## IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR (2) OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT.

*IMPORTANT: You must read the following before continuing.* The following disclaimer applies to the offering memorandum following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer as a result of such access. The offering memorandum has been prepared in connection with the proposed offer and sale of the securities (including the guarantees) described herein. The offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED HEREIN.

*Confirmation of your representation:* In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities, you must be either (1) a QIB or (2) outside the United States purchasing securities in offshore transactions in reliance on Regulation S, provided that investors in a Member State of the European Economic Area must not be a retail investor. For the purposes of this provision the expression "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. The offering memorandum is being sent at your request. By accessing the offering memorandum or accepting an e-mail with the offering memorandum attached, you shall be deemed to have represented to the Issuer and the initial purchasers named as such in the attached offering memorandum (the "Initial Purchasers") that:

(1) you consent to delivery of such offering memorandum by electronic transmission; and

(2) either:

   (a) you and any customers you represent are QIBs; or

   (b) the e-mail address that you gave the Issuer and to which the e-mail has been delivered is not located, and will not be deemed to be located, in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A.

The notes described in this offering memorandum (the "Notes") are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This offering memorandum has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under Directive 2003/71/EC (as amended, the "Prospectus Directive") from the requirement to publish a prospectus for offers of notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Directive. No prospectus is required in accordance with the Prospectus Directive for this issue of Notes.

Each subscriber for or purchaser of the Notes in the Offering located within a member state of the EEA will be deemed to have represented, acknowledged and agreed that it is not a retail investor. For the purposes of this provision the expression "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 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. The Issuer, the Initial Purchasers and their affiliates and others will rely upon the trust and accuracy of the foregoing representation, acknowledgement and agreement.

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

You are reminded that the offering memorandum has been delivered to you on the basis that you are a person into whose possession the offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorized to, deliver the offering memorandum to any other person. You may not transmit the attached offering memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the explicit consent of the Initial Purchasers. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall the offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The offering memorandum has not been approved by an authorized person in the United Kingdom and is for distribution only to persons who (i) fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), (ii) are persons falling within Article 49(2)(a) to (d) (such as certain high net worth companies and unincorporated associations) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

The offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Initial Purchasers, nor any person who controls the Initial Purchasers, nor any of its directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

**Offering Memorandum** | **Strictly Confidential**
**Not for general distribution in the United States**

FLORA FOOD GROUP

## Sigma Holdco B.V.

**$525,000,000 7.875% Senior Notes due 2026**
**€685,000,000 5.750% Senior Notes due 2026**

Sigma Holdco B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands (the "Issuer"), is offering (the "Offering") $525,000,000 aggregate principal amount of 7.875% Senior Notes due 2026 (the "Dollar Notes") and €685,000,000 aggregate principal amount of 5.750% Senior Notes due 2026 (the "Euro Notes" and, together with the Dollar Notes, the "Notes"). The proceeds from the Offering will be used as part of the financing for the proposed acquisition of Flora Food Group (as defined herein).

The Issuer will pay interest on the Notes semi-annually in arrears on each May 15 and November 15, commencing November 15, 2018.

The Notes will mature on May 15, 2026. Prior to May 15, 2021, the Issuer may redeem at its option all or part of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the redemption date and the applicable "make-whole" premium as described in this offering memorandum (the "Offering Memorandum"). At any time on or after May 15, 2021, the Issuer may redeem at its option all or part of the Notes by paying the applicable redemption price as set forth in this Offering Memorandum. Prior to May 15, 2021, the Issuer may also redeem at its option up to 40% of the aggregate principal amount of each series of Notes with the net proceeds from certain equity offerings at a redemption price specified in this Offering Memorandum, provided that at least 50% of the original aggregate principal amount of such series remains outstanding after the redemption. Prior to May 15 , 2021, the Issuer may, during each twelve-month period commencing on the Issue Date, redeem up to 10% of the aggregate principal amount of each series of Notes at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest. Additionally, the Issuer may redeem all, but not less than all, of the relevant series of Notes upon the occurrence of certain changes in applicable tax law at a redemption price of 100% of the principal amount of the Notes plus accrued and unpaid interest and additional amounts, if any. Upon the occurrence of certain events defined as constituting a change of control, the Issuer may also be required to make an offer to purchase the Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any. However, a change of control will not be deemed to have occurred if a specified consolidated leverage ratio is not exceeded in connection with such event.

Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will deposit the gross proceeds of the Offering into a euro-denominated segregated bank account and a dollar-denominated segregated bank account, in each case controlled by the Issuer, as applicable (the "Deposit Accounts") to hold such amounts pending the consummation of the Acquisition (as defined herein). On or about the Issue Date, the Issuer will assign as security its rights, title and interest in the credit balance in each of the Deposit Accounts to Deutsche Trustee Company Limited (the "Trustee"). The release of the funds credited to the Deposit Accounts and the consummation of the Acquisition will be subject to the satisfaction of certain conditions. In the event that, (i) the completion date of the Acquisition (the "Completion Date") does not take place on or prior to December 3, 2018 (the "Longstop Date"), (ii) in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Longstop Date, (iii) the Offer Letter (as defined herein) or, if executed, the Acquisition Agreement (as defined herein), terminates at any time on or prior to the Longstop Date, or (iv) certain other events occur, the Issuer will redeem the Notes at a price equal to 100% of the initial issue price of such Notes, plus accrued but unpaid interest and additional amounts, if any, from the Issue Date to (but not including) the Special Mandatory Redemption Date (as defined herein) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). See "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption.*"

The Notes will be senior obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer's existing and future senior indebtedness. The Notes will be guaranteed on a senior subordinated basis (the "Guarantees") initially by Sigma Midco B.V. ("Midco"), Sigma US LLC ("U.S. Midco"), Sigma Bidco B.V. ("Bidco") and Sigma US Corp. ("U.S. Bidco," and, together with Midco, U.S. Midco and Bidco, the "Initial Guarantors") and, assuming the completion date of the Acquisition (the "Completion Date") occurs on or prior to the Longstop Date, by certain additional subsidiaries of the Issuer that guarantee the Senior Credit Facilities (as defined herein) as soon as reasonably practicable after the Completion Date but in any case no later than 120 days from the Completion Date (the "Target Guarantors" and, together with the Initial Guarantors, the "Guarantors"). The Guarantee by each of the Guarantors will be (i) subordinated in right and priority of payment to certain existing and future senior indebtedness of the Group (including the Guarantors' obligations under or in respect of the Senior Credit Facilities Agreement (as defined herein) and certain hedging obligations (if any)); (ii) senior in right of payment to any existing and future obligations of such Guarantor that are expressly subordinated to such Guarantee of the Notes; (iii) effectively subordinated in right of payment to any existing and future secured indebtedness of such Guarantor to the extent of the value of the assets securing such indebtedness, including the senior secured guarantees given by such Guarantors in respect of the Senior Credit Facilities Agreement and certain hedging obligations; and (iv) structurally subordinated to any existing and future indebtedness, including obligations to trade creditors of subsidiaries of such Guarantor that are not Guarantors. In addition, the Guarantees will be subject to certain contractual and legal limitations.

On or about the Issue Date, to the extent legally possible and subject to the Agreed Security Principles, the security granted by the Issuer in favor of the Security Agent over (a) all of the issued Capital Stock in Midco held by the Issuer and (b) any present and future receivables under any material structural intercompany loan provided by the Issuer to Midco (which will include from on or about the Completion Date, any receivables owed to the Issuer by Midco under the Proceeds Loan) (together, the "Collateral") will extend to secure the Notes on the basis and priority set out in the Intercreditor Agreement. Pursuant to the Intercreditor Agreement, in the event of enforcement of the Collateral, the holders of the Notes and all other indebtedness ranking *pari passu* with the Notes will receive proceeds from the Collateral only after creditors of certain existing and future senior indebtedness of the Group (including the lenders under the Senior Credit Facilities and counterparties to certain priority hedging obligations) have been repaid in full. See "*Summary—The Offering—Security.*" The security interests and Guarantees will be subject to certain contractual and legal limitations. The Collateral and the Guarantees may be released under certain circumstances.

The Notes will be issued in the form of global notes in registered form. See "*Book-Entry, Delivery and Form.*" The Dollar Notes will be issued in denominations of $200,000 and integral multiples of $1,000 in excess thereof and the Euro Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Dollar Notes are expected to be delivered to investors in book-entry form through The Depository Trust Company ("DTC"), and the Euro Notes are expected to be delivered to investors in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"), in each case, on or about May 9, 2018 (the "Issue Date").

There is currently no public market for the Notes. Application will be made to The International Stock Exchange Authority Limited (the "Authority") for the listing of the Notes on the Official List of The International Stock Exchange (the "Exchange") and admission to trade on the Exchange. There is no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted, or that such listing will be maintained.

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

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**Dollar Notes Price: 100.00% plus accrued and unpaid interest, if any, from the Issue Date.**

**Euro Notes Price: 100.00% plus accrued and unpaid interest, if any, from the Issue Date.**

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**The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction. The Notes and Guarantees may not be offered or sold within the United States, except to "qualified institutional buyers" ("QIBs") in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act ("Rule 144A"), and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). You are hereby notified that the sellers of the Notes and Guarantees may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, sellers may be relying on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and the distribution of this Offering Memorandum, see "*Notice to Investors*" and "*Plan of Distribution.*"**

*Joint Global Coordinators and Joint Bookrunners*

**Credit Suisse** | **Deutsche Bank** | **KKR**

*Joint Bookrunners*

**BNP PARIBAS** | **Crédit Agricole CIB** | **Goldman Sachs International** | **HSBC** | **ING** | **Lloyds Bank** | **Mizuho Securities** | **RBC Capital Markets** | **Société Générale** | **UniCredit Bank**

Offering Memorandum dated April 25, 2018.

## TABLE OF CONTENTS

## IMPORTANT INFORMATION

You should rely only on the information contained in this Offering Memorandum. The Issuer has not, and Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, KKR Capital Markets Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., London Branch, Lloyds Bank plc, Mizuho International plc, Mizuho Securities USA LLC, RBC Capital Markets, LLC, RBC Europe Limited, Société Générale and UniCredit Bank AG (the "Initial Purchasers") have not, authorized anyone to provide you with any information or represent anything about the Issuer, FFG, the Initial Purchasers or this Offering that is not contained in this Offering Memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer or by the Initial Purchasers. The Issuer is not, and the Initial Purchasers are not, making an offering of the Notes in any jurisdiction where this Offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as at any date other than the date on the front cover of this Offering Memorandum.

You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell any Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals. Neither the Issuer nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements. See also "*Notice to Investors.*"

Neither the Issuer, the Initial Purchasers, any of their respective representatives nor the Trustee are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business, tax or other advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. In making an investment decision regarding the Notes, you must rely on your own examination of the Issuer and the terms of the Offering, including the merits and risks involved.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions and not to use any information herein for any purpose other than considering an investment in the Notes.

This Offering Memorandum is based on information provided by the Issuer and other sources that it believes to be reliable. The Initial Purchasers are not making any representation or warranty that this information is accurate or complete and are not responsible for this information. In this Offering Memorandum, the Issuer has summarized certain documents and other information in a manner it believes to be accurate, but refers you to the actual documents for a more complete understanding.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything material that is likely to affect the import of such information.

The information contained in this Offering Memorandum is correct as at the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this Offering Memorandum or in FFG's business since the date of this Offering Memorandum.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future.

The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including in the section entitled "*Book-Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning DTC, Euroclear and Clearstream contained herein, it accepts no further responsibility in respect of such information. DTC, Euroclear and Clearstream are not under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by any of them at any time. The Issuer will not, nor will any of its agents, have responsibility for the performance of the respective obligations of DTC, Euroclear or Clearstream or their respective participants. Investors wishing to use these clearing systems are advised to confirm the continued applicability of these arrangements.

The Initial Purchasers will provide prospective investors with a copy of this Offering Memorandum and any related amendments or supplements. By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to confirm the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes and the Guarantees.

The Initial Purchasers are acting only for the Issuer and the Guarantors in connection with the transaction referred to in this Offering Memorandum and not acting for any other party. The Initial Purchasers will not be responsible for providing the protections offered to their clients to any party other than the Issuer and Guarantors, nor for providing advice in relation to the transaction described herein, this Offering Memorandum or any arrangement or other matter referred to herein.

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

The Notes will be available initially only in book-entry form. The Issuer expects that the Notes offered hereby will be issued in the form of one or more global notes, which will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear and/or Clearstream (with respect to the Euro Notes) or a nominee of DTC (with respect to the Dollar Notes). Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and/or Clearstream or DTC and their participants, as applicable. After the initial issuance of the global notes, Notes in certificated form will be issued in exchange for the global notes only as set forth in the Indenture. See "*Book-Entry, Delivery and Form.*"

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the U.S. Securities Act and the applicable state securities laws, pursuant to registration or an exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled "*Plan of Distribution*" and "*Notice to Investors.*" By possessing this Offering Memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this Offering Memorandum.

The Issuer reserves the right to withdraw the Offering at any time. The Issuer is making the Offering subject to the terms described in this Offering Memorandum and the purchase agreement relating to the Notes and the Guarantees (the "Purchase Agreement"). The Issuer and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes and the Guarantees in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Issuer and the Initial Purchasers also reserve the right to sell less than all the Notes offered by this Offering Memorandum. The Initial Purchasers and certain of their respective related entities may also acquire or may have already acquired, for their own accounts, a portion of the Notes.

Application will be made to the Authority for the listing of, and permission to deal in, the Notes on the Official List of the Exchange and the Issuer will submit this Offering Memorandum to the Authority in connection with the listing application.

In the course of any review by the relevant competent authority, the Issuer may be requested to make changes to the financial and other information included in this Offering Memorandum in producing listing particulars for such listing. Comments by a competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information. The appropriate competent authority may also require the Issuer to update the information in this Offering Memorandum to reflect changes in its business, financial condition or results of operations and prospects. There can be no assurance that the Notes will be listed on the Official List of the Exchange, that such permission to deal in the Notes will be granted or that such listing will be maintained, and settlement of the Notes is not conditioned on obtaining this listing. Any investor or potential investor in the European Economic Area (the "EEA") should not base any investment decision relating to the Notes on the information contained in this Offering Memorandum after publication of the listing particulars and should refer instead to those listing particulars.

**MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

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

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under the section entitled "*Notice to Investors.*"

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be ten business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act")) following the date of pricing of the Dollar Notes (this settlement cycle is being referred to as "T+10") and nine business days following the date of pricing of the Euro Notes (this settlement cycle is being referred to as "T+9"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the next seven successive business days (in the case of the Dollar Notes) or the next six successive business days (in the case of the Euro Notes) will be required to specify an alternative settlement code at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors. See "*Plan of Distribution*."

**STABILIZATION**

**IN CONNECTION WITH THIS OFFERING CREDIT SUISSE SECURITIES (EUROPE) LIMITED (THE "STABILIZATION MANAGER") (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

**NOTICE TO INVESTORS IN THE UNITED STATES**

The Offering is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer and sale of the Notes and the Guarantees which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "*Notice to Investors.*" The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to QIBs, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. The Notes may also be offered and sold outside the United States in offshore transactions in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A.

