Class 2	16.7	3.7	5.4	4.7	30.5
Class 3	3.5	3.0	—	—	6.5
Balance as of March 31, 2018	$72.6	$43.6	$27.3	$28.6	$172.1

	March 31, 2017				
	North America	EMEA	Asia Pacific	Latin America	Total
			(in millions)		
Class 1	$37.8	$30.7	$18.2	$30.7	$117.4
Class 2	17.4	3.6	0.7	0.6	22.3
Class 3	1.8	0.1	—	0.8	2.7
Balance as of March 31, 2017	$57.0	$34.4	$18.9	$32.1	$142.4

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are based upon observable and unobservable inputs. Observable inputs are developed using market data such as publicly available information and reflect the assumptions market participants would use, while unobservable inputs are developed using the best information available about the assumptions market participants would use. Assets and liabilities are classified in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to observable inputs and lowest priority to unobservable inputs.

Recurring Fair Value Measurements

We measure our derivative instruments at fair value on a recurring basis. These derivative financial instruments were valued using the income approach and were classified as Level 3 financial instruments. The income approach uses valuation techniques to convert future estimated cash flows to a single present amount based on current market expectations about those future amounts. Level 3 classification is applied to assets and liabilities when prices are not derived from existing market data and requires us to develop our own assumptions about how market participants would value the asset or liability. The Company's credit spreads, which ranged from 3.1% to 4.5% and 3.9% to 8.2% for the years ended March 31, 2018 and 2017, respectively, were significant unobservable inputs used in the fair value measurement of our derivative instruments.

The following table summarizes the activity in our Level 3 financial instruments:

	Year Ended March 31,									
	2018					2017				
	Interest Rate Caps	Foreign Cross Currency Swaps	U.S. Cross Currency Swap	USD/EUR Option	Total	Interest Rate Caps	Foreign Cross Currency Swaps	U.S. Cross Currency Swap	USD/EUR Option	Total
	(in millions)									
Balance at the beginning of the period	$(12.4)	$ 67.7	$ 29.0	$(6.1)	$ 78.2	$(17.0)	$45.8	$ —	$—	$28.8
Change in fair value due to premiums paid (settlements received)	8.7	(46.5)	(5.0)	4.7	(38.1)	6.2	—	(3.5)	2.3	5.0
Change in fair value included in other income (expense), net	(1.1)	0.4	(73.7)	4.8	(69.6)	(3.7)	0.2	32.5	(8.4)	20.6
Change in fair value included in other comprehensive income (loss)	0.7	(28.4)	—	—	(27.7)	2.0	24.5	—	—	26.5
Change in fair value due to currency translation adjustment	(0.2)	6.8	—	—	6.6	0.1	(2.8)	—	—	(2.7)
Balance at the end of the period	$ (4.3)	$ —	$(49.7)	$ 3.4	$(50.6)	$(12.4)	$67.7	$29.0	$(6.1)	$78.2

At March 31, 2018 and 2017, the fair values of our derivative instruments in the accompanying consolidated balance sheets were as follows:

	March 31, 2018				March 31, 2017				
	Interest Rate Caps	U.S. Cross Currency Swap	USD/EUR Option	Total	Interest Rate Caps	Foreign Cross Currency Swaps	U.S. Cross Currency Swap	USD/EUR Option	Total
	(in millions)								
Other long-term assets	$—	$ —	$3.4	$ 3.4	$—	$67.7	$29.0	$—	$96.7
Accrued liabilities	(4.3)	—	—	(4.3)	—	—	—	—	—
Other long-term liabilities	—	(49.7)	—	(49.7)	(12.4)	—	—	(6.1)	(18.5)

Other Fair Value Disclosures

The carrying values and fair values of our debt instruments at March 31, 2018 and 2017 were as follows:

	March 31, 2018		March 31, 2017	
	Carrying value	Fair value	Carrying value	Fair value
	(in millions)			
Senior secured Term Loans due September 2020	$3,551.2	$3,619.0	$3,298.2	$3,375.4
Senior unsecured notes due July 2021	1,748.6	1,771.8	1,595.4	1,647.3
Senior contingent cash pay notes due 2019	301.4	303.3	595.8	605.4
Senior unsecured notes due June 2018	—	—	199.3	206.3
Senior unsecured notes due February 2022	34.8	30.5	34.1	23.8
Senior unsecured notes due December 2022	25.7	23.2	25.3	17.9

The fair values of the senior secured term loans due September 2020 are estimated using the income approach, which converts estimated cash flows to a single present value based on current market expectations and includes Level 3 inputs. The fair values of the senior unsecured notes and the senior contingent cash pay notes due 2019 are estimated using the market approach, which uses Level 2 inputs, including prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The carrying values of all other financial instruments, consisting primarily of certificates of deposit and other borrowings, approximated their respective fair values.

(3) Property and Equipment

Property and equipment at March 31, 2018 and 2017 consisted of:

	March 31,	
	2018	2017
	(in millions)	
Computers, software, furniture and equipment	$ 242.4	$ 187.4
Leasehold improvements	60.5	56.9
Projects in progress	11.6	16.5
	314.5	260.8
Less accumulated depreciation and amortization	(191.4)	(137.9)
Property and equipment, net	$ 123.1	$ 122.9

Property and equipment includes computer equipment under capital lease arrangements with net book values of $12.8 million and $13.2 million (net of $25.2 million and $22.8 million in accumulated amortization) at March 31, 2018 and 2017, respectively. Amortization of capital lease equipment is included in depreciation and amortization expenses. Depreciation expense recorded during the years ended March 31, 2018, 2017 and 2016 was $55.1 million, $48.1 million and $43.6 million, respectively.

During the years ended March 31, 2018, 2017 and 2016, we had non-cash additions of property and equipment of $4.8 million, $8.4 million and $24.0 million, respectively.

(4) Intangible Assets and Goodwill

Intangible assets at March 31, 2018 and 2017 consisted of:

	March 31, 2018			March 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
	(in millions)					
Acquired technology	$1,138.5	$ (808.0)	$ 330.5	$1,110.8	$ (613.9)	$ 496.9
Customer contracts and relationships	2,181.3	(1,102.9)	1,078.4	2,090.2	(836.7)	1,253.5
Product-related trademarks and tradenames	51.0	(15.5)	35.5	51.0	(12.1)	38.9
Corporate trademark and tradename	140.0	—	140.0	140.0	—	140.0
Total intangible assets	$3,510.8	$(1,926.4)	$1,584.4	$3,392.0	$(1,462.7)	$1,929.3

Amortization of intangible assets totaling $407.9 million, $408.9 million and $409.6 million was included in depreciation and amortization expenses in the consolidated statements of comprehensive loss for the years ended March 31, 2018, 2017 and 2016, respectively. The weighted-average remaining life of acquired technology, customer relationships and product-related trademarks and tradenames was approximately 4.4 years at March 31, 2018.