Neither the SEC, any U.S. state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

## NOTICE TO CERTAIN EUROPEAN INVESTORS

### European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This Offering Memorandum has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under Directive 2003/71/EC (as amended, the "Prospectus Directive") from the requirement to publish a prospectus for offers of notes. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Directive. No prospectus is required in accordance with the Prospectus Directive for this issue of Notes.

Each subscriber for or purchaser of the Notes in the Offering located within a member state of the EEA will be deemed to have represented, acknowledged and agreed that it is it is not a retail investor. For the purposes of this provision the expression "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 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. The Issuer, the Initial Purchasers and their affiliates and others will rely upon the trust and accuracy of the foregoing representation, acknowledgement and agreement.

### United Kingdom

The issue and distribution of this Offering Memorandum is restricted by law. This Offering Memorandum is not being distributed by, nor has it been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") by, a person authorized under the FSMA. In the U.K., this Offering Memorandum is directed solely at persons who: (a) are investment professionals, as such term is defined in Article 19(5) of the Financial Promotion Order, (b) are persons falling within Article 49(2)(a) to 49(2)(d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (c) are outside the United Kingdom, or (d) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. In the U.K., any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents. No part of this Offering Memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any person who is not a relevant person without the Issuer's prior written consent. 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 FSMA.

**The Netherlands**

Each Initial Purchaser has represented and agreed that any Notes will only be offered in the Netherlands to qualified investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

## NOTICE TO 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 Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

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

**THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION, WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.**

## FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains "forward-looking statements" within the meaning of the U.S. federal securities laws and the securities laws of other jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "aims," "anticipates," "expects," "intends," "may," "will," "plans," "continue," "ongoing," "future," "potential," "predict," "project," "guidance," "target," "seek," "could" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts; they include statements about the Issuer's beliefs and expectations and the assumptions underlying them. They appear in a number of places throughout this Offering Memorandum and include statements that concern, among other things:

- strategies, outlook and growth prospects;
- future plans and potential for growth;
- trends affecting our financial condition or results of operations;
- our ability to realize cost-savings as a stand-alone business;
- trends and developments affecting the markets in which FFG operates;
- our liquidity, capital resources and capital expenditure;
- the general economic outlook and industry trends; competition in areas of our business; and
- our plans to launch new or expand existing products and services.

These forward-looking statements are based on plans, estimates and projections as they are currently available to the Issuer's management. Forward-looking statements therefore speak only as at the date they are made, and the Issuer undertakes no obligation to update any of them in light of new information or future events. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. These statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. FFG's actual results may differ materially as a result of various factors. These factors include, but are not limited to:

- our separation from Unilever;
- historical results failing to predict future results as a separate stand-alone company;
- assumptions used to calculate *pro forma* Normalized EBITDA;
- decrease in purchasing power following our separation from Unilever;
- decrease in selling power following our separation from Unilever;
- temporary increase in working capital needs following our separation from Unilever;
- changes in payment terms affecting our working capital position following the separation;
- an inability to retain and hire employees and assets following the separation;
- an inability to succeed Unilever under all joint ventures, contracts and licenses;
- loss of key intellectual property rights following the separation;
- failure to establish a strong corporate identity;
- assumptions relating to the separation;
- our ability to successfully implement our business plan;
- our lack of control over FFG until the consummation of the Acquisition;
- reliance on representations and warranties provided by Unilever;

- consequence of amendments made to the Acquisition Agreement;
- transaction and separation costs as a result of the Acquisition;
- limited assets of the Issuer until the consummation of the Acquisition;
- requirement to redeem the notes if the Deposit Accounts release conditions are not satisfied;
- the Issuer's financial dependence on receiving distributions from its Subsidiaries;
- competitive dynamics in our industry;
- established negative trends in the B&M market and changes in consumer tastes and preferences;
- growth in market share of butter in the B&M market;
- reputational damage and the health of our brands;
- uncertainties with respect to the development of new products;
- failure to manage our supply chain;
- risks in operating manufacturing facilities and relying on third-party manufacturers;
- wage increases or work stoppages;
- risks associated with our information technology systems;
- fluctuations in the cost and availability of our key raw materials;
- an inability to pass on price increases;
- our relationships with key customers;
- credit risk with respect to key customers and suppliers;
- inadequate protection of our intellectual property;
- adverse developments with respect to the safety and quality of our products;
- seasonal fluctuations in demand;
- potential liabilities and costs from litigation;
- economic and political conditions in our key markets;
- adverse changes to the tax regimes to which we are subject and determinations of tax regulators that result in adverse tax consequences;
- risks associated with growth and business development initiatives;
- risks associated with the exit of the U.K. from the EU;
- risks related to retention of key executives and managers;
- compliance obligations related to governmental directives and regulations;
- liability risks and compliance obligations related to environmental, health and safety matters;
- fluctuations in currency exchange rates;
- insufficient insurance coverage;
- restrictions on the deduction of interest expenses;
- adverse effect of transfer pricing rules;
- risks related to ownership; or
- other risks associated with the Notes, FFG's indebtedness and its structure discussed under "*Risk Factors—Risks related to the Notes, the Guarantees and the Collateral.*"

The foregoing factors and others described under "*Risk Factors*" should not be construed as exhaustive. Due to such uncertainties and risks, investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this Offering Memorandum. The Issuer urges you to read this Offering Memorandum, including the sections entitled "*Risk Factors,*" "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and

"*Business*," for a more complete discussion of the factors that could affect its future performance and the industry in which it operates. Moreover, FFG operates in a very competitive and rapidly changing environment. It may face new risks from time to time, and it is not possible to predict all such risks; nor can it assess the impact of all such risks on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

The Issuer undertakes no obligation, and does not intend, to release publicly the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date of this Offering Memorandum, including changes in its business or strategy or planned capital expenditure, or to reflect the occurrence of unanticipated events.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### The Issuer

The Issuer is a private company with limited liability incorporated under the laws of the Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) on December 12, 2017, for the purpose of facilitating the Acquisition and facilitating the financing of the Acquisition (as well as subsequent financings), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its office at Overschiestraat 61-5 hoog, 1062 XD Amsterdam, the Netherlands. The Issuer is registered with the Dutch Trade Register of the Chamber of Commerce under number the number 70282900. The Issuer has no material assets or liabilities and has not engaged in any activities other than those related to its incorporation and in preparation for the Transactions. Consequently, no historical financial information relating to the Issuer is available.

### The Financial Statements

The combined carve-out financial statements of the spreads business of Unilever PLC and Unilever N.V. for the years ended December 31, 2015, December 31, 2016 and December 31 2017 are included elsewhere in this Offering Memorandum and are referred to herein as the "Financial Statements."

#### *Unilever's Spreads Business*

The spreads business, on a worldwide basis, is not operated by Unilever from within separate legal entity structures. However, during the year ended December 31, 2015, certain aspects of the spreads business were reorganized into a newly created Baking, Cooking and Spreads group of legal entities in certain regions of the world (most of Europe and North America). The BCS legal entities combined and carved-out in these financial statements are listed in note 21 of the Financial Statements. Furthermore, the supply chain companies, factories and marketing and sales organizations operated by Unilever run both spreads and non-spreads activities.

The Financial Statements have therefore been prepared on a combined and carve-out basis from Unilever's consolidated financial statements for the purpose of presenting the financial position, results of operations and cash flows of the spreads business as set forth under "*—Basis of Preparation*" below.

The combined carve-out Financial Statements include every territory in which Unilever operates spreads-related business activities, except for South Africa. Unilever's spreads business, as described in the Financial Statements, is generally referred to herein as "FFG" or "Flora Food Group."

#### *Basis of Preparation*

The combined carve-out Financial Statements have been prepared on a going concern basis and under the historical cost convention, unless otherwise indicated, and present the financial position, results of operations and cash flows of FFG for each of the periods and as of the dates indicated therein.

The combined carve-out Financial Statements have been prepared in accordance with this basis of preparation, which is consistent with International Financial Reporting Standards as adopted by the EU and as issued by the IASB, except as set out below:

- IFRS as adopted by the EU and IFRS as issued by the IASB do not provide for the preparation of combined carve-out financial statements and accordingly in preparing the combined carve-out Financial Statements certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. Further details on the application of these accounting conventions can be found below and in the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Explanation of Certain Income Statement Items*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Explanation of Certain Balance Sheet Items.*"

The combined carve-out Financial Statements:

- have been prepared by combining and carving-out the assets, liabilities, income and expenses that management have determined relate to Unilever's spreads business. Those amounts have been derived from the underlying financial records of the Unilever entities running spreads activities, which also include allocations and recharges by Unilever of indirect central costs and general corporate expenses. The underlying financial records of Unilever are maintained in accordance with EU and IASB IFRS;
- include a cash flow statement showing movement arising from operating, investing and financing activities of the spreads business that is independent of Unilever's centralized approach to cash management and financing; and
- disclose the cumulative investment of Unilever in the spreads business as net parent (deficit) / investment.

The assets, liabilities, income and expenses that management have determined relate to Unilever's spreads business include all those that are directly attributable and/or separately identifiable to the spreads business, together with an allocation of the items that are not. Certain estimates, judgments and assumptions have been made for the purpose of allocating items to the combined carve-out Financial Statements that are not directly attributable and/or separately identifiable. Those are described in more detail in the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Explanation of Certain Income Statement Items*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Explanation of Certain Balance Sheet Items.*"

The combined carve-out Financial Statements apply consistently, unless otherwise stated, the accounting policies, the material estimates and judgments made that are disclosed therein. A description of the carve-out allocation procedures used in the preparation of the combined carve-out Financial Statements is set forth in the notes to the combined carve-out Financial Statements included elsewhere in this Offering Memorandum.

The combined carve-out Financial Statements do not necessarily reflect the financial position, results of operations or cash flows of Unilever's spreads business if it had been a separate entity, or the future results of FFG as it will exist upon the completion of the separation from Unilever. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—FFG's historical results may not be representative of its future results as a separate, stand-alone company*" and "*Summary—Summary Historical and Other Financial Information.*"

In making an investment decision, you must rely upon your own examination of the terms of this Offering and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the financial information contained in this Offering Memorandum.

### Other Financial Measures

#### *Non-IFRS Financial Measures*

We have presented certain information in this Offering Memorandum that is not required by, nor presented in accordance with, IFRS. Please see "*Summary—Summary Historical and Other Financial Information—Summary Pro Forma Data of the Issuer*." As used in this Offering Memorandum, this information includes:

- **Underlying Sales Growth:** Underlying Sales Growth or USG represents turnover for the period on a constant currency basis and by eliminating the impact of any acquisitions or disposals.

  The constant currency exchange rate is calculated using the measures described below under "*—Constant Currency Exchange Rate Measures.*"

- **EBITDA before exceptional bonus and share-based payments**: EBITDA before exceptional bonus and share-based payments represents net profit before taxation, net interest cost, amortisation of intangible assets—direct, depreciation of property, plant and equipment—direct and exceptional bonus and share-based payments adjustment.

- **Normalized EBITDA**: Normalized EBITDA represents EBITDA before exceptional bonus and share-based payments, adjusted for non-underlying items, Portuguese Joint Venture adjustment, allocated amortisation of intangible assets, allocated depreciation of property, plant and equipment, and finance costs related to pension and similar obligations.

  For purposes of calculating Normalized EBITDA, "Portuguese Joint Venture adjustment" reflects the recognition of the non-Unilever share of net profit of the joint venture and the interest, tax, depreciation and amortization relating to that joint venture.

  Management believes that Normalized EBITDA is a helpful indicator of the underlying performance of the pre-separation business, as it adjusts EBITDA before exceptional bonus and share-based payments principally for non-underlying items comprised of restructuring costs such as those arising from the consolidation of multiple U.S. factories into one facility at New Century, Kansas.

- ***Pro forma* Normalized EBITDA**: *pro forma* Normalized EBITDA represents Normalized EBITDA adjusted to reflect: (i) Carve-out adjustments from day one; (ii) Implemented 2017 savings initiatives; (iii) Completion Date SG&A cost savings, (iv) Impact of commodity prices, (v) share-based payments adjustment and (vi) other adjustments (see note n to footnote 4 to the table in "*Summary—Summary Historical and Other Financial Information—Other Key Financial and Operating Information*").

  Management believes that *pro forma* Normalized EBITDA is a helpful indicator of the underlying performance and profitability of the business as it takes into account cost savings and other adjustments associated with the implementation of its strategic plan and separation from Unilever.

- **Normalized EBITDA margin**: Normalized EBITDA margin for any given region represents Normalized EBITDA (and including or excluding completion date SG&A cost savings, as the case may be) for that region divided by turnover for that region, expressed as a percentage.

- ***Pro forma* Normalized EBITDA margin**: *Pro forma* Normalized EBITDA margin for any given region represents *pro forma* Normalized EBITDA for that region divided by turnover for that region after deducting the Distributor model adjustment applicable for that region (see note i to footnote 4 to the table in "*Summary—Summary Historical and Other Financial Information—Other Key Financial and Operating Information*"), expressed as a percentage.

- **Underlying free cash flow** and **Underlying free cash flow conversion ratio**: Underlying free cash flow represents Cash flow from operating activities (i) plus a Portuguese joint venture adjustment, (ii) plus provisions less payments, (iii) less elimination of losses on disposals, (iv) less non-cash charge for share-based payments, (v) plus non-underlying items within operating profit, (vi) plus other adjustments from cash flow statement, (vii) less capital expenditure, (viii) exceptional bonus and share-based payment adjustment. Underlying free cash flow conversion ratio is calculated by dividing Underlying free cash flow by Normalized EBITDA, and expressing the result as a percentage.

  Management believes that Underlying free cash flow and the Underlying free cash flow conversion ratio are a helpful indicators of the fundamental cash generative ability of the business on a steady-state basis.

- **Constant currency exchange rate**: See "*—Constant Currency Exchange Rate Measures*."

  Management believes that constant exchange rate measures are helpful indicators of the underlying performance of the business.

FFG's management believes that the foregoing non-IFRS financial measures are helpful indicators of the underlying performance and profitability of the business. Management believes that the foregoing non-IFRS Financial measures are meaningful for investors because they provide an analysis of FFG's operating results, profitability and ability to service debt and, because these measures are used by management to track business evolution, establish operational and strategic targets and make important business decisions. In addition, management believes that these measures are commonly used by investors, security analysts and other interested parties in FFG's industry as supplemental measures of operating performance and liquidity. Although the Issuer is presenting these measures to enhance the understanding of FFG's historical operating performance, they should not be considered alternatives to operating profit as an indicator of operating performance, or alternatives to cash flows from operating activities as measures of liquidity.