Future amortization expense associated with our intangible assets existing at March 31, 2018 for the five succeeding fiscal years is expected to be:

	Year Ending March 31,
	(in millions)
2019	$395.1
2020	335.9
2021	242.0
2022	174.1
2023	151.4

Changes in the carrying amount of goodwill were as follows (in millions):

Balance at March 31, 2016	$4,134.7
Effect of foreign currency exchange rate changes and other	(44.0)
Balance at March 31, 2017	$4,090.7
Purchase accounting adjustments	23.0
Effect of foreign currency exchange rate changes	135.0
Balance at March 31, 2018	$4,248.7

(5) Long-Term Borrowings

Long-term borrowings at March 31, 2018 and 2017 consisted of the following:

	March 31, 2018	March 31, 2017
	(in millions)	
Senior secured Term Loans due September 2020	$3,602.5	$3,366.1
Senior unsecured notes due July 2021	1,775.0	1,625.0
Senior contingent cash pay notes due 2019	303.9	603.9
Senior unsecured notes due June 2018	—	200.0
Senior unsecured notes due February 2022	37.5	37.5
Senior unsecured notes due December 2022	27.8	27.8
Capital leases and other obligations	24.3	21.3
Debt issuance costs and unamortized debt discount	(85.0)	(112.2)
Total	5,686.0	5,769.4
Less: Current portion of long-term borrowings	36.2	37.5
Current maturities of capital leases and other obligations (included in accrued liabilities)	9.3	10.3
Current portion of debt issuance costs and unamortized debt discount	(0.6)	(1.4)
Long-term borrowings	$5,641.1	$5,723.0

Future principal payments associated with our Term Loans, senior unsecured notes and senior contingent cash pay notes (the PIK Notes) existing at March 31, 2018 for the succeeding fiscal years are as follows:

	Year Ending March 31,
	(in millions)
2019	$ 36.2
2020	340.1
2021	36.2
2022	5,306.4
2023	27.8
Total	$5,746.7

Senior Unsecured Notes

In August 2013, we issued $1,625.0 million of senior unsecured notes due July 2021, pursuant to an indenture dated August 21, 2013 (the Indenture) and in December 2017, we issued $150.0 million of additional senior unsecured notes (the 2021 Notes) under a supplement to the Indenture. The 2021 Notes bear interest at a rate of 8.125% per annum, payable semi-annually on January 15 and July 15 of each year. The obligations under the 2021 Notes are guaranteed by the Company's domestic subsidiaries and certain foreign subsidiaries. Upon the occurrence of a change in control (as specified in the Indenture), we must offer to purchase the 2021 Notes at a redemption price equal to 101% of the principal balance, plus accrued and unpaid interest, if any, to the date of purchase.

As part of the Acquisition, we assumed three issuances of senior unsecured notes due June 2018, February 2022 and December 2022 at their Acquisition Date fair values. The senior unsecured notes due June 2018 and December 2022 bear interest at a rate of 7.25% and 4.5% per annum, respectively (effective interest rates of 7.4% and 6.6%, respectively), payable semi-annually in June and December of each year. The senior unsecured notes due February 2022 bear interest at a rate of 4.25% per annum (effective interest rate of 6.6%), payable semi-annually in February and August of each year. These senior unsecured notes are redeemable at our option at any time at the redemption prices specified in the respective indentures and contain provisions for a put option upon a change of control, requiring us to offer to purchase the senior notes at 101% of principal plus accrued and unpaid interest, if any, to the date of purchase.

In March 2017, we prepaid principal of $100.0 million on the senior unsecured notes due June 2018 for a total payment of $108.7 million, including a premium and accrued interest of $6.6 million and $2.1 million, respectively. In March 2018, we prepaid the remaining outstanding principal of $200.0 million on the senior unsecured notes due June 2018 for a total payment of $206.4 million, including a premium and accrued interest of $1.7 million and $4.7 million, respectively.

Senior Secured Term Loans

Concurrent with the closing of the Acquisition, we entered into a credit agreement, as amended (the Credit Agreement) with a syndicate of lenders which provides for (i) U.S. term loans denominated in U.S. dollars (the U.S. Term Loans), (ii) foreign term loans denominated in U.S. dollars (the Foreign USD Term Loans) and (iii) foreign term loans denominated in Euros (the Foreign Euro Term Loans) (collectively, the Term Loans) totaling approximately $3.9 billion, with a maturity date of September 2020. Concurrent with the consummation of the Acquisition, the full amount of the Term Loans was drawn. Proceeds from the Term Loans were net of a discount of $38.9 million.

The aggregate original principal amounts of the U.S. Term Loans, the Foreign USD Term Loans and the Foreign Euro Term Loans were $2,880.0 million, $335.0 million and €500.0 million, respectively.

The Term Loans bear interest on the outstanding principal amount for each interest period at floating rates, as specified in the Credit Agreement, based on either, at our election, the prime rate, the Federal Funds Effective Rate or the Eurocurrency Rate, subject to a floor (each as defined), plus applicable spreads as specified in the Credit Agreement, payable in arrears on the last day of each interest period. As of March 31, 2018, the weighted-average effective interest rate for the Term Loans was 5.2%, prior to the effect of derivative instruments. As discussed in Note 2, the Interest Rate Caps minimize the impact of increases in interest rates on interest payments associated with the Term Loans. These Interest Rate Caps limit our exposure to the Eurocurrency Rate component of interest rates on the hedged portions of the Term Loans to a maximum rate of 5.00% from September 2016 through September 2018. Additionally, we were party to the Foreign Cross Currency Swaps on a total notional amount of $285.0 million to swap U.S. dollar variable-rate interest payments on a portion of the Term Loans for an average fixed interest rate of 5.84% on a fixed Euro notional amount of €208.5 million prior to their termination during the year ended March 31, 2018. In September 2016, we entered into the U.S. Cross Currency Swap on a total notional amount of $1.0 billion to swap U.S. dollar variable-rate interest payments on a portion of the U.S. Term Loans for a fixed interest rate of approximately 4.62% on a fixed Euro notional amount of €889.4 million, and we entered into the USD/EUR Option with a U.S. dollar/Euro strike price of approximately 1.35 to swap U.S. dollars for Euros, limiting our exposure to changes in Euro to U.S. dollar exchange rates related to the U.S. Cross Currency Swap.