You should not consider Underlying Sales Growth, EBITDA before exceptional bonus and share-based payments, Normalized EBITDA, *pro forma* Normalized EBITDA, Underlying free cash flow, constant exchange rate measures or any other non-IFRS measures presented herein as alternatives to measures of financial performance determined in accordance with generally accepted accounting principles, such as operating profit, as a measure of operating results or cash flow as a measure of liquidity. Underlying Sales Growth, EBITDA before exceptional bonus and share-based payments, Normalized EBITDA, *pro forma* Normalized EBITDA are not measures of financial performance under IFRS. In addition, the Issuer's computation of EBITDA before exceptional bonus and share-based payments, Normalized EBITDA, *pro forma* Normalized EBITDA and other non-IFRS financial measures may not be comparable to similarly-titled measures or ratios used by other companies.

EBITDA before exceptional bonus and share-based payments, Normalized EBITDA, *pro forma* Normalized EBITDA and Underlying free cash flow have limitations as analytical tools, and you should not consider any of them in isolation. Some of these limitations include the following: (i) they do not reflect capital expenditures, future requirements for capital expenditures or contractual commitments; (ii) they do not reflect changes in, or cash requirements for, working capital needs; (iii) they do not reflect interest expense, or the cash requirements necessary to service interest or principal payments on debt; and (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and do not reflect any cash requirements that would be required for such replacements.

Our presentation of *pro forma* Normalized EBITDA has additional limitations as an analytical tool. For example, *pro forma* Normalized EBITDA does not reflect expenses and capital expenditures that FFG expects to incur to transition to a stand-alone business, which we currently estimate will be approximately €200 million in transition-related expenses and one time expenditures, including approximately €165 million in transitional IT and manufacturing IT costs that we expect FFG to incur as it transitions from a shared IT environment within Unilever to a wholly independent IT platform, and approximately €15 million in one-off real-estate related costs as certain manufacturing and management functions are separated from Unilever and relocated (before any offsetting gains from land sales are considered). The substantial majority of these expenses are expected to be incurred over an extended period, up to an including the year ending December 31, 2019.

Such measures presented in this Offering Memorandum have not been audited or prepared in accordance with IFRS or any other accounting standards. In addition, the presentation of financial information in this Offering Memorandum is not intended to and does not comply with the reporting requirements of the SEC which would apply if the offering of the Notes were being registered with the SEC; compliance with its requirements would require us to make changes to the presentation of the financial information included herein.

### *Adjusted pro forma financial information*

The Issuer presents in this Offering Memorandum certain adjusted *pro forma* financial information to give effect to the Transactions. The adjustments made in order to present the financial information on an adjusted *pro forma* basis to give effect to the Transactions have been made based on available information and assumptions that management believes are reasonable. The adjusted *pro forma* financial information is for information purposes only and does not necessarily present what our results would actually have been had the offering of the Notes and the other Transactions actually occurred on December 31, 2017 (in the case of *pro forma* balance sheet measures) or January 1, 2017 (in the case of *pro forma* income statement measures), nor should it be used as the basis of projections of results of operations or financial condition for any future period.

### Rounding

Certain numerical information and other amounts and percentages presented in this Offering Memorandum, including financial data, industry data, market data and operational data are presented in millions or thousands; and values, fractions, proportions or percentages describing market sizes or shares, have in each case been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

### Currency Presentation

Unless otherwise indicated, all financial information in this Offering Memorandum is presented in euro.

All references in this Offering Memorandum to: (i) **£**, **GBP** or **pounds sterling** are to the lawful currency of the United Kingdom; (ii) **€, EUR** or **euro** are to the single currency of the participating member states of the European Monetary Union; (iii) **C$, CAD** or **Canadian dollar** are to the lawful currency of Canada; and (iv) **$**, **USD** or **U.S. dollar** are to the lawful currency of the United States.

### Constant Currency Exchange Rate Measures

We are a geographically diversified business with operations around the world and accordingly we undertake transactions in various currencies. Many of our subsidiaries report their financial results in currencies other than the euro, the reporting currency of our consolidated financial statements. See "*Risk Factors—Risks Related to FFG's Business and Industry—FFG is exposed to foreign exchange rate risks and such rates may adversely affect its results of operations*." To enhance the comparability of our historical financial results between the years ended December 31, 2015, 2016 and 2017, in certain instances in this Offering Memorandum such results are presented using constant currency exchange rates. Measures calculated using constant currency exchange rates are unaudited, not presented in accordance with IFRS, may not be comparable to similarly titled measures used by other companies and should not be considered in isolation or as a substitute for analysis of FFG's results or any financial measure under IFRS. The exchange rates used for the calculation of constant exchange rate measures presented in this Offering Memorandum have been derived from average rates in effect over the year ended December 31, 2016 for all of FFG's relevant currencies. The principal exchange rates are the following:

| | Rates per €1.00 |
|---|---|
| Pound Sterling | 0.81524 |
| United States Dollar | 1.11086 |
| Canadian Dollar | 1.47042 |
| Mexican Peso | 20.57340 |
| Brazilian Real | 3.88903 |
| Turkish Lira | 3.31334 |
| Indonesian Rupiah | 14770 |

### Trademarks and Trade Names

FFG owns or has rights to certain trademarks or trade names that it uses in conjunction with the operation of its businesses. Each trademark, trade name or service mark of any other company appearing in this Offering Memorandum belongs to its holder.

Some of the trademarks that FFG owns or has the right to use include, among others, Becel, Rama, Flora, ProActiv, Country Crock, I Can't Believe It's Not Butter! and Blue Band. Solely for convenience, the trademarks, trade names and copyrights referred to in this Offering Memorandum are listed without the ©, ® and TM symbols, but FFG will assert, to the fullest extent under applicable law, its rights to these trademarks and trade names.

## INDUSTRY AND MARKET DATA

Unless otherwise indicated, statements in this Offering Memorandum regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and segments in which we operate are based on data, statistical information, sector reports and third-party studies as well as on our own estimates.

Unless otherwise stated, industry data in this Offering Memorandum from Euromonitor International, Nielsen, Millward Brown, Kantar Worldpanel, BMI Research (a Fitch Group Company) and GlobalData Plc. (collectively the "**Industry Data Providers**" and each individually an "**Industry Data Provider**") was sourced at various points in time, from April 2017 to September 2017, and, in each instance, reflects the data available at such point in time and does not reflect further updates after it was sourced.

To the extent that information was taken from third parties, such information has been accurately reproduced by us in this Offering Memorandum and, as far as we are aware and able to ascertain from the information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is by nature forward-looking and speculative. In particular, no responsibility or liability can be accepted by any Industry Data Provider or any of its affiliates, nor any of its directors nor employees for any errors or omissions in any data from the Industry Data Providers included in this Offering Memorandum nor for any loss arising from reliance placed on such data. When information in this Offering Memorandum is attributed to multiple external sources, including one or more Industry Data Providers, such information is based on FFG's analysis thereof.

We have not verified the figures, market data and other information used by third parties in our studies, publications and financial information, or the external sources on which our estimates are based. We therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this Offering Memorandum or for the accuracy of data on which our estimates are based.

This Offering Memorandum also contains estimations of market data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry we operate in and our position within it. Our own estimates have not been checked or verified externally. We nevertheless believe that our own market observations are reliable. We give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources.

## GLOSSARY

Unless indicated otherwise in this Offering Memorandum or the context requires otherwise:

| | |
|---|---|
| **Acquisition** . . . . . . . . . . . . . . . . . . . . . | The acquisition of all of the issued and outstanding share capital of the entities comprising FFG and the acquisition of certain assets (and the assumption of related liabilities) associated with FFG's business pursuant to the Offer Letter and the Acquisition Agreement. |
| **Acquisition Agreement** . . . . . . . . . . | The share and business sale agreement by and between Bidco and Unilever N.V. and Unilever PLC, which is expected to be signed on or before June 15, 2018 and which will provide for the Acquisition. |
| **BCS** . . . . . . . . . . . . . . . . . . . . . . . . . . . | The portion of the Unilever spreads business, focused on the developed market regions of Europe and North America, that was reorganized during the year ended December 31, 2015 into a newly created Baking, Cooking and Spreads group of legal entities. |
| **Bidco** . . . . . . . . . . . . . . . . . . . . . . . . . . | Sigma Bidco B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands. |
| **B&M** . . . . . . . . . . . . . . . . . . . . . . . . . . . | The butter and margarine food product category which includes margarine, spreadable butter and butter. These products are mainly used for spreading (e.g. on bread), baking and cooking. |
| **butter** . . . . . . . . . . . . . . . . . . . . . . . . . | A dairy food product typically containing at least 80% butterfat, consisting of a water-in-oil emulsion that is typically solid at chilled temperatures, liquid at warmed temperatures and a spreadable semi-solid consistency at room temperatures. |
| **Collateral** . . . . . . . . . . . . . . . . . . . . . . | (a) All of the issued Capital Stock in Midco held by the Issuer and (b) any present and future receivables under any material structural intercompany loan provided by the Issuer to Midco (which will include from on or about the Completion Date, any receivables owed to the Issuer by Midco under the Proceeds Loan). |
| **Completion Date** . . . . . . . . . . . . . . . . | The date on which the Acquisition is consummated. |
| **creams** . . . . . . . . . . . . . . . . . . . . . . . . | A food product category of fat-in-water emulsions which includes traditional dairy creams, dairy cream alternatives (which contain a small amount of dairy input, typically buttermilk, but whose fat content is mainly derived from vegetable oils) and dairy-free alternatives with no dairy content. |
| **DCA** . . . . . . . . . . . . . . . . . . . . . . . . . . . | Dairy cream alternative, a type of cream product. |
| **Deposit Account Charges** . . . . . . . . | Collectively, the Euro Notes Deposit Charge and the Dollar Notes Deposit Charge. |
| **Deposit Accounts** . . . . . . . . . . . . . . . | Collectively, the Euro Notes Deposit Account and the Dollar Notes Deposit Account. |
| **DM or Developed Markets** . . . . . . . . | The developed markets in which FFG operates, which include Europe, North America (the United States and Canada), Australia and New Zealand and Russia. |

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| **Dollar Notes** | The U.S. dollar denominated $525 million in aggregate principal amount of 7.875% senior notes due 2026 offered hereby. |
| **Dollar Notes Deposit Account** | The segregated bank account controlled by the Issuer into which the gross proceeds from the offering of the Dollar Notes will be deposited on the Issue Date pending the consummation of the Acquisition. |
| **Dollar Notes Deposit Charge** | The first ranking security interest, subject to the Agreed Security Principles, over the funds credited into the Dollar Notes Deposit Account. |
| **DTC** | The Depository Trust Company. |
| **EM or Emerging Markets** | The emerging markets in which FFG operates, comprising 16 countries in Latin America (including Mexico and Brazil), 16 countries in Africa and the Middle East (including Turkey and Kenya) and 9 countries in Asia (including Indonesia and Pakistan). |
| **EU** | The European Union. |
| **euro or €** | The single currency of the participating member states of the European Monetary Union. |
| **Euro Notes** | The euro denominated €685 million in aggregate principal amount of 5.750% senior notes due 2026 offered hereby. |
| **Euro Notes Deposit Account** | The segregated bank account controlled by the Issuer into which the gross proceeds from the offering of the Euro Notes will be deposited on the Issue Date pending the consummation of the Acquisition. |
| **Euro Notes Deposit Charge** | The first ranking security interest subject to the Agreed Security Principles, over the funds credited into the Euro Notes Deposit Account. |
| **Facility Agent** | Credit Suisse International, as facility agent under the Senior Credit Facilities Agreement. |
| **FFG, Flora Food Group, we, our, us** | Unilever's global baking, cooking and spreads business, excluding Southern African operations but together with other minor non-spreads elements of Unilever's "Foods" segment (primarily comprised of the industrial oils businesses in Mexico and Turkey and of the olive oil business in Greece). This includes the Issuer and its direct and indirect subsidiaries from time to time, upon consummation of the Acquisition, unless the context otherwise requires. |
| **Financial Statements** | The audited combined carve-out financial statements of FFG as at and for the years ended December 31, 2015, 2016 and 2017. |
| **foodservice channel** | A broad range of business operators who purchase food products as a business input, including social and commercial operators (typically restaurants, hotels, cafés, workplace canteens, educational canteens, health care institutions and elderly care institutions), artisanal and small-scale bakers and industrial operators (including for industrial baking, industrial deep frying and sandwich manufacturing). |

**Guarantees** .................... The senior subordinated guarantees of the Notes to be issued by the Guarantors.

**Guarantors** ..................... The Initial Guarantors and, upon execution and delivery of a supplemental indenture to the Indenture following the Acquisition, the Target Guarantors.

**IFRS** ........................... International Financial Reporting Standards as adopted by the European Union and as issued by the International Accounting Standards Board.

**Indenture** ...................... The indenture to be dated on or around the Issue Date by and among, *inter alios*, the Issuer, the Initial Guarantors and the Trustee governing the Notes offered hereby.

**Industry Data Providers** .......... Euromonitor International, Nielsen, Millward Brown, Kantar Worldpanel, BMI Research (a Fitch Group Company) and GlobalData Plc.

**Initial Guarantors** ............... Midco, U.S. Midco, Bidco and U.S. Bidco.

**Initial Purchasers** ............... Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, KKR Capital Markets Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., London Branch, Lloyds Bank plc, Mizuho International plc, Mizuho Securities USA LLC, RBC Capital Markets, LLC, RBC Europe Limited, Société Générale and UniCredit Bank AG.

**Intercreditor Agreement** ......... The intercreditor agreement originally entered into on January 24, 2018 by and among, *inter alios*, the Issuer as parent, the Facility Agent and the Security Agent and the other parties named therein, as amended, restated or otherwise modified or varied from time to time, as described more fully under "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

**Issue Date** ..................... On or about May 9, 2018.

**Issuer** ......................... Sigma Holdco B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands.

**KKR** ........................... Certain investment funds advised by Kohlberg Kravis Roberts & Co. L.P. or its affiliates.

**Liquids** ........................ An FFG product grouping consisting of liquid margarines (i.e. liquid water-in-oil emulsions used in certain cooking applications), vegetable cooking oils and the olive oil business in Greece.

**Longstop Date** .................. December 3, 2018.

**margarine** ...................... A butter-like spread consisting of a water-in-oil emulsion typically made with vegetable oils, water and protein, without the addition of butter, but which may contain other dairy ingredients.

**mélange** ....................... Synonymous with "spreadable butter."

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| **Midco** | Sigma Midco B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands. |
| **Moody's** | Moody's Investors Service, Inc. |
| **Notes** | Collectively, the Euro Notes and the Dollar Notes. |
| **Offer Letter** | The final, binding, irrevocable and fully financed offer letter issued by Bidco to Unilever N.V. and Unilever PLC on December 15, 2017, providing for the Acquisition. |
| **Offering** | The offering of the Notes hereby. |
| **Plant-Based Spreads** | An FFG product grouping consisting of margarine (as defined herein) and mélange (as defined herein) products. |
| **pounds sterling or £** | The lawful currency of the United Kingdom. |
| **Proceeds Loan** | The on-loan of the proceeds of the Notes by the Issuer to Midco pursuant to one or more proceeds loans upon release of such proceeds from the Deposit Accounts. |
| **Prospectus Directive** | EU Prospectus Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State of the European Economic Area that has implemented the Prospectus Directive. |
| **retail channel** | Trading outlets selling food products to consumers, primarily including (i) supermarkets and warehouse club chains ("modern trade") and (ii) independent stores and markets ("traditional trade"). |
| **Revolving Credit Facility** | Refers to the €700 million multicurrency revolving credit facility established under the Senior Credit Facilities Agreement. |
| **Security Agent** | Credit Suisse International, as Security Agent under the Intercreditor Agreement. |
| **Security Documents** | Agreements creating security interests over the Collateral for the benefit of the holders of the Notes, as described under "*Description of the Notes—Collateral.*" |
| **Senior Credit Facilities** | The Revolving Credit Facility and the Senior Term Facilities. |
| **Senior Term Facilities** | The senior term facilities established under the Senior Credit Facilities Agreement, as described more fully under "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Overview and Structure*." |
| **Senior Credit Facilities Agreement** | The senior facilities agreement originally entered into on January 24, 2018 between, *inter alios*, the Issuer as the company, the Facility Agent and the Security Agent, as amended, restated or otherwise modified or varied from time to time, as described more fully under "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement*." |

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| **Shareholder Contribution** | The contribution to the Issuer of shareholder funds (including by means of subordinated shareholder funding) of €1,926 million, on or about the Completion Date, as part of the Transactions. |
| **S&P** | Standard & Poor's Ratings Services. |
| **Special Mandatory Redemption Date** | Has the meaning ascribed to it under "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption*." |
| **spreadable butter** | A spreads product consisting of a mixture of butter and vegetable oils which allows for easy spreading at room temperature while providing a butter flavor profile. |
| **Target Guarantors** | To the extent legally possible and subject to the Agreed Security Principles and certain limitations, certain of the Issuer's direct and/or indirect subsidiaries that accede to the Senior Credit Facilities Agreement as additional guarantors under and as defined in the Senior Credit Facilities Agreement, as described more fully in the section titled "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement*." |
| **Transactions** | The (i) making of the Shareholder Contribution; (ii) issuance by the Issuer of the Notes offered hereby; (iii) entry by Bidco and U.S. Bidco into the Senior Credit Facilities Agreement (and the transactions contemplated therein) and the use of proceeds from borrowings thereunder; (iv) consummation of the transactions contemplated by the Offer Letter and the Acquisition Agreement; and (v) the payment of costs, fees and expenses in connection with the foregoing transactions, including the fees and expenses to be incurred in connection with this Offering. |
| **Trustee** | Deutsche Trustee Company Limited. |
| **TSAs** | Transitional service arrangements. |
| **Unilever** | Unilever PLC and Unilever N.V., and their subsidiaries. |
| **U.S. Bidco** | Sigma US Corp., a corporation incorporated under the laws of the State of Delaware. |
| **U.S. Midco** | Sigma US LLC, a limited liability company organized under the laws of the State of Delaware. |
| **U.S. dollar or $** | The lawful currency of the United States. |

## EXCHANGE RATE INFORMATION

The following tables set forth, for the periods indicated, the period end, period average, high and low Bloomberg Composite Rates expressed in U.S. dollar per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for a partial month, means the average of the daily Bloomberg Composite Rate during that month, or partial month, as the case may be.

The Bloomberg Composite Rate for U.S. dollars against the euro on April 24, 2018 was $1.2233 per €1.00.

| | High | Low | Average | Period end |
|---|---|---|---|---|
| | | (U.S. dollar per €1.00) | | |
| **Year** | | | | |
| 2013 | 1.3802 | 1.2780 | 1.3285 | 1.3743 |
| 2014 | 1.3934 | 1.2098 | 1.3284 | 1.2098 |
| 2015 | 1.2002 | 1.0496 | 1.1098 | 1.0862 |
| 2016 | 1.1534 | 1.0388 | 1.1070 | 1.0517 |
| 2017 | 1.2036 | 1.0405 | 1.1300 | 1.2005 |
| **Month** | | | | |
| October 2017 | 1.1859 | 1.1608 | 1.1754 | 1.1646 |
| November 2017 | 1.1933 | 1.1587 | 1.1744 | 1.1904 |
| December 2017 | 1.1937 | 1.1718 | 1.1802 | 1.1937 |
| January 2018 | 1.2387 | 1.1916 | 1.2141 | 1.2387 |
| February 2018 | 1.2510 | 1.2194 | 1.2344 | 1.2194 |
| March 2018 | 1.2444 | 1.2242 | 1.2336 | 1.2324 |
| April 2018 (through April 24, 2018) | 1.2380 | 1.2209 | 1.2310 | 1.2233 |

The rates in the foregoing table may differ from the actual rates used in the preparation of the combined carve-out Financial Statements and other financial information appearing in this Offering Memorandum. These exchange rates are provided solely for the convenience of potential investors.

The rates should not be construed as a representation that euro amounts could have been, or could be, converted into U.S. dollars at the rates set forth herein or at any other rate.

## SUMMARY

*This summary highlights information contained elsewhere in this Offering Memorandum. The summary below does not contain all the information that you should consider before investing in the Notes. You should read the entire Offering Memorandum carefully, including the combined carve-out Financial Statements and the notes thereto, before making an investment decision. See "Risk Factors" for factors that you should consider before investing in the Notes.*

### Overview

FFG is the world's leading producer of plant-based and other blended spreads, with leading market positions in both developed and emerging markets and products sold in over 69 countries. A historic part of Unilever, FFG will, through the Transactions, become a stand-alone leader in its industry, four times larger than its nearest global-branded competitor, boasting a global portfolio of iconic consumer brands, with seven of its key brands each generating at least €175 million in turnover in the year ended December 31, 2017. FFG has 17 manufacturing facilities located throughout the developed and emerging markets in which it operates, as well as world-class research and development capabilities that have put it at the forefront of the plant-based spreads industry.

FFG's principal product line is Plant-Based Spreads, which accounted for 83% of its turnover in the year ended December 31, 2017. This is complemented by its line of dairy cream alternatives, which represented 6% of turnover for the same period, Liquids products (including liquid margarine, vegetable cooking oils and olive oil), which represented 7% of turnover for the same period, and other products which represented 4% of turnover for the same period.

FFG is a market leader in North America and Western Europe and has a strong presence across emerging markets in Latin America, Africa, the Middle East and Asia with number one positions in 44 of its 69 markets. In each of these countries, FFG sells its products predominantly to retail outlets, including to many of the world's largest retailers and their chains of supermarkets, hypermarkets, convenience stores and e-commerce platforms, as well as to wholesalers. FFG also supplies the foodservice channel, including restaurants, hotels, workplace and educational canteens and healthcare facilities.

In the years ended December 31, 2015, 2016 and 2017, FFG had turnover of €3,294.9 million, €3,031.7 million and €2,904.9 million, respectively, net profit of €453.6 million, €422.5 million and €565.1 million, respectively, and Normalized EBITDA of €723.0 million, €686.3 million and €674.0 million, respectively. *Pro Forma* Normalized EBITDA was €819.8 million for the year ended December 31, 2017.

### Strengths

We believe that FFG benefits from the following key strengths:

***Number one player globally with a leading portfolio of iconic brands***

FFG has a strong portfolio of diversified, iconic brands that are well represented across both developed and emerging markets. In the year ended December 31, 2016, FFG had an approximately 32% share of the global margarine market and, within the global B&M category, was more than four times larger than the number two player. Across its core developed markets, FFG has very strong market positioning, with a share of the margarine segment greater than 50% in the U.S.A (59%), Germany (63%), the U.K. (57%) and the Netherlands (74%) in the year ended December 31, 2016, based on retail sales value. With a history of manufacturing and distributing category-leading products for nearly 150 years, FFG has an established global position with demonstrable brand recognition and customer loyalty.

FFG has seven brands with a turnover of at least €175 million. These brands are Becel (2017 turnover: €327 million), Rama (2017 turnover: €321 million), Blue Band (2017 turnover: €254 million), Country

Crock (2017 turnover: €242 million), Flora (2017 turnover: €208 million), I Can't Believe It's Not Butter! (2017 turnover: €197 million) and ProActiv (2017 turnover: €175 million). FFG's portfolio benefits from strong brand equity, enjoying an average aided brand awareness of approximately 89% (in 2016), according to Millward Brown, making them some of the most recognizable packaged food brands in their respective markets.

FFG's brand range targets specific and distinct sub-categories within the B&M segment, such as family nutrition, heart health, cholesterol lowering, taste, cooking & baking, and value. The comprehensive range offered means that FFG caters for specific consumption across all main use occasions (spreading, cooking and baking), formats (wrappers, tubs and liquids) and storing conditions (chilled, ambient and tropical ambient products).

The table below illustrates FFG's largest brands by share of 2017 turnover:

| Brand | Brand Turnover (€ millions) | % of FFG Turnover | # of Countries where Brand is Top 3 (1) | Key Country | % of Retail Margarine in Key Country (2) | Aided Brand Awareness in Key Country (3) |
|---|---|---|---|---|---|---|
| Becel | 326.8 | 11% | 13 | Netherlands | 25% | 90% |
| Rama | 321.4 | 11% | 13 | Germany | 22% | 89% |
| Blue Band | 253.9 | 9% | 6 | Indonesia | 60% | 97% |
| Country Crock | 241.5 | 8% | 2 | U.S.A. | 29% | 93% |
| Flora | 208.2 | 7% | 13 | U.K. | 22% | 91% |
| I can't believe it's not Butter! | 196.9 | 7% | 3 | U.S.A. | 19% | 91% |
| Flora ProActiv | 174.9 | 6% | Sold under Becel / Flora umbrella | U.K. | 10% | 79% |
| Lätta | 96.6 | 3% | 2 | Germany | 20% | 85% |
| Imperial | 87.9 | 3% | 1 | U.S.A. | 8% | 76% |
| Bertolli | 57.8 | 2% | 2 | U.K. | 9% | 74% |

(1) In the developed and emerging markets in which FFG operates. Source: As per Euromonitor International's 'Margarine and Spreads' category, Packaged Food 2018 edition, data extracted September 2017.
(2) As of 2016. Source: Nielsen. Based on retail sales value, excluding discounter channels.
(3) As of December 2016 to February 2017. Source: Millward Brown.

***Diversified across geographies with leading country shares in both developed markets and emerging markets***

FFG is present in 69 countries globally with a number one position in the B&M category in 44 of these countries, based on retail margarine volume ranking. These 44 markets represented 89% of FFG's turnover in 2016.

FFG is number one in 10 of its largest 11 countries by turnover. In its largest markets by turnover—U.S.A., Germany and the U.K.—FFG has an approximately 60% share in the margarine segment and was respectively three times, nine times and twice as large as the number two branded player in each such country in the year ended December 31, 2016, measured by retail sales value. Of these 11 markets, only in France was FFG the number two branded player in margarine, with a market share of 35% (one percentage point behind the number one player by market share) in the year ended December 31, 2016, based on retail sales value.

FFG generated €2,302.0 million of turnover from its developed markets in the year ended December 31, 2017, representing 79% of total sales. In developed markets, the business is present in 28 countries and number one in 22 of those countries, with key countries including the U.S.A., Germany, the U.K. and the Netherlands.

FFG also benefits from significant scale in emerging markets, with €602.9 million of turnover attributed to emerging markets in the year ended December 31, 2017, making it one of the largest emerging markets food businesses globally. Emerging market countries represented 21% of total sales for the year ended December 31, 2017, with the business present in 41 countries and number one in 24 of these, with key countries including Kenya, Mexico and Indonesia. FFG maintains a strong position across its growing emerging markets, as demonstrated by its share of the margarine segment in Kenya (90%), Indonesia (63%) and Mexico (69%) in the year ended December 31, 2016, based on retail sales value.

With its significant research and development capabilities supporting a comprehensive procurement, production and distribution chain, FFG is well placed to expand into new geographies and consolidate existing local market share. FFG is also well positioned to leverage its proprietary fast-blending technology to enter new markets with lower upfront capital expenditure.

***Strong and sustainable profitability and cash flow conversion***

FFG has a demonstrated track record of strong profitability, with net profit of €422.5 million in the year ended December 31, 2016 and €565.1 million in the year ended December 31, 2017. Normalized EBITDA margin was 22.6% in the year ended December 31, 2016 and 23.2% in the year ended December 31, 2017. Normalized EBITDA margin for the year ended December 31, 2017 was 23.6% in FFG's developed markets and 21.9% in its emerging markets, reflecting the strength of FFG's truly global business. *Pro Forma* Normalized EBITDA was €819.8 million for the year ended December 31, 2017.

FFG benefits from strong cash generation and generated a net cash flow from operating activities of €558.4 million in the year ended December 31, 2016 and €548.4 million in the year ended December 31, 2017, with an underlying free cash flow conversion ratio of 94.2% in the year ended December 31, 2016 and 99.8% in the year ended December 31, 2017. This compares favorably with peers and is supported by the following:

- Variable Cost Structure. Approximately 75% of FFG's cost base is variable, allowing for a sustainable gross margin. FFG has clear, consistent and well-established supply chain and hedging policies with respect to its major commodity inputs and foreign exchange exposures, which has allowed it to maintain strong levels of profitability after direct costs in changing cost environments.
- High profitability with separation upside. FFG has demonstrably high and sustained profitability, with an Normalized EBITDA margin of greater than 20% in each of the financial years ended December 31, 2015, 2016 and 2017, largely attributable to FFG's flexible cost

structure and recent track record of operational cost savings. We believe there is significant scope for further improvement, as described below under "*—Strategy—Realize significant cost savings opportunity.*"

- Well-invested manufacturing base and supply chain. FFG has a comprehensive manufacturing network with a well-invested supply chain and significant spare capacity, including in its emerging markets. This allows for increased sales volumes without incremental capital expenditure resulting in strong cash generation.
- Efficient working capital position. FFG's cash flow conversion is additionally supported by a favorable working capital position. A normalized negative working capital position is the result of effectively managed inventory, structurally low receivable days due to attractive payment terms on customer rebates, and attractive standard payment terms for FFG's key raw materials (primarily edible oils). With beneficial relationships with its core suppliers, FFG is able to leverage payment terms of up to 120 days to mitigate the risk that cash is underutilized within the business. This is compared with average inventory days of 25 and average receivable days from customers of 20, in each case for the year ended December 31, 2017.