In April 2017, the Company amended the Credit Agreement (Amendment No. 3) to extend the maturity date of the Term Loans to September 2022 (accelerated to April 2021 if the aggregate principal balance of the 2021 Notes is more than $700.0 million on April 15, 2021), which may be further extended in accordance with the terms of the Credit Agreement, and to refinance the principal amounts. Amendment No. 3 resulted in outstanding principal amounts under the U.S. Term Loans, the Foreign USD Term Loans and the Foreign Euro Term Loans of $2,354.1 million, $284.7 million and €690.0 million, respectively. Amendment No. 3 also reduced the interest rate floor applicable to the Foreign Euro Term Loans from 1.0% to 0.0%, and reduced the spread for the U.S. Term Loans from 4.0% to 3.75% if the first lien leverage ratio (as defined) is less than or equal to 3.75:1.00.

In December 2017, the Company further amended the Credit Agreement (Amendment No. 4) to refinance the principal amounts and adjust the applicable spreads of the Term Loans. Amendment No. 4 resulted in outstanding principal amounts under the U.S. Term Loans and Foreign Euro Term Loans of $2,482.3 million and €923.6 million, respectively, and the principal balance of the Foreign USD Term Loans was fully repaid. Amendment No. 4 also reduced the interest rate spread and the interest rate floor applicable to the U.S. Term Loans from 3.75% to 3.25% and from 1.0% to 0.0%, respectively, and reduced the interest rate spread for the Foreign Euro Term Loans from 4.50% to 3.75%.

These Credit Agreement amendments resulted in the repayment of debt with certain lenders in the syndicate for total repayments of $1,013.6 million, and the Company recognized a loss on extinguishment of debt of $12.8 million, representing the write-off of unamortized discount and debt issuance costs associated with the debt extinguishment. These Credit Agreement amendments also resulted in new borrowings from certain lenders in the syndicate with proceeds totaling $1,146.3 million, net of a discount of $9.0 million and $17.3 million in debt issuance costs.

The Term Loans require quarterly principal payments of 0.25% of the original principal amount, with the balance payable at maturity.

Subject to certain prepayment premiums and penalties and the payment of customary “breakage” costs, we may voluntarily prepay the Term Loans at any time. Subject to certain exceptions, the Term Loans are subject to mandatory prepayments in amounts equal to: (i) 100% of the net proceeds (as determined in accordance with the Credit Agreement) from certain non-ordinary course sales or other dispositions of assets, (ii) 100% of the net cash proceeds from the issuance or incurrence of debt (other than indebtedness permitted by the Credit Agreement) and (iii) 50% of annual excess cash flow (as determined in accordance with the Credit Agreement with step-downs to 25% and 0% based upon achievement of specified first lien net leverage ratios). The obligations under the Credit Agreement are guaranteed by the Parent and by certain of the Parent’s domestic and foreign subsidiaries, and are secured by certain assets of certain of the Parent’s domestic and foreign subsidiaries.

Revolving Loan and Letter of Credit Facilities

The Credit Agreement provided for (i) U.S. dollar revolving loans and letters of credit (as defined) of up to $170.0 million (the U.S. Revolving Loans) and (ii) multicurrency revolving loans and letters of credit (as defined) of up to the U.S. dollar equivalent of $180.0 million (the Multicurrency Revolving Loans) (collectively, the Revolvers), subject to limitations based on a maximum first lien net leverage ratio (as defined). Under Amendment No. 3, the maturity date of $72.0 million of the U.S. Revolving Loans and $156.4 million of the Multicurrency Revolving Loans was extended from September 2018 to September 2020, subject to the nonoccurrence of a springing maturity event (as defined), in which case the Revolvers will mature on the later of two business days after the springing maturity event or September 10, 2018, and the remaining $98.0 million of the U.S. Revolving Loans and $23.6 million of the Multicurrency Revolving Loans continue to mature in September 2018, all of which may be further extended in accordance with the terms of the Credit Agreement. Under Amendment No. 4, the capacity available under the U.S. Revolving Loans maturing in September 2018 and September 2020 was changed from $98.0 million to $57.7 million and from $72.0 million to $79.7 million, respectively, and the capacity available under the Multicurrency Revolving Loans maturing in September 2018 and

September 2020 was changed from $23.6 million to $7.4 million and from $156.4 million to $164.9 million, respectively.

Per the terms of the Credit Agreement, we will pay certain commitment, facility, participation and fronting fees, as specified in the Credit Agreement.

As of March 31, 2018, and through the date of these financial statements, we have not borrowed any funds under the Revolvers and, as of March 31, 2018, have approximately $31.7 million in letters of credit, guarantees and similar instruments outstanding under the Credit Agreement.

Debt Covenants

In addition to the covenants associated with the PIK Notes discussed below, the above credit facilities contain a number of customary affirmative and negative covenants that, among other things, limit or restrict the ability of our subsidiary, BSFI, subject to certain exceptions, to: incur additional indebtedness (including guarantee obligations); incur liens; engage in mergers, consolidations, liquidations and dissolutions (other than pursuant to the transactions contemplated by the Merger Agreement); sell assets; pay dividends to the Parent and make other payments in respect of capital stock; make acquisitions, investments, loans and advances; pay and modify the terms of certain indebtedness; engage in certain transactions with affiliates; enter into negative pledge clauses and clauses restricting subsidiary distributions; and change its line of business. Additionally, the credit facilities contain customary events of default, including nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty when made; violation of a covenant; cross-default to material indebtedness; bankruptcy events; material unsatisfied monetary judgments; actual or asserted invalidity of any loan document and material impairment of the security and/or guarantees; and a change of control. In addition, under the Revolvers, BSFI will be required to not exceed a specified first lien net leverage ratio (as defined) in the event that amounts outstanding under the Revolvers (excluding issued and undrawn letters of credit) exceed 30% of the commitments under the Revolvers as of the end of any fiscal quarter.

Our ability to borrow under the Credit Agreement is dependent on, among other things, our compliance with the above-described financial ratio. Failure to comply with this ratio or the other provisions of the Credit Agreement (subject to certain grace periods and customary cure rights) could, absent a waiver or an amendment from the lenders of such agreement, restrict the availability of the Revolvers and permit the acceleration of all outstanding borrowings under the Credit Agreement.

Senior Contingent Cash Pay Notes

In April 2014, the Company issued $750.0 million of PIK Notes pursuant to an indenture dated April 15, 2014 (the PIK Indenture). Proceeds from the PIK Notes were net of a discount of $3.8 million. The PIK Notes mature on October 15, 2019. Interest is payable semi-annually in April and October of each year and is required to be paid in cash unless certain conditions are met that would allow the Company to pay all or a portion of interest by increasing the principal amount of the PIK Notes or by issuing new notes (PIK Interest). Cash interest accrues at 9.000%, and PIK Interest would accrue at 9.750%. All interest payments for the years ended March 31, 2018, 2017 and 2016 were paid in cash. The effective interest rate of the PIK Notes is 9.6%

The PIK Notes are redeemable at our option at any time at the redemption prices specified in the indenture governing the PIK Notes at rates specified in the PIK Indenture. Upon the occurrence of a change in control (as specified in the PIK Indenture), we must offer to purchase the PIK Notes at a redemption price equal to 101% of the principal balance, plus accrued and unpaid interest, if any, to the date of the purchase.

The PIK Indenture contains a number of restrictive covenants that impose operating and financial restrictions, including restrictions on our ability to incur additional indebtedness and guarantee indebtedness; pay dividends, make other distributions in respect of or repurchase or redeem capital stock; make loans, investments and other restricted payments; sell or otherwise dispose of assets; incur liens; enter into transactions with affiliates; or enter into agreements restricting our subsidiaries' ability to pay dividends.

A breach of the covenants under the PIK Indenture could result in an event of default. Such a default may allow the creditors to accelerate the related debt principal and/or related interest payments.

During the year ended March 31, 2017, BSFI purchased $146.1 million of the PIK Notes in the open market for $124.6 million, including $2.7 million of accrued interest. The PIK Notes were held by BSFI as permitted investments under the terms of the Credit Agreement and bond indentures. This was treated as a debt extinguishment in the accompanying consolidated financial statements. The Company recognized a net gain on extinguishment of $21.8 million, included in other income (expense), net.

Additionally, during the year ended March 31, 2018, the Company redeemed $300.0 million of PIK Notes at par, plus unpaid accrued interest of $5.8 million, and legally extinguished all $146.1 million principal amount of PIK Notes held by BSFI.

(6) Deferred Revenue

Deferred revenue is comprised of deferred perpetual license, perpetual maintenance and SaaS, term license and maintenance and professional services revenue. Deferred revenue for arrangements with trade payment terms is generally recorded when the underlying contractual commitment is invoiceable and deferred revenue for arrangements that are financed is recorded based on the present value of contractually committed future payments. The components of deferred revenue at March 31, 2018 and 2017 were:

	March 31,	
	2018	2017
	(in millions)	
Current:		
Perpetual license	$ 98.9	$ 98.7
Perpetual maintenance and SaaS	719.0	703.7
Term license and maintenance	432.8	391.0
Professional services	36.3	35.4
Total current deferred revenue	1,287.0	1,228.8
Long-term:		
Perpetual license	105.1	85.8
Perpetual maintenance and SaaS	555.4	509.0
Term license and maintenance	749.2	682.0
Professional services	6.5	5.9
Total long-term deferred revenue	1,416.2	1,282.7
Total deferred revenue	$2,703.2	$2,511.5

(7) Income Taxes

The income tax expense (benefit) for the years ended March 31, 2018, 2017 and 2016 consisted of:

	Year Ended March 31,		
	2018	2017	2016
		(in millions)	
Current:			
Federal	$ (2.2)	$ 3.0	$ (40.1)
State	13.8	8.3	7.4
Foreign	49.3	113.6	59.9
Total current	60.9	124.9	27.2
Deferred:			
Federal	(199.1)	(218.5)	(174.5)
State	(22.4)	(0.1)	(23.9)
Foreign	44.2	(23.4)	(13.1)
Total deferred	(177.3)	(242.0)	(211.5)
Income tax benefit	$(116.4)	$(117.1)	$(184.3)

The foreign income tax provision (benefit) was based on foreign pre-tax earnings of $86.9 million, $25.3 million and $29.1 million for the years ended March 31, 2018, 2017 and 2016, respectively. The federal income tax provision (benefit) includes the U.S. tax effects of certain foreign entities that are treated as a branch of a U.S. entity for tax purposes, and therefore, their earnings are included in the U.S. consolidated income tax return.

A reconciliation of income tax computed at the U.S. federal statutory rate of 31.5%, 35% and 35% to reported income tax benefit for the years ended March 31, 2018, 2017 and 2016, respectively, follows (dollars in millions):

	Year Ended March 31,					
	2018		2017		2016	
	Amount	Percent	Amount	Percent	Amount	Percent
Benefit computed at United States statutory rate	$(133.6)	(31.5)%	$ (73.2)	(35.0)%	$(218.3)	(35.0)%
Change in valuation allowance	78.7	18.6%	(66.1)	(31.6)%	66.4	10.6%
Federal impact of the Transition Tax	175.7	41.5%	—	0.0%	—	0.0%
Impact of U.S. corporate tax rate reduction	(143.5)	(33.9)%	—	0.0%	—	0.0%
Impact of change in indefinite reinvestment assertion	(76.6)	(18.1)%	—	0.0%	—	0.0%
Effect of foreign rate differentials and foreign withholding taxes	(1.9)	(0.4)%	31.3	15.0%	16.6	2.7%
Extraterritorial income	(11.3)	(2.7)%	(11.8)	(5.6)%	(10.8)	(1.7)%
Domestic manufacturing deduction	(11.2)	(2.6)%	—	0.0%	—	0.0%
State income tax expense (benefit), net of federal (benefit) provision	(5.4)	(1.3)%	5.4	2.6%	(11.2)	(1.8)%
Other, net	12.7	2.9%	(2.7)	(1.4)%	(27.0)	(4.3)%
	$(116.4)	(27.5)%	$(117.1)	(56.0)%	$(184.3)	(29.5)%

Income tax benefit for the year ended March 31, 2018 was significantly impacted by amounts recorded to reflect the provisional impacts of U.S. tax law changes commonly referred to as the Tax Cuts and Jobs Act enacted on December 22, 2017 (the Tax Act).