***A well-invested global manufacturing network with significant spare capacity***

FFG's approach to maintaining leading facilities and its strong historic cash flow generation has enabled it to invest significantly in its global operations. FFG's ten developed market and seven emerging market facilities are fully invested, and have significant excess capacity, with unconstrained utilization of 49% on average in the year ended December 31, 2016. This well-invested asset base allowed for a low level of capital expenditure of 1.0% of turnover in the year ending December 31, 2017. Raw materials represented 45% of total supply chain costs and production costs represented 30% of total supply chain costs in the year ending December 31, 2017. In addition, in recent years, FFG has invested significant capital in two new facilities. FFG invested over €200 million in 2014 and 2015 into its U.S. supply chain infrastructure, in particular the development of the New Century plant in Kansas in the U.S.A., one of the biggest margarine facilities in the world. A new facility was also constructed in Nigeria during 2016 and 2017, enabling access to high-growth West African markets. Through these investments, FFG has also ensured it has the latest manufacturing innovations at its disposal, including utilization of its proprietary cool blending and fast blending technologies (as detailed further below).

***Efficient supply chain infrastructure***

FFG's market leading products benefit from its sophisticated procurement, production and distribution functions. FFG's procurement process focuses on a simple portfolio of materials (primarily various oils and blends) that it is able to source at competitive prices by leveraging its scale and flexibility. In the year ended December 31, 2017, approximately 68% of FFG's raw material costs were attributable to six materials and approximately 45% of material value was procured through suppliers for which FFG represented more than 75% of total Unilever spend.

FFG employs an asset-light distribution strategy, with most warehouses and all transport outsourced to third parties. This allows forward-looking and market-driven inventory management with an average of 25 inventory days in the year ended December 31, 2017. Distribution costs accounted for 10% of FFG's total supply chain costs in the year ending December 31, 2017. In addition, there is expected to be limited loss of distribution scale following the separation from Unilever, as over 81% of current distribution spend within the business is on infrastructure and providers dedicated to FFG's product range, given the lack of other chilled food categories within Unilever.

***Leading product knowledge and capability and proprietary processes***

FFG has a leading research and development platform which has benefitted from consistent investment throughout the cycle. Its strong capabilities allow FFG to turn technological breakthroughs into commercial successes in a short turnaround period. FFG continually enhances consumer experience by developing flavors in-house, leveraging in-depth know-how of melting behavior and flavor release and by mapping flavor preferences in key segments and geographies. In collaboration with governments and opinion formers, FFG has developed category leading products with nutritious and stable characteristics, such as the only spreads product containing Omega 3 and Omega 6 fatty acids that is stable in ambient tropical conditions (such as those in Africa and Southeast Asia) and products containing cholesterol-lowering ingredients. FFG has also partnered with local governments in its emerging markets to launch public healthy eating campaigns, capitalizing on the perception of margarine as a healthy and aspirational product in the region.

FFG also has a strong track record in process innovation. FFG has realized considerable cost benefits from recipe formulation and raw material optimization, underpinning its cost leadership. In particular, it has the ability to manage fluctuations in raw material costs while maintaining the optimal designed performance and a rapid and pro-active development process allowing quick roll out across all business units. FFG has been at the forefront of developing proprietary technologies and holds over 75 patents globally. In particular, FFG has developed several proprietary manufacturing processes, including cool blending, which has given FFG a means of producing low fat margarine without compromising taste and with clean-label capability, and fast blending, which provides lower production costs and fast capacity expansion for emerging markets by using smaller scale and easily transportable modular units.

FFG has developed a more agile research and development process, enabling turnaround of new products from initial concept to product in three to six months. With digital modelling techniques, FFG is able to predict the structure and melting properties of its spreads formulas, allowing acceleration in innovation and superior product performance.

With a focus on plant-based innovation, FFG has relaunched several of its core brands with a repositioning toward attractive and compelling value propositions: 100% plant-based offerings, premium butter flavored mélanges with enhanced dairy content, adjacent products under common branding and clean-label offerings. Notable successes have been achieved in FFG's developed markets in 2017 with the launch of innovative products, such as the Becel chocolate spread in the Netherlands and the "with butter" Rama range in Germany, which has had a significant impact on retail sales in the country. For example, the underlying sales growth or USG for the retail business in the year ended December 31, 2017 for Fruit d'Or tubs in France, Rama tubs in Poland, Becel tubs in the Nordics and Becel tubs in the Netherlands was +2.3%, +4.7%, +2.8% and +0.7%, respectively.

***Experienced management team, already delivering on transformational strategy***

FFG benefits from a management team with significant experience in the consumer packaged goods industry. The senior management team has been part of FFG's transition from a part of Unilever to a stand-alone business and has been heavily involved in developing and preparing for the execution of our business transformation plans. Management believes that it leads a strong organization with talented individuals that fosters a market-driven, entrepreneurial culture.

Key accomplishments of FFG's management team to date include: (i) delivery of underlying sales growth improvement in developed markets in 2017, and robust growth across FFG's emerging markets through strategy execution and a significant increase in the number and impact of on-trend innovations; (ii) strong, consistent profitability and cash generation across 2015-2017 through managing FFG's flexible cost structure and achieving significant cost savings; (iii) increased share of the margarine segment in key geographies; and (iv) reorganization of FFG into a more agile and consumer-centric business. Management's plans to take the business to its next phase of transformational development are very much under way, with demonstrable evidence of successful implementation of its strategy since the reorganization of the Developed Markets spreads business into the BCS entities in 2015. FFG's management team is also expected to be incentivized by a typical private equity incentive scheme tied to the overall performance of KKR's investment in the business.

KKR has also moved to reinforce the team in its new existence as a stand-alone company by announcing the appointment, effective as of closing of the Acquisition, of David Haines as Executive Chairman and Jesper Andersen as our new Chief Financial Officer. Mr Haines and Mr Andersen will bring experience and a track record of success in managing stand-alone businesses in the consumer sector. See *"Recent Developments—Executive Chairman, Chief Financial Officer and Management Transition."*

**Strategy**

FFG intends to capitalize on the foregoing strengths by implementing the following clear and compelling strategy:

***Accelerate clearly defined initiatives to stabilize Developed Markets***

The factors which have resulted in historical underperformance in FFG's developed markets have been clearly identified, relating partly to external factors that have impacted the performance of the overall margarine category and partly to internal constraints resulting from the business' historical ownership by Unilever.

External factors

External factors which have contributed to developed market underperformance include:

- a moderate reduction in consumption occasions (e.g. bread consumption) in some developed markets;
- consumer misconception around the healthiness of margarine relative to butter (in particular due to legacy concerns around partially hydrogenated vegetable oils, which have not been included in any of FFG's products since 2012); and
- a period of depressed European butter prices from the second half of 2014 through the first half of 2017 due to the removal of dairy quotas in Europe and the imposition of the Russian trade embargo on some European dairy products, resulting in a reduction in the differential between margarine and butter prices, which has since reversed by the end of 2017.

Internal factors

As part of Unilever, FFG was constrained in its ability to develop an independent growth strategy. The spreads category was not a core strategic priority for Unilever. As a result, until the internal reorganization of the Developed Markets spreads business into the BCS entities and the creation of the current dedicated management structure in 2015, the business had not been given sufficient management focus and was run primarily to maintain margin and generate cash flows to enable investment in other areas of Unilever's business. These internal constraints included:

- a limited response to changing consumer preferences toward naturalness and taste;
- a lack of response to category shifts and insufficient investment through marketing and new product launches; and
- absence of a dedicated sales function and category leadership, with a limited focus on the business as part of the ongoing dialogue with retailers despite Unilever's significant market shares in each of its core geographies, which resulted in lack of retailer engagement and investment in growing the category.

Since the internal reorganization of the Developed Markets spreads business into the BCS entities 2015, FFG's management have developed and commenced implementation of a comprehensive strategy to stabilize the developed markets business and support a return to moderate growth. This strategy is clearly centered on the importance of restoring the naturalness and health perception of FFG's key products, clearly defining the specific strategy for each brand, and improving the taste profile of FFG products. In order to deliver these initiatives, FFG intends to make a one-time brand and marketing investment of €175 million in total over the short to medium term.

In order to “revitalize the core” of its business, FFG management believes there are a number of key areas that can be readily addressed with increased focus and attention:

*Naturalness and Health*

Management intends to re-align the consumer perception of margarine on the grounds of relative health benefits to butter and the product’s overall naturalness. Margarine is fundamentally a natural, plant-based product, and this message will be at the core of FFG’s marketing campaign aiming to educate the public on margarine’s advantages over butter.

A key component of FFG’s strategy is to communicate more clearly the natural and healthy credentials of margarine to consumers, enabled by more effectively leveraging key influencers such as social media personalities and environmental and animal welfare groups to capture the growing plant-based nutrition trend and transitioning to clean labels on key product ranges. FFG plans to advance innovation focused on improving natural credentials in its core range and to redesign packaging of these products to increase naturalness cues, with the potential to move to paper wrap and biodegradable or transparent packaging that align more closely with the interests of modern consumers. Notably, five out of FFG’s six key products do not currently have a clean-label offering (Country Crock in the U.S.A. moved to clean label in 2015). This represents a significant opportunity for FFG to invest in ensuring that its core family focused product offering contains no artificial ingredients, thereby enhancing consumer perceptions of naturalness.

*Brand*

Management intends to focus on developing FFG’s brand portfolio to clarify the use occasion positioning and price architecture of its key brands. Management believes these measures will enable more effective targeting of key consumer groups looking for specific features from their products, such as plant-based nutrition or dairy-like taste, and clarity around use occasions, such as spreading, cooking or baking. For example, FFG has begun to reposition the Country Crock brand in the U.S.A. around the focused attributes of “plant-based” and naturalness through the introduction of a clean-label product recipe, as well as marketing and packaging initiatives that have demonstrated positive traction with consumers.

*Taste*

Under Unilever ownership, a strong focus on heart health imposed by internal corporate guidelines led to significant reductions in fat content, which impacted overall taste and “mouth-feel”. Going forward, FFG will refocus on taste through improving formulations, as well as selectively increasing fat levels in certain products. In this way, the taste profile of FFG’s Plant-Based Spreads will be improved without changing the overall ingredient composition and, through rollout of upgraded recipes and additional variants, FFG intends to target specific groups of consumers looking for different flavor profiles (for example, mélanges for butter consumers).

Management has started to implement this strategy in certain brands over the last 12-24 months with positive initial results. The Rama brand, for example, has undergone significant repositioning and product variation with a 100% plant-based core brand and the introduction of a distinct “with butter” range. Relaunched in December 2016, the brand has seen an underlying sales growth increase of 5.8% by the quarter ended December 31, 2017 when compared to the same period in 2016.

Based on these strategies for the developed markets, and with the aid of a dedicated and focused sales force, FFG, as the largest player, expects to both drive stabilization of the margarine category overall as well as win share from its key competitors.

***Continue to drive and enhance strong performance in emerging markets***

The following table demonstrates FFG's market share in the B&M market as compared to the next leading branded players in selected emerging markets:

| Country | FFG market share | #2 branded player market share | FFG relative share (expressed as a multiple) |
|---|---|---|---|
|  Kenya | 84% | 8% | 10.3x |
|  Mexico | 69% | 16% | 4.3x |
|  Indonesia | 60% | 21% | 2.9x |

Indonesia and Mexico as of and for the year ended December 31, 2016. (Kenya as of and for the twelve months ended August 31, 2016). Source: Company estimates based on Nielsen.

Emerging markets are a core part of FFG's strategy, where FFG is able to leverage its strong brand and superior technology to offer high value, healthy and nutritious products to families around the world. In addition, FFG is the only manufacturer offering high levels of nutritious fats, including a margarine product containing Omega 3 and Omega 6 fatty acids that is stable in tropical ambient conditions.

The growth in opportunity in emerging market countries is supported by the favorable macroeconomic trends of strong population growth and rising real household incomes. There is also a notable opportunity to drive consumption among consumers in these countries, with the average consumption of B&M products per capita in FFG's emerging markets being approximately one sixth of consumers in developed markets.

Demand drivers in emerging markets are fundamentally different than in developed markets, with breakfast and baking occasions, especially during the holiday periods, the primary consumption occasions in the emerging markets. Bread consumption is also increasing in selected FFG emerging markets, which typically has a positive impact on the demand for B&M products. This trend offers an opportunity for FFG to drive further penetration and create new consumption occasions to drive volumes. Further, price elasticity is higher in emerging markets than in developed markets, which further incentivizes consumers to choose margarine as an alternative to butter given its lower price. Importantly, consumer perception of margarine in emerging markets is also fundamentally different: customers typically see margarine as an aspirational product with strong taste and health attributes. In particular, Blue Band, the leading FFG brand across emerging markets, is seen as an aspirational product by consumers when compared to traditional cooking oils or private label spreads products. This gives an incentive for consumers to "trade up" to FFG products on the back of higher purchasing power due to strengthening macroeconomic conditions. The lack of chilled infrastructure also provides a notable advantage for margarine (over butter) as margarine can be formulated to remain stable at tropical ambient temperatures without refrigeration.

Management's strategy for enhancing growth in emerging markets is based on the following core drivers:

*Drive performance through operation as a standalone organization*

Operating as a standalone entity, FFG will be able to pursue opportunities that were not previously considered when integrated within the wider Unilever business and quickly exploit new opportunities by deploying the resources required. Management is focused on growing FFG's share and penetration in key emerging markets countries, which will be facilitated through operation as a standalone business.

*Focus on key health benefits in less-developed emerging markets countries*

Management intends to capitalize on the current perception of margarine in emerging markets as a healthy, aspirational product by leveraging local partnerships with public stakeholders. Notably, FFG recently launched a "Good Breakfast" program in partnership with governments in several African countries to encourage healthy eating initiatives, which has reached millions of Africans to date. Management believes that FFG can reproduce the same approach in other emerging markets countries going forward to encourage healthy eating and additional use occasions for FFG's natural product range.

*Drive distribution*

There are a number of opportunities related to distribution strategies in emerging markets that FFG can pursue in order to improve the effectiveness of its operations and allow for faster growth. As an independent organization, FFG will be able to establish new relationships and enter underpenetrated countries where management sees significant opportunities. FFG believes it will be able to drive distribution in this way at limited incremental cost, given the current average unconstrained utilization rate (49% in the year ended December 30, 2016) across its facilities, which will allow for significant scope to grow volumes. FFG recently invested in a new manufacturing plant in Nigeria which provides the potential for growth opportunities across West Africa, allowing for increased regional distribution in countries like Nigeria and Ghana.

Finally, beyond the geographies in which FFG is currently present, there are potential opportunities in emerging markets not included in management's current business plan, which represent a significant source of additional upside.