The Tax Act reduced the U.S. federal corporate tax rate to 21.0% effective January 1, 2018. For our fiscal 2018 tax year, we utilized a blended U.S. federal corporate tax rate of 31.5% based on the weighted average daily tax rate. The Tax Act also contains multiple other provisions impacting us, including the creation of a territorial-style tax system with a one-time mandatory tax on previously deferred foreign earnings of U.S. subsidiaries (the Transition Tax) as well as other provisions that we will continue to evaluate in future periods.

Due to the complexities involved in accounting for the recently enacted Tax Act, the U.S. Securities and Exchange Commission's Staff Accounting Bulletin 118 (SAB 118) requires that a company include in its financial statements the reasonable estimate of the impact of the Tax Act on earnings to the extent such reasonable estimates have been determined. SAB 118 permits a measurement period of up to one year after the enactment date of the Tax Act. The Financial Accounting Standards Board has permitted private companies to apply SAB 118, which we have elected to do. As a result of the Tax Act, the Company recorded the following provisional amounts that resulted in a net charge of $108.4 million recorded during the year ended March 31, 2018: (i) a $175.7 million charge related to the Transition Tax, net of Transition Tax-related foreign tax credits; (ii) a $76.2 million valuation allowance on foreign tax credits that are not expected to be utilized because of changes to the international tax provisions of the Tax Act; and (iii) an offsetting $143.5 million benefit resulting from the remeasurement of net deferred tax liabilities in the U.S. based on the new lower federal corporate tax rate.

The Company will continue to refine these provisional amounts and final impacts may differ from these estimates due to, among other things, changes in our interpretations and assumptions, completion of our tax calculations through the end of the measurement period permitted under SAB 118 and consideration of additional guidance that may be published by U.S. tax authorities.

The Tax Act also established new Global Intangible Low-Taxed Income (GILTI) tax rules. Because of the complexity of the GILTI rules, we are in the early stage of evaluating the tax accounting impacts including whether we will make an accounting policy election to either (i) treat taxes due on future U.S. GILTI inclusions in taxable income as a current expense when incurred (the period cost method) or (ii) factor such amounts into our measurement of our deferred taxes (the deferred method). Multiple factors must be evaluated before we can make this determination and fully assess the impacts of the GILTI rules. Therefore, we have not yet recorded any income tax accounting impacts associated with this provision of the Tax Act.

The Company expects to finalize the tax accounting impacts of the Tax Act as soon as practicable, but not later than the third quarter of fiscal year 2019 (quarter ending December 31, 2018).

The significant components of deferred tax assets and liabilities at March 31, 2018 and 2017 were:

	March 31,	
	2018	2017
	(in millions)	
Deferred tax assets:		
Tax credit carryforwards	$ 136.6	$ 256.9
Net operating loss carryforwards	88.5	117.2
Deferred revenue	95.3	85.0
Tax basis difference on investments	1.9	4.2
Compensation plans	37.1	43.6
Property and equipment, net	5.4	12.6
Other	42.3	100.2
Total gross deferred tax assets	407.1	619.7
Valuation allowance	(88.8)	(10.1)
Total deferred tax assets	318.3	609.6
Deferred tax liabilities:		
Acquired intangible assets	(286.5)	(535.5)
Outside subsidiary basis difference	(23.1)	(162.9)
Software development costs	(9.6)	(35.3)
Other	(62.3)	(83.6)
Total deferred tax liabilities	(381.5)	(817.3)
Net deferred tax liabilities	$ (63.2)	$(207.7)

In evaluating our ability to realize our deferred tax assets, we consider all available evidence, both positive and negative, including our past operating results, reversals of existing temporary differences, tax planning strategies and forecasts of future taxable income. In considering these sources of taxable income, we must make certain assumptions and judgments that are based on the plans and estimates used to manage our underlying business. Changes in our assumptions, plans and estimates may materially impact our income tax benefit.

We maintain a valuation allowance against certain tax credits and net operating and capital loss carryforwards that we do not believe are more likely than not to be utilized in the future. The valuation allowance increased (decreased) by $78.7 million, $(66.1) million and $66.4 million during the years ended March 31, 2018, 2017 and 2016, respectively. These changes to the valuation allowance are primarily due to changes in estimates of the utilization of foreign tax credits, which for fiscal 2018 was primarily a result of the Tax Act. At March 31, 2018, we have federal net operating loss carryforwards of $373.0 million, foreign tax credit carryforwards of $113.3 million, research and development tax credit carryforwards of $3.9 million and foreign net operating loss carryforwards of $2.3 million, all of which expire between fiscal 2019 and fiscal 2036. Certain of the federal net operating loss carryforward assets are subject to an annual limitation under Internal Revenue Code Section 382, but are expected to be fully realized. The capital loss carryforward is subject to expiration after the five-year limitation and will expire in fiscal 2021.

For the year ended March 31, 2017, we did not consider any of our foreign subsidiaries' earnings to be indefinitely reinvested outside the United States. As a result of the Tax Act, we re-evaluated our assertion regarding indefinite reinvestment and for the year ended March 31, 2018, the temporary differences related to investments in foreign subsidiaries are considered to be indefinitely reinvested. As a result, we recorded a tax benefit of $76.6 million for the year ended March 31, 2018 for the impact of the change in assertion. Therefore, a deferred tax liability is not recorded for the temporary difference related to our book and tax basis investment in our foreign subsidiaries. This temporary difference is primarily related to goodwill that is recorded for GAAP but that has no tax basis and will become taxable only in an unusual, infrequent impairment event or upon a subsequent sale of the foreign subsidiaries. We estimate that the deferred tax liability as of March 31, 2018 for this temporary difference, if recorded, is approximately $97 million.

We carry out our business operations through legal entities in the United States and multiple foreign jurisdictions. These jurisdictions require that we file corporate income tax returns that are subject to U.S., state and foreign tax laws. We are subject to routine corporate income tax audits in these multiple jurisdictions.

Our tax years are closed with the U.S. Internal Revenue Service (the IRS) through the tax year ended March 31, 2012. In June 2015, the favorable decision of the U.S. Court of Appeals related to the year ended March 31, 2006 became final, and a refund of $18.7 million, which includes both tax and interest, was received from the IRS during the year ended March 31, 2017. In addition, certain tax years related to local, state and foreign jurisdictions remain subject to examination. To provide for potential tax exposures, we maintain a liability for unrecognized tax benefits which we believe is adequate. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is $25.3 million.

On October 11, 2016, the Spanish Supreme Court rendered an unfavorable ruling against the Company regarding Spanish Non Resident Income Tax derived from payments carried out by Spanish tax resident customers. As a result, the Company recorded additional tax expense of approximately $15 million, including related penalties and interest, during the year ended March 31, 2017.

We recognize interest and penalties related to uncertain tax positions within benefit for income taxes. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced and reflected as a reduction of the overall income tax provision in the period in which such determination is made. We recognized a net benefit of $1.8 million, $1.3 million and $14.1 million related to interest and penalties during the years ended March 31, 2018, 2017 and 2016, respectively. The total amount of accrued interest and penalties related to uncertain tax positions was $12.1 million and $14.1 million at March 31, 2018 and 2017, respectively. The total amount of tax accrued related to uncertain tax positions was $26.2 million and $29.5 million at March 31, 2018 and 2017, respectively.

(8) Share-Based Compensation

The Company has issued stock options to its executives and other employees which primarily vest in annual increments over four or five years, with a term of ten years. These grants typically consist of stock options that are half time-based (the time-vesting options) and half which contain service, performance and market conditions (the performance-vesting options). The time-vesting options vest in annual increments assuming continued employment, with accelerated vesting in the event of a change of control. The performance-vesting options also vest in annual increments, assuming continued employment, the occurrence of a liquidity event and the achievement of target investor returns. Additionally, there are provisions for partial vesting for both time-vesting and performance-vesting options in the event of termination of employment in certain circumstances as set forth in the terms of the award. The options are exercisable for Class B non-voting common stock. Both the time-vesting options and the performance-vesting options contain certain repurchase features that allow the Company to repurchase shares acquired by the employee through the exercise of the options, contingent upon the employee's separation from the Company, after six months from the date of exercise.

Additionally, the Company issues long-term incentive awards with share settlement features to certain employees (the LTIP Awards). The LTIP Awards consist of both time-based awards, which vest 1/3 per year over three years, and performance-based awards, which vest 1/3 per year over three years, further adjusted from 0% to 200% of the target payout based on the achievement of certain financial metrics. The LTIP Awards are settled in cash unless the Company, any affiliate of the Company or any successor entity to the Company is a publicly-traded company, in which case the LTIP Awards are settled in stock. The LTIP Awards are accounted for as liability awards.

In April 2014, the Company paid a dividend to its stockholders of $56.1959 per share. In connection with this dividend, the exercise price of the performance-vesting options outstanding at the date of the dividend was adjusted to reflect the effects of the dividend. The outstanding time-vesting options were modified to provide for future cash settlement of a portion of the award representing the amount by which the exercise price would have been adjusted to reflect the dividend. In connection with this modification, these time-vesting option holders received rights to future cash payments totaling approximately $35 million, representing the equivalent of the exercise price adjustment, payable annually over the original vesting term of the award, with the first payment accelerated to May 2014.

In February 2018, the Company approved the Boxer Parent Company Inc. Stock Option Exchange Plan (the Exchange Plan), which allows approximately 25 option holders to receive cash proceeds in exchange for the cancellation of a limited quantity of time-vesting options or performance-vesting options. The value received in cash is equal to the intrinsic value of the options cancelled under the Exchange Plan, based on the Company's approved stock value on each of four Exchange Dates (as defined in the Exchange Plan), which are set to 20 days after the January 1 or July 1 stock valuation has been approved by the Company's Compensation Committee (i.e., two dates in calendar 2018 and two dates in calendar 2019). A participant must have completed two years of service prior to the relevant Exchange Date to be eligible, and the aggregate amount of options that a participant may exchange pursuant to the Exchange Plan generally is limited to a maximum of 30% of a participant's options outstanding as of November 1, 2017, and a participant may exchange no more than 10% of such outstanding options on any one Exchange Date. The Exchange Plan represented a modification of the options eligible to be exchanged, and these options are accounted for as liability awards as of the modification date. The modification resulted in incremental share-based compensation expense of $19.5 million, as of the modification date, for the year ended March 31, 2018. The first Exchange Date occurred subsequent to March 31, 2018.

During the year ended March 31, 2018, we had stock option activity as follows:

Stock Options	Number of Options (in millions)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)
Outstanding at March 31, 2017	2.1	$ 87	
Granted	0.5	$227	
Exercised	(0.1)	$ 83	
Forfeited	(0.2)	$102	
Outstanding at March 31, 2018	2.3	$118	7.4
Vested as of March 31, 2018 and expected to vest	2.1	$119	7.4
Exercisable at March 31, 2018	0.5	$ 96	6.2

Share-based compensation costs for time-vesting options are based on the fair value calculated from the Black-Scholes option pricing model on the date of grant and for the performance-vesting options, are based on the grant-date fair value calculated from the Monte Carlo simulation model. The grant-date fair values of the time-vesting options are recorded as compensation expense on a straight-line basis over the entire vesting period of the awards, with an evaluation done on each vesting date to true up the expense, if necessary, to at least equal the grant-date fair value of the vested portion of the award. The performance-vesting options are expensed using the accelerated method over the vesting period.

The fair values of stock options granted during the years ended March 31, 2018, 2017 and 2016 were estimated using the Black-Scholes option pricing model and Monte Carlo simulation model with the following assumptions:

	Year Ended March 31,		
	2018	**2017**	**2016**
Expected volatility	65.0%	73.0%	80.0%
Risk-free interest rate	2.0%	1.7%	1.9%
Expected term (in years)	6.4	6.5	6.6
Dividend yield	0.0%	0.0%	0.0%

We estimate the expected volatility of our common stock using similar public entities' historical volatility (as well as BMC's historical volatility as a public company), adjusted for the Company's capital structure, for a period of time commensurate with the expected term of the options. The expected term of the options granted has been derived using the simplified method, which calculates the expected term as the midpoint between the vesting date and the end of the contractual term, as the Company does not have sufficient historical exercise data. We estimate the risk-free interest rate based on yields of U.S. Treasury securities with a maturity corresponding to the expected term of the options. We assume a dividend yield of zero, as there is no intent to pay future dividends.