***Realize significant cost savings opportunity***

In addition to revenue improvement and stabilization initiatives, FFG's strategy also has a strong focus on delivering cost savings and unlocking margin improvement potential. KKR, management and third-party diligence providers have conducted a comprehensive and granular review of FFG's operating model. We believe that as a stand-alone business, FFG will be able to realize significant cost savings through the implementation of its business transformation strategy based on its track record of delivering efficiencies. Through this process, a number of cost efficiency levers have been clearly identified relating to the five following areas: (i) procurement; (ii) manufacturing; (iii) supply chain; (iv) brand, marketing and investment ("BMI") and (v) SG&A optimization. The Issuer estimates that these represent, in the aggregate, an annual run-rate cost savings of approximately €200 million, which the Issuer believes can be achieved over the medium term with the incurrence of approximately €45 million to €50 million of non-recurring restructuring and related costs. The five areas of cost optimization are outlined further below:

*Procurement and design to value*

Procurement within Unilever has been largely centralized and was outside of the control of FFG management, thereby providing significant scope to transition to best practices within the procurement function. The key raw materials (palm, rapeseed, soybean, sunflower and canola oils) are primarily sourced from six large suppliers with purchases covering requirements for the next 12 to 24 weeks. The current procurement policies lack focus on volume consolidation and strategic sourcing partnerships and do not fully exploit potential discount opportunities. Management believes that FFG's major suppliers are keen to secure volumes due to their relatively low margins and the large costs associated with having to scale production up or down and there is therefore a significant cost saving opportunity for FFG through volume bundling, entering into longer-term contracts and tendering competitively across major suppliers.

Packaging-related cost savings entail the application of design-to-value principles and best-practice procurement principles. Through design-to-value, FFG will be able to identify product features that consumers value most in order to optimize the cost structure while still addressing key demand drivers. Examples include simplifying the packaging of key products (s.a. moving away from aluminum foil to lighter materials and reducing the lid thickness), which would enable FFG to save costs without impacting customer perception and product appeal. Separately, FFG intends to adopt best-practice procurement principles via entering into competitive tender processes and global consolidation with scaled suppliers in order to optimize packaging input costs.

We believe that the largest cost efficiency opportunity of the five identified above will be in procurement.

*Manufacturing cost optimization*

Post carve-out cost efficiencies are anticipated across the manufacturing network. On a carve-out basis, FFG operated in Europe with an average unconstrained utilization rate of 49% in the year ended December 31, 2016, with production costs varying significantly throughout the European manufacturing base from €76/ton to €270/ton. Other identified areas for manufacturing-related cost savings include (i) enhanced planning and staffing especially since multiple machines are running at low capacity, (ii) technology upgrades and use of more energy-efficient machinery/processes, (iii) launch of preventive maintenance programs and (iv) reduction of scrap and waste levels.

We believe that the second largest cost efficiency opportunity of the five identified above will be in manufacturing.

*Supply chain cost optimization*

Following the Acquisition, FFG's European distribution network will comprise 18 distribution centers. FFG currently serves almost every European country from local warehouses with limited cross-border or direct shipments to customers. As a result, we believe that there are significant distribution structure overlaps/duplications in certain countries. Separately, management believes that the supply chain costs could be further optimized via competitive tendering of transport lanes, re-designing routes based on FFG's streamlined distribution network and increasing the share of direct shipments to customers.

*BMI optimization*

FFG's BMI spend for the financial year ended December 31, 2017 was 7.3% of revenue, above the range among peers in the wider consumer sector of between 2.3% to 5.8%. Within Unilever, current BMI spend is generally split across countries by their respective share of FFG's total revenue, and essentially supports the entire portfolio of brands.

The Issuer and its third-party commercial advisers have reviewed current spend practices in BMI on a bottom-up basis and identified opportunities to optimize marketing spend practices. We intend to reduce BMI spend as a percent of turnover through several key initiatives, including: (i) reallocation of budget to more effective marketing channels including digital, (ii) better execution across all channels by exploring tactical media planning levers and (iii) optimization of spend through working with more agile, smaller agencies. In order to deliver these initiatives, we intend to make an incremental one-time brand and marketing investment of up to €175 million in total, over the short to medium term.

*SG&A optimization*

KKR has performed a top down benchmarking exercise of SG&A overhead costs (which excludes BMI), which accounted for 10.9% of our revenue in 2017, and a bottom-up review of organizational design. As part of the Acquisition, FFG will set up central standalone operations for Finance, IT, Marketing, HR, Procurement and Legal functions. This exercise would entail hiring in excess of 500 staff across key support functions. Levers to optimize the cost structure include (i) right-sizing G&A support organization to peer efficiency benchmark level, (ii) strengthening of Customer Development during transition and optimizing to peer efficiency level and (iii) streamlining of research and development portfolio and local organization, including focusing on key cross-country innovation and adding skills such as value packaging engineering.

***Exploit positive trends in Foodservice***

While FFG is a key player in the global retail channel with an approximately 32% share of the global margarine & spreads category, FFG has a limited presence in the foodservice channel, as pursuing this route-to-market channel was not previously a key focus under Unilever ownership. Operating as a standalone business, FFG is well positioned to take advantage of the significant growth opportunities in the global foodservice channel. Foodservice has grown faster than retail due to two main reasons. The first is the shift towards out-of-house eating within developed markets; "eating out" grew at a compound annual growth rate of 3% per annum between 2014 and 2016. The second is the structurally lower exposure to changing consumer factors – consumer perceptions regarding the "naturalness" of margarine have less of an impact on the purchasing decisions made by foodservice operators. As typical use cases for margarine in foodservice relate to cooking and baking, where the presence of margarine in the final product is not apparent, factors such as declining use occasions for spreading due to declining bread consumption, misinformed perception of margarine's health benefits and taste issues have not impacted the foodservice channel, which has shown its resilience. There is significant potential for FFG to increase its presence within the foodservice channel, using its retail platform to fast-track its expansion into this segment.

FFG currently participates only in the social and commercial channel within the foodservice channel (e.g. hotels, restaurants and institutional canteens) which is primarily a branded sub-category that accounted for approximately 34% of the non-retail B&M category globally in 2016. The unbranded artisanal and industrial channels, which together represented approximately 65% of the total non-retail category globally in 2016, provide a significant and under-explored opportunity. Management believes there is a significant opportunity to expand penetration of the foodservice channel through FFG's existing business infrastructure. The capacity available across FFG's current manufacturing and supply chain network will enable FFG to complement its retail footprint with an expanded foodservice offering, particularly by concentrating on direct sales to the largest end users and by pursuing relationships with selected wholesalers that have a foodservice focus. The demonstrable functional and cost benefits of FFG's products, including DCA's longer shelf life and value compared with dairy products, and ability to withstand high temperatures and acidity levels without splitting, as well as FFG's ability to produce allergen-free products and the products' favorable cost comparison to butter, position the business strongly to take advantage of this growing channel.

***Leverage iconic brand portfolio, expertise and market position to expand into growing adjacent categories***

Diet and health issues are at the forefront of the global packaged foods industry. In recent years, consumers have become increasingly conscious of what they eat, conditions such as gluten and dairy intolerance have become more widely recognized and more people are following "flexitarian", vegetarian and vegan diets. There is an increasingly strong awareness of the benefits of plant-based diets, which FFG is well placed to exploit.

Leveraging its product expertise, research and development capability and manufacturing capacity to further expand into plant-based products and adjacent categories is a key component of FFG's strategy. FFG plans to build on the "free-from" diet and health trend by extending its strongest brands into dairy-free milk and yogurt alternatives. Further expansion into alternative and sweet spread adjacencies (including chocolate spreads), as well as plant-based dips, to appeal to higher income and health-conscious millennial demographics, also forms a central part of FFG's strategy and is supported by underlying consumer consciousness of the benefits of a plant-based diet. FFG also intends to accelerate the DCA offering, particularly in Central and Eastern Europe, emphasizing the advantages of these products over traditional dairy cream, including longer shelf life, lower cost of production, resistance to curdling, greater stability in whipping, the potential to be allergen free, as well as other health benefits. In addition to the expansion of FFG's current ranges, there are opportunities in high fat variants, ambient products and vegan products.

Target countries for adjacencies are large, growing and profitable with an easy-to-penetrate competitive landscape and positive consumer and retailer trends. A good example is non-dairy milk, which has been growing at around 11% per annum between 2014 and 2017 and is expected to continue growing at a strong pace due to underlying positive demand dynamics (consumers increasingly viewing non-dairy as a more "mainstream" proposition). Chilled dips and other adjacent categories have demonstrated similar strong growth potential. Due to its research and development capabilities, FFG is well positioned to take advantage of consumer appetite for alternative products in the packaged food and non-dairy space.

To tap into the adjacencies segments, FFG will both leverage its existing brand portfolio and develop new brands. For example, Flora Pro Activ is already seen as a functional health-focused brand, which offers significant brand expansion opportunities—the brand is already present in the Netherlands in the non-dairy yogurt adjacent category, hence this provides a platform for growth. Other brands such as Brummel and Brown are active in products based on dairy yogurt, hence expanding into non-dairy yogurts, creams and drinks would also be achievable.

**Recent Developments**

***Current Trading***

FFG reported on a preliminary basis that its turnover for the three months ended March 31, 2018 was €691.2 million (this includes turnover in Portugal of €11.6 million), which is 6.0% or €44.3 million lower than FFG's turnover of €735.4 million for the three months ended March 31, 2017. This was primarily driven by foreign exchange effects. Adjusted for constant currency, USG year on year performance was -0.3% which shows the continuing positive momentum of the business. Developed Markets USG of -0.7% was partially offset by Emerging Markets USG of +1.3%. Normalized EBITDA was €165.3 million, which was €3.0 million, or 1.8%, lower than FFG's Normalized EBITDA of €168.3 million for the three months ended March 31, 2017. Savings in Branding and Marketing Investment and other overhead costs contributed to increase FFG's Normalized EBITDA Margin for the three months ended March 31, 2018 by 102 basis points to 23.9% from 22.9% for the three months ended March 31, 2017.

This information is based solely on preliminary internal information used by management and is based on assumptions that are subject to inherent uncertainties. Our actual consolidated financial results for the three months ended March 31, 2018 may differ from our preliminary calculated results and remain subject to our normal review process, including the adjustments required to present this accounting information in accordance with IFRS. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the three months ended March 31, 2018.

***Executive Chairman, Chief Financial Officer and Management Transition***

On April 11, 2018, KKR announced that it intends to appoint David Haines as Executive Chairman of the Global Spreads Business, subject to and effective from the successful completion of the Acquisition.

Mr Haines was previously Chairman and CEO of Grohe Group, and subsequently CEO of Lixil Water Technology Group. At Grohe, Mr. Haines led the complete transformation of the business over a 10 year period. He joined Grohe from Vodafone, where he served as the company's first Global Marketing Director, building Vodafone into a successful, top ten global brand within three years and across multiple markets. Prior to this Mr. Haines was Deputy Division President of The Coca Cola Company in Germany, and for 10 years a General Manager for Mars across different European markets. He began his career in Germany at Lever Sunlicht, and holds a first class Honours degree from the University of Greenwich in London.

We have also agreed with Jesper Andersen to take over the role of Chief Financial Officer upon completion of the Acquisition. Mr. Andersen is currently the Chief Financial Officer of Beiersdorf AG, the maker of Nivea and other skin care products. Prior to joining Beiersdorf, Mr. Andersen held a number of roles including more than two decades of consumer experience at Colgate-Palmolive in a number of roles in Europe, Asia and North America. Mr. Andersen holds a Masters Degree in Economics and Business Administration from Aarhus school of Business in Denmark. We intend that our current group CFO, Javier Tena, will continue with FFG in a senior finance role working with Mr. Andersen, although this has not yet been finalized.

Separately, Nicolas Liabeuf, the Chief Executive Officer of FFG, has informed us that he intends to step down as CEO upon completion of the Acquisition. It is anticipated that Mr Liabeuf will assist

Mr Haines in assuming leadership of FFG, and remain available for a period of several months after completion of the Acquisition to assist in a smooth transition.

Javier Huerta, our Chief Supply Officer, has notified us of his resignation from this role, and we intend to commence a search for a suitably qualified replacement.

**The Issuer**

The Issuer is a private company with limited liability incorporated under the laws of the Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) on December 12, 2017, for the purpose of facilitating the Acquisition and facilitating the financing of the Acquisition (as well as subsequent financings), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its office at Overschiestraat 61-5 hoog, 1062 XD Amsterdam, the Netherlands. The Issuer is registered with the Dutch Trade Register of the Chamber of Commerce under number the number 70282900.

**The Acquisition**

On December 15, 2017, Bidco, an indirect subsidiary of the Issuer, issued a final, binding, irrevocable and fully financed offer letter (the "Offer Letter") to Unilever providing for the acquisition (the "Acquisition") of all of the issued and outstanding share capital of the entities comprising FFG and the acquisition of certain assets (and the assumption of related liabilities) associated with FFG's business, for a total consideration of €6,825 million on a cash-free, debt-free basis, subject to customary completion accounts adjustments and payments in respect of cash-balances, intra-group financing receivables, third-party indebtedness, intra-group financing payables and working capital. The Offer Letter cannot be withdrawn by Bidco and remains open for acceptance until the earlier of: (i) five business days after completion of certain works council consultation processes; and (ii) June 15, 2018, which is the estimated date for completion of these works council consultations (unless otherwise agreed by the parties). The Offer Letter may be extended by written agreement of the parties thereto for up to three additional months to provide extra time to complete the works council consultation processes. Once the offer has been accepted by Unilever, the parties will then execute the Acquisition Agreement.

The Acquisition is subject to customary closing conditions. Depending on the timing of the satisfaction of the conditions precedent to closing (including regulatory approvals and works council approvals), we expect to complete the Acquisition in the third quarter of 2018. The terms of the Acquisition Agreement do not provide for completion of the Acquisition any earlier than July 2, 2018.

The total Acquisition consideration, including the purchase price paid for the Acquisition as well as certain related costs, fees and expenses, will be financed on the Completion Date using:

- the Shareholder Contribution, in an amount of €1,926 million;
- borrowings under the Senior Term Facilities, in an aggregate principal amount of €3,954 million (or its currency equivalent);
- the gross proceeds of this offering of the Notes.

We have also agreed to pay Unilever in cash on or after the Completion Date an amount to settle FFG's working capital position, and we expect to finance this payment with temporary drawings under the Revolving Credit Facility. We do not currently have a precise figure for this payment, but we estimate it to be in the range of €350 million to €450 million. This payment arises because we have agreed to leave behind in Unilever (i) receivables associated with sales of FFG's products prior to the Completion Date and (ii) payables associated with raw materials received by FFG prior to the Completion Date, and have therefore agreed to pay Unilever an amount representing the average net negative working capital position of FFG, as adjusted for the value of any inventories of raw materials and finished products conveyed with the business on the Completion Date. These arrangements are subject to change prior to the Completion Date. We expect our net working capital position to return to a net negative position and largely normalize within 120 days after such payment is made (and we expect to repay the Revolving Credit Facility drawing as our working capital position normalizes).

This Offering Memorandum contains certain forecasts and estimates, among others, relating to cost reductions and other benefits expected to result from the separation from Unilever as well as information with respect to costs to implement the Acquisition and separation. The estimates presented in this Offering Memorandum are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. The assumptions used in estimating the synergies arising from the Acquisition and separation from Unilever are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those presented in this Offering Memorandum. See "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

### The Transactions

The Transactions consist of the following:

- the making of the Shareholder Contribution;
- the issuance by the Issuer of the Notes offered hereby;
- the entry into the Senior Credit Facilities Agreement (and the transactions contemplated therein) and the use of proceeds from the borrowings thereunder;
- the consummation of the transactions contemplated by the Offer Letter and the Acquisition Agreement; and
- the payment of costs, fees and expenses in connection with the foregoing transactions, including the fees and expenses to be incurred in connection with the Offering.

For descriptions of FFG's anticipated indebtedness following the Transactions, see "*Description of Certain Financing Arrangements*" and "*Capitalization*".

Concurrently with the closing of the Offering on the Issue Date, the Issuer will deposit the gross proceeds of the Offering into the Deposit Accounts to hold such amounts pending the consummation of the Acquisition. On or about the Issue Date, the Issuer will assign as security its rights, title and interest in the credit balance in each of the Deposit Accounts to the Trustee. The release of the funds credited to the Deposit Accounts and the consummation of the Acquisition will be subject to the satisfaction of certain conditions. In the event that (i) the Completion Date does not take place on or prior to the Longstop Date, (ii) in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to the Longstop Date, (iii) the Offer Letter or, if executed, the Acquisition Agreement, terminates at any time on or prior to the Longstop Date, or (iv) upon the occurrence of certain other events, the Issuer will redeem the Notes at a price equal to 100% of the initial issue price of such Notes, plus accrued but unpaid interest and additional amounts, if any, from the Issue Date to (but not including) the Special Mandatory 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). See "*Use of Proceeds,*" "*Capitalization*," "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Offering—The proceeds of the offering of the Notes will be placed in deposit account and if the Deposit Accounts release conditions are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. No third party escrow agent shall control the Deposit Accounts*."

Intra-group transactions effects or the effects of purchase price accounting from the Acquisition have not been reflected in the financial data presented in this Offering Memorandum.

### Principal shareholder

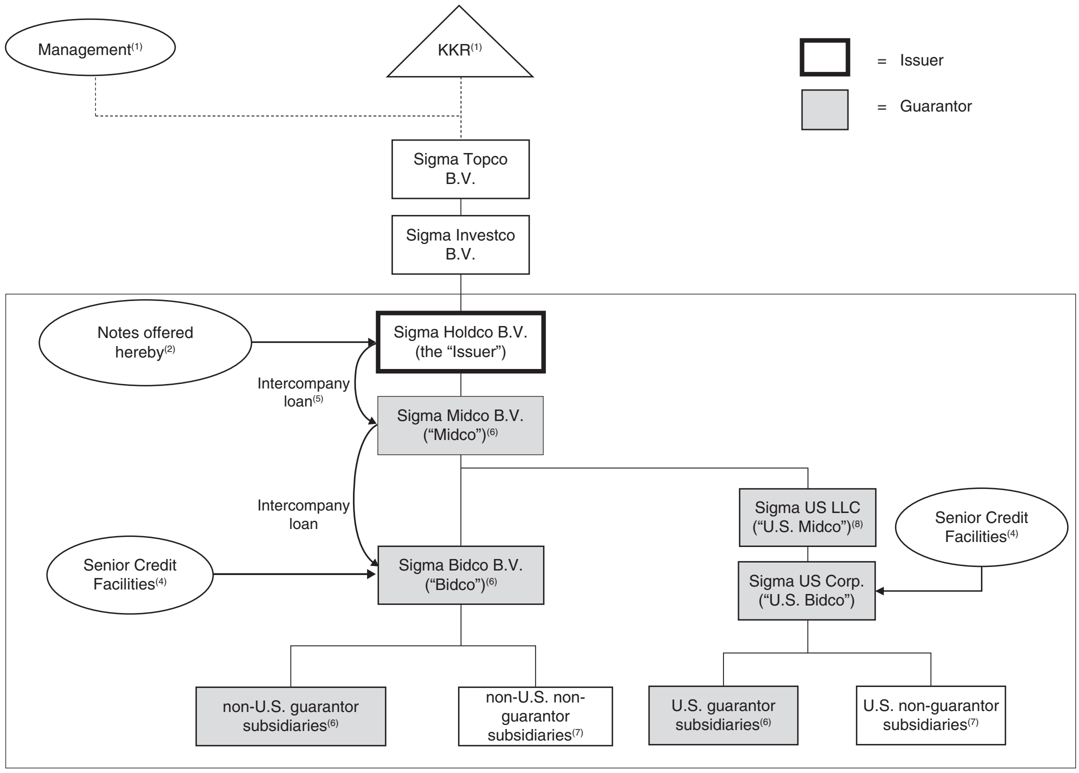
Entities advised by affiliates of Kohlberg Kravis Roberts & Co. L.P. indirectly hold 100% of the shareholding of the Issuer and control the Issuer. Following the Acquisition, FFG will be owned by a wholly owned subsidiary of the Issuer.

Kohlberg Kravis Roberts & Co. L.P. is a leading global investment firm with a long history of investing in Europe. Founded in 1976 and led by Henry Kravis and George Roberts, it had $168 billion in assets under management as of December 31, 2017. With offices around the world, Kohlberg Kravis

Roberts & Co. L.P. manages assets through a variety of investment funds and accounts covering multiple asset classes. Kohlberg Kravis Roberts & Co. L.P. seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. It complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. Kohlberg Kravis Roberts & Co. L.P. has in depth experience in the consumer industry, with a strong track record demonstrated through its current and former investments including Oriental Brewery Company, The Hut Company, Pets at Home, Afri Flora, US Foods, Dollar General, Del Monte Foods, Sundrop Farms and Travelopedia. Kohlberg Kravis Roberts & Co. L.P. has also demonstrated its experience in complex carve-out processes, including through its successful acquisition of Hensoldt from Airbus Defence & Space in 2016.

## SUMMARY CORPORATE AND FINANCING STRUCTURE

*The diagram below summarizes the Issuer's corporate and financing structure on a pro forma basis to reflect the Transactions. For a summary of the material financing arrangements identified in this diagram, please refer to the sections captioned* "Description of Certain Financing Arrangements" *and* "Description of the Notes." *All company ownership is 100% unless otherwise indicated.*




(1) Entities advised by affiliates of Kohlberg Kravis Roberts & Co. L.P. indirectly hold 100% of the shareholding of the Issuer, with management expected to invest through a management participation plan (see "*Management—Director and Executive Officer Compensation*"). The Issuer is indirectly controlled by KKR.

(2) Comprises $525,000,000 aggregate principal amount of 7.875% Senior Notes due 2026 and €685,000,000 aggregate principal amount of 5.750% Senior Notes due 2026. The Notes will be senior obligations of the Issuer and will rank *pari passu* in right of payment with all other existing and future senior debt of the Issuer. We intend to use the gross proceeds of the Offering, together with the borrowings under the Senior Credit Facilities and the Shareholder Contribution, to (i) finance the Acquisition and (ii) pay costs, expenses and fees in connection with the Transactions. See "*Use of Proceeds*." Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will deposit the gross proceeds of the Offering into the Deposit Accounts, which are segregated and controlled by the Issuer to hold such amounts pending the consummation of the Acquisition. On or about the Issue Date, the Issuer will assign as security its rights, title and interest in the credit balance in each of the Deposit Accounts to the Trustee. See *"Risk Factors—Risks Related to the Offering—The proceeds of the offering of the Notes will be placed in deposit accounts and if the Deposit Release Conditions are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. No third party escrow agent shall control the Deposit Accounts.*"

(3) The entities in the Restricted Group are subject to the covenants in the Indenture and the covenants in the Senior Facilities Agreement. Immediately after the consummation of the Transactions, all of the Issuer's subsidiaries will be restricted subsidiaries.

(4) The Senior Credit Facilities comprise (a) the Senior Term Facilities, consisting of (i) a euro tranche in aggregate principal amount of €2,000 million; (ii) a U.S. dollar tranche in aggregate principal amount of $875 million; (iii) a Polish złoty tranche in aggregate principal amount of €475 million (equivalent); and (iv) a pound sterling tranche in aggregate principal amount of £445 million; plus €300 million (equivalent), each of which we expect will be drawn on or about the consummation of the Acquisition, and (b) the Revolving Credit Facility providing for revolving commitments of €700 million. As of the date of this Offering Memorandum, the Revolving Credit Facility is undrawn, and the Revolving Credit Facility may only be drawn after a drawdown of the Senior Term Facilities has occurred. On or about the Completion Date, we expect to draw an amount under the Revolving Credit Facility for a working capital reimbursement to Unilever. We do not currently have a figure for this payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date. We expect to repay this as our working capital position normalizes. See "*Use of Proceeds*," "*Risk Factors—Risks Related to FFG's Separation from Unilever—Following the separation, we will experience a temporary increase in our working capital needs*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." For a description of the terms of the Senior Credit Facilities Agreement, see "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement.*"

(5) A Proceeds Loan in respect of the proceeds of the Notes will be made by the Issuer to Midco following the release of such proceeds from the Deposit Accounts. The proceeds of the Proceeds Loan are expected to be used to finance a portion of the Acquisition and certain expenses relating to the Transactions, including the Offering, as set forth under "*Use of Proceeds*." The Issuer's rights under the Proceeds Loan will be pledged in favor of the Security Agent and will comprise part of the Collateral. See "*Description of the Notes—Security*."

(6) The Notes will be guaranteed on a senior subordinated basis by the Initial Guarantors and, assuming the Completion Date occurs on or prior to the Longstop Date, to the extent legally possible and subject to the Agreed Security Principles, as soon as reasonably practicable by the Target Guarantors after the Completion Date but in any case no later than 120 days from the Completion Date. The validity and enforceability of the Guarantees and the liability of each Guarantor will be subject to certain contractual and legal limitations, including the limitations described in "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations*." The Guarantees may be released under certain circumstances. See "*Description of the Notes—Guarantees*." As of and for the year ended December 31, 2017, FFG's business in the Target Guarantor markets accounted for 43% of FFG's turnover, 46% of FFG's Normalized EBITDA and 47% of FFG's consolidated total assets, excluding goodwill, intangible assets, investments, deferred taxes and inter-company assets. Only certain subsidiaries organized or incorporated in the Netherlands, Germany, New York, Delaware and England will guarantee the obligations under the Notes. The Notes will be guaranteed by each of the entities that will guarantee the Senior Credit Facilities Agreement, and under the terms of the Indenture will indirectly benefit from the minimum guarantor provisions set forth in the Senior Credit Facilities Agreement, as amended or restated from time to time. See *"Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Guarantees."* On or about the Issue Date, to the extent legally possible and subject to the Agreed Security Principles, the security granted by the Issuer in favor of the Security Agent over (a) all of the issued Capital Stock in Midco held by the Issuer and (b) any present and future receivables under any material structural intercompany loan provided by the Issuer to Midco (which will include on or about the Completion Date, any receivables owed to the Issuer by Midco under the Proceeds Loan) will extend to secure the Notes on the basis and priority set out in the Intercreditor Agreement. The security interests over the Collateral may be released under certain circumstances. See "*Description of the Notes—Security—Release of Liens*." The Guarantees and security interests will be subject to the terms of the Intercreditor Agreement. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees will be subordinated to our existing and future senior debt and the Notes are subject to restrictions on payment and enforcement,*" "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

(7) As of December 31, 2017, after giving effect to the Transactions, the Issuer's subsidiaries that will not guarantee the Notes would have had an immaterial amount of third-party financial indebtedness.

(8) As of the Issue Date, U.S. Midco will be owned by the Issuer. However, as soon as reasonably practicable after the Completion Date, we expect to make U.S. Midco a wholly owned subsidiary of Midco.

## THE OFFERING

*The summary below describes the principal terms of the Notes, the Guarantees, the Intercreditor Agreement and the Security Documents. It is not intended to be complete and certain of the terms and conditions described below are subject to important exceptions. You should carefully review the "Description of the Notes" and "Description of Certain Financing Arrangements—Intercreditor Agreement" sections of this Offering Memorandum for more detailed descriptions of the terms and conditions of the Notes and the Intercreditor Agreement.*

**Issuer** . . . . . . . . . . . . . . . . . . . . . . . . . Sigma Holdco B.V.

**Notes Offered** . . . . . . . . . . . . . . . . . . $525 million aggregate principal amount of 7.875% Senior Notes due 2026 (the "Dollar Notes"); and

€685 million aggregate principal amount of 5.750% Senior Notes due 2026 (the "Euro Notes" and, together with the Dollar Notes, the "Notes").

**Issue Date** . . . . . . . . . . . . . . . . . . . . May 9, 2018 (the "Issue Date").

**Issue Price**

Dollar Notes . . . . . . . . . . . . . . . . . . . . 100.00% plus accrued interest, if any, from the Issue Date.

Euro Notes . . . . . . . . . . . . . . . . . . . . . 100.00% plus accrued interest, if any, from the Issue Date.

**Maturity Date** . . . . . . . . . . . . . . . . . . . May 15, 2026.

**Interest Payment Dates** . . . . . . . . . . Interest on the Notes will be payable semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2018. Interest on the Notes will accrue from the Issue Date.

**Denomination**

Dollar Notes . . . . . . . . . . . . . . . . . . . . The Dollar Notes will have a minimum denomination of $200,000 and any integral multiple of $1,000 in excess thereof.

Euro Notes . . . . . . . . . . . . . . . . . . . . . The Euro Notes will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.

**Ranking of the Notes** . . . . . . . . . . . The Notes will:

- be senior obligations of the Issuer, secured as set forth below under "*—Security;*"
- rank *pari passu* in right of payment all of the Issuer's existing and future senior indebtedness;
- rank senior in right of payment to all existing and future indebtedness of the Issuer that are expressly subordinated to the Notes;
- be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes on an equal basis, to the extent of the value of the property of assets securing such indebtedness, including the guarantees given by the Issuer in favor of the Senior Credit Facilities Agreement and certain hedging obligations; and

- be effectively subordinated to any existing and future indebtedness of subsidiaries of the Issuer that do not guarantee the Notes.

The Notes will be subject to the terms of the Intercreditor Agreement, including, subject to certain exceptions, payment blockage upon a senior default and certain limitations on enforcement actions with respect to the Issuer. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees will be subordinated to our existing and future senior debt and the Notes are subject to restrictions on payment and enforcement*", "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations*".

**Guarantors** . . . . . . . . . . . . . . . . . . . . To the extent legally possible and subject to the Agreed Security Principles, the Notes will be guaranteed by the Guarantors, initially consisting of Midco, U.S. Midco, Bidco and U.S. Bidco and, assuming the Completion Date occurs on or prior to the Longstop Date, by certain additional direct and indirect subsidiaries of the Issuer that guarantee the Senior Credit Facilities as soon as reasonably practicable after the Completion Date but in any case no later than 120 days from the Completion Date.

As of and for the year ended December 31, 2017, FFG's business in the Target Guarantor markets accounted for 43% of FFG's turnover, 46% of FFG's Normalized EBITDA and 47% of FFG's consolidated total assets, excluding goodwill, intangible assets, investments, deferred taxes and inter-company assets.