The weighted-average grant date fair value of options granted during the years ended March 31, 2018, 2017 and 2016 was $116.38, $103.29 and $52.78, respectively.

The activity for the LTIP Awards during the year ended March 31, 2018 was as follows:

LTIP Awards	**Amounts**	**Weighted-Average Remaining Vesting Term**
	(in millions)	**(in years)**
Unvested at March 31, 2017	$ 38.0	1.4
Granted	33.4	
Vested	(12.1)	
Forfeited	(5.6)	
Unvested at March 31, 2018	$ 53.7	1.2

Share-based compensation costs for LTIP Awards are based on the target payout amount and are recognized on a straight-line basis over the vesting period of the award. The expense associated with performance-based LTIP Awards is adjusted for the expected achievement of the performance condition each period. During the years ended March 31, 2018, 2017 and 2016, we recorded share-based compensation expense of $16.9 million, $8.8 million and $0.0 million, respectively, associated with the LTIP Awards.

The Company issues Class B common shares from treasury shares upon the exercise of stock options. At March 31, 2018 and 2017, there were 2.5 million and 2.3 million Class B common shares, respectively, available for issuance under our share-based compensation plans. The Company paid $19.0 million, $17.8 million and $20.1 million during the years ended March 31, 2018, 2017 and 2016, respectively, to settle certain share-based awards.

Share-based compensation expense as recorded in our consolidated statements of comprehensive loss is summarized as follows:

	Year Ended March 31,		
	2018	2017	2016
	(in millions)		
Cost of license, maintenance and SaaS revenue	$ 8.6	$ 8.0	$ 6.7
Cost of professional services revenue	2.7	1.3	1.2
Selling and marketing expenses	20.8	10.8	7.2
Research and development expenses	13.6	7.5	3.3
General and administrative expenses	24.8	12.5	9.7
Total share-based compensation expense	$ 70.5	$ 40.1	$ 28.1
Income tax benefit	(20.0)	(11.7)	(10.5)
Total share-based compensation expense after taxes	$ 50.5	$ 28.4	$ 17.6

At March 31, 2018, we had approximately $138.1 million of total unrecognized compensation costs related to share-based awards that are expected to be recognized as expense over a remaining weighted-average period of approximately 2.72 years.

(9) Gain on Patent Litigation, Net

We were previously the plaintiff in three patent infringement lawsuits against ServiceNow, Inc. (ServiceNow), a provider of IT service management software, alleging infringement of multiple patents issued to us. In April 2016, we entered into a confidential settlement agreement (the Settlement Agreement) with ServiceNow to resolve the patent infringement litigation. Under the terms of the Settlement Agreement, ServiceNow agreed to pay us $250 million in settlement of all claims brought against ServiceNow in these patent infringement suits; the parties each provided a general release from all past claims, including claims related to infringement of all patents in dispute; and the parties entered into a covenant not to sue for patent infringement for a term of three years. The one-time settlement payment was received by us in April 2016 and, after deducting related contingent legal fees payable to our attorneys, amounted to $215.0 million. The settlement proceeds, net of related contingent legal fees, are reflected as gain on patent litigation, net in the consolidated statement of comprehensive loss for the year ended March 31, 2017.

(10) Retirement Plan

We sponsor a 401(k) plan that is available to substantially all U.S. employees. The plan provides for an employer match element with annual per-employee limitations that we have changed and may change from time to time. The costs of our matching contributions amounted to $13.5 million, $13.9 million and $14.3 million during the years ended March 31, 2018, 2017 and 2016, respectively. Employees become 100% vested in the employer match contributions upon reaching two years of service from date of hire.

(11) Guarantees, Commitments and Contingencies

Guarantees

Under our standard software license agreements, we agree to indemnify, defend and hold harmless our licensees from and against certain losses, damages and costs arising from claims alleging the licensees' use of our software infringes the intellectual property rights of a third party. Also, under these standard license agreements, we represent and warrant to licensees that our software products operate substantially in accordance with published specifications.

Other guarantees include promises to indemnify, defend and hold harmless each of our executive officers, non-employee directors and certain key employees from and against losses, damages and costs incurred by each such individual in administrative, legal or investigative proceedings arising from alleged wrongdoing by the individual while acting in good faith within the scope of his or her job duties on our behalf.

We also had outstanding letters of credit, guarantees and similar instruments at March 31, 2018 of approximately $54.9 million (including $31.7 million outstanding under the Credit Agreement), primarily in support of performance obligations to various customers, but also related to facilities and other obligations.

Historically, we have not incurred significant costs related to such indemnifications, warranties and guarantees. As such, and based on other factors, no provision or accrual for these items has been made.

Lease Commitments

We lease office space and equipment under various non-cancelable operating leases. Rent expense is recognized on a straight-line basis over the respective lease terms and amounted to $58.4 million, $53.3 million and $68.9 million during the years ended March 31, 2018, 2017 and 2016, respectively.

We have procured certain equipment under non-cancelable capital lease arrangements. The current and long-term portions of these capital lease obligations, which are included in accrued liabilities and long-term borrowings, respectively, in our consolidated balance sheets, were $6.5 million and $8.0 million, respectively, at March 31, 2018, and $7.1 million and $7.5 million, respectively, at March 31, 2017.

The following table summarizes future minimum rental payments to be made under non-cancelable operating leases and minimum sublease payments to be received under non-cancelable subleases, and capital leases, each with initial or remaining terms in excess of one year, at March 31, 2018:

Year ending March 31:	Operating Leases	Capital Leases
	(in millions)	
2019	$ 26.1	$ 6.4
2020	23.1	4.8
2021	19.5	3.0
2022	14.9	1.2
2023	13.1	—
2024 and thereafter	25.3	—
Total minimum rental payments	122.0	15.4
Total minimum sublease payments	(2.0)	—
Total net minimum rental payments	$120.0	$15.4

Contingencies

We are party to various labor claims brought by certain former international employees alleging that amounts are due to such employees for unpaid commissions and other compensation. The claims are in various stages and are not expected to be fully resolved in the near future; however, we intend to vigorously contest all of the claims. Taking into account accruals we have recorded, we believe the likelihood of a material adverse effect on our consolidated financial statements resulting from these claims is remote. However, we cannot predict the timing or ultimate outcome of these matters.

We are litigating a matter in Brazilian courts as to whether a tax applies to the remittance of software payments from our Brazilian operations. In February 2007, a law was enacted that clarified that this particular tax did not apply to the remittance of software payments, retroactive to January 1, 2006. We continue to pursue a favorable resolution on this matter for years prior to January 1, 2006. While we believe we will ultimately prevail based on the merits of our position, if we do not, we could incur a charge of up to approximately $7 million based on foreign currency exchange rates in effect at March 31, 2018; however, we cannot predict the timing or ultimate outcome of this matter.

Additionally, we are subject to various other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. Taking into account accruals we have recorded, we believe the likelihood of a material adverse effect on our consolidated financial statements resulting from any of these matters is remote.

(12) Severance and Other Restructuring Charges

We continue to conduct company-wide operational reviews to streamline our operations and reallocate resources to strategic areas of our business, which have resulted in workforce reductions. Activity within the accrual for severance and related costs during the years ended March 31, 2018, 2017 and 2016, resulting from these initiatives, was as follows:

	Year Ended March 31,		
	2018	2017	2016
	(in millions)		
Beginning balance	$ 4.4	$ 6.5	$ 12.1
Charged to expense	22.6	10.3	18.0
Adjustments to estimates	(0.5)	(1.0)	(0.6)
Cash payments	(9.8)	(11.4)	(23.0)
Ending balance	$16.7	$ 4.4	$ 6.5

Severance and related costs charged to expense related to these initiatives during the years ended March 31, 2018, 2017 and 2016 were reflected in the consolidated statements of comprehensive loss as follows:

	Year Ended March 31,		
	2018	2017	2016
	(in millions)		
Cost of license, maintenance and SaaS revenue	$ 2.0	$1.2	$ 3.1
Cost of professional services revenue	1.2	1.3	3.3
Selling and marketing expenses	11.3	4.4	4.9
Research and development expenses	6.1	1.9	5.0
General and administrative expenses	1.5	0.5	1.1
	$22.1	$9.3	$17.4

The accruals for severance and related costs at March 31, 2018 represent the amounts to be paid related employees who have been terminated or identified for termination as a result of the initiatives described above. These amounts are primarily expected to be paid during the fiscal year ending March 31, 2019. We continue to review the impact of these actions and will determine if, based on future operating results, additional actions to reduce operating expenses are necessary. The amount of any potential future charges for such actions will depend upon the nature, timing and extent of those actions.

(13) Related Party Transactions

We entered into an advisory and payment agreement effective September 10, 2013 with certain of the Sponsors to provide management, consulting and advisory services to the Company. The agreement has an initial term of ten years and may be terminated by certain of the Sponsors. Under the terms of the agreement, we are required to make quarterly payments of $2.5 million (subject to adjustment based on Consolidated EBITDA, as defined), plus reimbursement of out-of-pocket expenses, which are included in general and administrative expenses in the consolidated statements of comprehensive loss and totaled $10.4 million, $11.1 million and $10.7 million for the years ended March 31, 2018, 2017 and 2016, respectively. Additionally, the agreement requires additional payments in the event of certain transactions such as a merger, disposition of assets, recapitalization, refinancing or other transactions as defined in the agreement. If the agreement is terminated in connection with a change in control or initial public offering, we are required to pay a termination fee representing the present value of the remaining quarterly payments that would have been payable through the initial ten year term. No such additional payments have been made under the agreement.

Affiliates of certain of the Sponsors participate as lenders in the Company's Credit Agreement as part of loan participations facilitated by the administrative agent with various investors on terms that are identical across all investors, including any affiliates of the Sponsors.

(14) Stockholders' Equity

Common Stock

The Company's amended and restated certificate of incorporation authorizes the issuance of Class A common stock and Class B common stock. The Company is authorized to issue up to 14,000,000 shares of Class A common stock and up to 3,000,000 shares of Class B common stock. Holders of Class A common stock are entitled to one vote per share. Holders of Class B common stock do not possess voting rights. Holders of both Class A and Class B common stock are entitled to dividends on a pro rata basis, when, as and if declared by the Company's Board of Directors, subject to the rights of any holders of preferred stock. Upon a liquidation event, after payments are made to any holders of the Company's preferred stock, any distribution of proceeds to common stockholders will be made on a pro rata basis to the holders of Class A and Class B common stock.

Preferred Stock

The Board of Directors is authorized to issue up to 50,000 shares of preferred stock and to fix the voting powers, designations, powers, preferences and other rights of the preferred stock. No shares of preferred stock have been issued.

(15) Subsequent Events

In May 2018, the Parent entered into an Agreement and Plan of Merger (the May 2018 Merger Agreement) pursuant to which it will be acquired by Banff Parent Inc. (the Acquiror), a Delaware corporation formed by Kohlberg Kravis Roberts & Co., a global investment firm, through a merger of a wholly-owned subsidiary of the Acquiror with and into the Parent (the Merger).

The closing of the Merger is subject to several customary conditions, including certain regulatory approvals. The Parent has also made customary representations, warranties and covenants in the May 2018 Merger Agreement, including, among others, covenants (1) to conduct its business in the ordinary course during the period between the execution of the May 2018 Merger Agreement and the closing date and (2) not to engage in certain types of transactions during this period unless agreed to by the Acquiror.

The Acquiror has obtained debt financing commitments for the purpose of financing the transactions contemplated by the May 2018 Merger Agreement. The obligations of the lenders to provide debt financing under the debt commitments are subject to a number of customary conditions.

The May 2018 Merger Agreement contains certain termination rights for the Parent and the Acquiror, including the right of either party to terminate the May 2018 Merger Agreement if the Merger is not consummated by November 26, 2018, which date will be extended to February 26, 2019 under certain conditions.

In May 2018, the Company issued a redemption notice to holders of the PIK Notes to redeem the remaining principal and interest outstanding under the PIK Notes of $309.6 million, which is expected to be redeemed during the quarter ending June 30, 2018.

In May 2018, the Company paid $19.2 million to terminate the U.S. Cross Currency Swap and the USD/EUR Option.

$1,825,000,000 equivalent

Banff Merger Sub Inc.

to be merged with and into

Boxer Parent Company Inc.

$1,475,000,000 9.750% Senior Notes due 2026

€301,500,000 8.375% Senior Notes due 2026

OFFERING CIRCULAR

Joint Book-Running Managers

Goldman Sachs & Co. LLC

Credit Suisse

KKR

Jefferies

Macquarie Capital

Mizuho Securities

Barclays

August 9, 2018