The Guarantees will be subject to certain contractual and legal limitations, and may be released without the consent of holders of the Notes under certain circumstances. See "*Description of the Notes—Guarantees" and "Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations."*

The Notes will be guaranteed by each of the entities that will guarantee the Senior Credit Facilities Agreement, and under the terms of the Indenture will indirectly benefit from the minimum guarantor provisions set forth in the Senior Credit Facilities Agreement, as amended or restated from time to time. See "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Guarantees."*

As at December 31, 2017, after giving effect to the issue and sale of the Notes and the application of the proceeds thereof as described under "*Use of Proceeds,*" on a consolidated basis, the Non-Guarantors would have had less than €9 million indebtedness outstanding.

**Ranking of the Guarantees** . . . . . . . The Guarantee of each Guarantor will:

- be a senior subordinated obligation of that Guarantor;
- be subordinated in right of payment to all of the Guarantors' existing and future senior indebtedness, including any

indebtedness under or in respect of the Senior Credit Facilities Agreement and certain hedging obligations;

- rank *pari passu* in right of payment with any existing and future senior subordinated indebtedness of that Guarantor;
- rank senior in right of payment to any existing and future obligations of that Guarantor that are expressly subordinated to such Guarantee;
- be effectively subordinated to any existing and future indebtedness of that Guarantor that is secured by liens senior to the liens securing that Guarantor's Guarantee or secured with property or assets that do not secure that Guarantor's Guarantee, including indebtedness under the Senior Credit Facilities Agreement, to the extent of the value of the property and assets securing such indebtedness;
- be structurally subordinated to any existing and future indebtedness, including obligations to trade creditors of subsidiaries of such Guarantor that are not Guarantors; and
- be subject to the guarantee limitations described herein and under "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*."

The Guarantees will be subject to the terms of the Intercreditor Agreement, including payment blockage upon a senior default and standstills on enforcement. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Guarantees will be subordinated to our existing and future senior debt and the Notes are subject to restrictions on payment and enforcement,*" and "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

**Security** . . . . . . . . . . . . . . . . . . . . . . Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will deposit the gross proceeds from the offering of the Euro Notes into the Euro Notes Deposit Account, and the gross proceeds from the offering of the Dollar Notes into the Dollar Notes Deposit Account, each of which shall be segregated and controlled by the Issuer, to hold such amounts pending the consummation of the Acquisition. On or about the Issue Date, the Issuer will assign as security its rights, title and interest in the credit balance in each of the Deposit Accounts to the Trustee. See *"Risk Factors—Risks Related to the Offering—The proceeds of the offering of the Notes will be placed in deposit accounts and if the Deposit Release Conditions are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. No third party escrow agent shall control the Deposit Accounts.*"

On or about the Issue Date, to the extent legally possible and subject to the Agreed Security Principles, the security granted by the Issuer in favor of the Security Agent over (a) all of the issued Capital Stock in Midco held by the Issuer and (b) any present and future receivables under any material structural intercompany loan provided by the Issuer to Midco (which will include from on or about the Completion Date, any receivables owed to the Issuer by Midco under the Proceeds Loan) will extend to secure the Notes on the basis and priority set out in the Intercreditor Agreement.

The security interests over the Collateral may be released under certain circumstances. See "*Description of the Notes—Security—Release of Liens.*"

**Additional Amounts** . . . . . . . . . . . . Any payments made by the Issuer or any Guarantor with respect to the Notes will be made without withholding or deduction for or on account of taxes unless required by law. If the Issuer or Guarantors are required by law to withhold or deduct amounts for or on account of tax imposed or levied by a Relevant Taxing Jurisdiction with respect to a payment to the holders of Notes, the Issuer or the relevant Guarantor will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received by the holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See "*Description of the Notes—Withholding Taxes.*"

**Optional Redemption** . . . . . . . . . . . At any time prior to May 15, 2021, the Issuer may on any one or more occasions redeem all or a part of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the applicable "make-whole" premium (described in this Offering Memorandum) and accrued and unpaid interest to the redemption date, if any.

At any time prior to May 15, 2021, the Issuer will be entitled at its option, on one or more occasions, to redeem the Dollar Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Dollar Notes (including additional dollar notes, if any) with the net cash proceeds from certain equity offerings at a redemption price equal to 107.875% of the principal amount outstanding in respect of the Dollar Notes, plus accrued and unpaid interest to the redemption date, if any, so long as each such redemption occurs within 180 days after the date of the relevant equity offering and provided that at least 50% of the original aggregate principal amount of the Dollar Notes (not including any additional notes) remains outstanding after the redemption.

At any time prior to May 15, 2021, the Issuer will be entitled at its option, on one or more occasions, to redeem the Euro Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Euro Notes (including additional euro notes, if any) with the net cash proceeds from certain equity offerings at a redemption price equal to 105.750% of the principal amount outstanding in respect of the Euro Notes, plus accrued and unpaid interest to the redemption date, if any, so long as each such redemption occurs within 180 days after the date of the relevant equity offering and provided that at least 50% of the original aggregate principal amount of the Euro Notes (not including any additional notes) remains outstanding after the redemption.

In addition, prior to May 15, 2021, the Issuer may, during each twelve month period commencing on the Issue Date, redeem up to 10% of the aggregate principal amount of each series of Notes (calculated after giving effect to the issuance of any additional Notes of the applicable series) at a redemption price

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| | equal to 103% of the principal amount thereof plus accrued and unpaid interest.<br><br>At any time on or after May 15, 2021, the Issuer will be entitled at its option to redeem all or a portion of the Notes at the redemption prices set forth under the caption "*Description of the Notes—Optional Redemption*" plus accrued and unpaid interest to the redemption date, if any.<br><br>In connection with any tender offer for the Notes, if Holders of not less than 90% in aggregate principal amount then outstanding of a series of Notes validly tender and do not withdraw Notes of such series in such tender offer and the Issuer purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, the Issuer will have the right, upon prior notice to the Holders of the relevant series of Notes, to redeem all Notes of such series that remain outstanding following such purchase at a price equal to the price paid to each other Holder of such series of Notes in such tender offer (other than any incentive payment for early tenders), plus, to the extent not included in the tender offer payment, accrued and unpaid interest and additional amounts, if any, thereon, to, but not including, the redemption date. |
| **Optional Redemption for Tax Reasons** | In the event of certain developments affecting taxation, the Issuer may redeem the relevant series of the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons.*" |
| **Deposit of Proceeds; Special Mandatory Redemption** | Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will deposit the gross proceeds from the offering of the Euro Notes into the Euro Notes Deposit Account, and the gross proceeds from the offering of the Dollar Notes into the Dollar Notes Deposit Account, each of which shall be segregated and controlled by the Issuer, to hold such amounts pending the consummation of the Acquisition. On or about the Issue Date, the Issuer will assign as security its rights, title and interest in the credit balance in each of the Deposit Accounts to the Trustee. The release of the funds credited to the Deposit Accounts and the consummation of the Acquisition will be subject to the satisfaction of certain conditions. In the event that, (i) the Completion Date does not take place on or prior to the Longstop Date, (ii) in the good faith judgment of the Issuer, the Acquisition will not be consummated on or prior to Longstop Date, (iii) the Offer Letter or, if executed, the Acquisition Agreement terminates at any time on or prior to the Longstop Date, or (iv) certain other events occur, the Issuer will redeem the Notes at a price equal to 100% of the initial issue price of such Notes, plus accrued but unpaid interest and additional amounts, if any, from the Issue Date to (but not including) the Special Mandatory Redemption Date (as defined herein) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment |

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| | date). See "*Risk Factors—Risks Related to the Offering—The proceeds of the offering will be placed in deposit accounts and if the Deposit Release Conditions are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. No third party escrow agent shall control the deposit accounts*" and "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption*."<br><br>Once the Issuer determines that the conditions to the release of the proceeds from the Deposit Accounts will be satisfied promptly following the release of the deposited funds, the deposited funds may be released to the Issuer and utilized as described in "*Use of Proceeds*" and "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption*" and the Deposit Account Charges will be released. |
| **Change of Control** . . . . . . . . . . . . . . | Upon the occurrence of certain events constituting a change of control, the Issuer may be required to offer to repurchase the Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase. However, a change of control will not be deemed to have occurred if a specified consolidated leverage ratio is not exceeded in connection with such event. See "*Description of the Notes—Change of Control.*" |
| **Certain Covenants** . . . . . . . . . . . . . . | The Indenture contains covenants that limit the ability of the Issuer and its restricted subsidiaries to, among other things:<br><br>• incur or guarantee additional debt and issue certain preferred stock;<br>• pay dividends or make other distributions or investments or purchase or reduce or redeem the Issuer's stock;<br>• make investments or other restricted payments;<br>• enter into agreements that restrict the Issuer's restricted subsidiaries' ability to pay dividends;<br>• transfer or sell assets;<br>• engage in certain transactions with affiliates;<br>• create liens on assets to secure indebtedness;<br>• impair security interests; or<br>• merge or consolidate with other entities or transfer all or substantially all of the Issuer's or a Guarantor's assets.<br><br>Each of these covenants is subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants.*" |
| **Use of Proceeds** . . . . . . . . . . . . . . . . | The Issuer will use the gross proceeds of the Notes as set forth in "*Use of Proceeds.*" |
| **Transfer Restrictions** . . . . . . . . . . . | The Issuer has not registered the Notes or the Guarantees under the U.S. Securities Act and has not agreed, or otherwise |

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| | undertaken, to do so. You may only offer or sell Notes in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act. See "*Notice to Investors.*" |
| **Listing** | Application will be made to The International Stock Exchange Authority Limited (the "Authority") for the listing of the Notes on the Official List of The International Stock Exchange (the "Exchange") and admission to trade on the Exchange. There can be no assurances that the Notes will be listed on the Official List of the Exchange. |
| **Governing Law for the Notes, The Guarantees and the Indenture** | New York law. |
| **Governing Law for the Security Documents** | English and Dutch law. |
| **Trustee** | Deutsche Trustee Company Limited. |
| **Principal Paying Agent** | Deutsche Bank AG, London Branch. |
| **U.S. Paying Agent** | Deutsche Bank Trust Company Americas. |
| **Transfer Agent and Registrar for the Euro Notes** | Deutsche Bank Luxembourg S.A. |
| **Transfer Agent and Registrar for the Dollar Notes** | Deutsche Bank Trust Company Americas. |
| **Security Agent** | Credit Suisse International. |
| **Listing Agent** | Carey Olsen Corporate Finance Limited. |
| **Dollar Notes ISIN** | Regulation S: USN8135UAA71<br>Rule 144A: US82660CAA09 |
| **Dollar Notes CUSIP** | Regulation S: N8135U AA7<br>Rule 144A: 82660C AA0 |
| **Euro Notes ISIN** | Regulation S: XS1813504666<br>Rule 144A: XS1813504740 |
| **Euro Notes Common Code** | Regulation S: 181350466<br>Rule 144A: 181350474 |
| **Risk Factors** | Investing in the Notes involves a high degree of risk. You should consider carefully all of the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section of this Offering Memorandum before making a decision as to whether to invest in the Notes. |

## SUMMARY HISTORICAL AND OTHER FINANCIAL INFORMATION

*The following tables summarize the historical combined carve-out financial data as at the dates and for the periods indicated. The financial data has been derived from the audited combined carve-out Financial Statements of FFG for the years ended December 31, 2015, 2016 and 2017. See "Presentation of Financial and Other Information."*

*The combined carve-out Financial Statements have been prepared by combining and carving-out the assets, liabilities, income and expenses that management have determined relate to Unilever's spreads business. Those amounts have been derived from the underlying financial records of the Unilever entities running spreads activities, which also include allocations and recharges by Unilever of indirect central costs and general corporate expenses. The combined carve-out Financial Statements include a cash flow statement showing movement arising from operating, investing and financing activities irrespective of Unilever's centralized approach to cash management and financing and disclose the cumulative investment of Unilever in the spreads business as net parent (deficit) / investment.*

*The assets, liabilities, income and expenses that the directors have determined relate to Unilever's spreads business include all those that are directly attributable and/or separately identifiable to the spreads business, together with an allocation of the items that are not. Certain estimates, judgments and assumptions have been made for the purpose of allocating items to the combined carve-out Financial Statements that are not directly attributable and/or separately identifiable.*

*The Financial Statements do not necessarily reflect Unilever's spreads business financial position, results of operations or cash flows had the spreads business been a separate entity, or the future results of the spreads business as it will exist upon the completion of the separation from Unilever. See "Presentation of Financials and Other Information."*

*This summary historical combined-consolidated financial data should be read in conjunction with the sections entitled "Use of Proceeds," "Capitalization," "Selected Historical Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined carve-out Financial Statements and accompanying notes included elsewhere in this Offering Memorandum.*

### Summary Combined Carve-out Income Statement Data

| | Year ended December 31, | | |
|---|---|---|---|
| | **2015** | **2016** | **2017** |
| | | *(€ millions)* | |
| Turnover | 3,294.9 | 3,031.7 | 2,904.9 |
| *Developed Markets* | *2,666.8* | *2,429.1* | *2,302.0* |
| *Emerging Markets* | *628.1* | *602.6* | *602.9* |
| **Operating profit** | **544.6** | **570.6** | **555.4** |
| *Non-underlying items* | *(89.2)* | *(28.6)* | *(5.9)* |
| Net finance costs | (3.3) | (8.6) | (8.7) |
| *Finance costs – interest on related party loans with Unilever* | *(3.1)* | *(8.5)* | *(8.5)* |
| *Pensions and similar obligations* | *(0.2)* | *(0.1)* | *(0.2)* |
| Share of net profit of Portuguese joint venture | 3.3 | 3.3 | 3.7 |
| **Profit before taxation** | **544.6** | **565.3** | **550.4** |
| Taxation | (91.0) | (142.8) | 14.7 |
| **Net profit** | **453.6** | **422.5** | **565.1** |

**Summary Combined Carve-Out Balance Sheet Data**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ millions) | |
| **Assets** | | | |
| Total non-current assets | 742.4 | 713.4 | 762.8 |
| Total current assets | 408.7 | 407.6 | 381.0 |
| *Cash and cash equivalents* | *13.0* | *21.7* | *27.0* |
| **Total assets** | **1,151.1** | **1,121.0** | **1,143.8** |
| **Liabilities** | | | |
| Total current liabilities | 1,969.7 | 1,712.7 | 1,765.1 |
| Total non-current liabilities | 291.8 | 314.8 | 68.4 |
| **Total liabilities** | **2,261.5** | **2,027.5** | **1,833.5** |
| Total net (deficit) / investment | (1,110.4) | (906.5) | (689.7) |
| **Total liabilities and net (deficit) / investment** | **1,151.1** | **1,121.0** | **1,143.8** |

**Summary Combined Carve-Out Cash Flow Data**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ millions) | |
| Net cash flow from operating activities | 593.9 | 558.4 | 548.4 |
| Net cash flow from investing activities | (79.4) | (48.5) | (28.0) |
| Net cash flow used in financing activities | (497.1) | (514.1) | (501.4) |
| **Net increase / (decrease) in cash and cash equivalents** | **17.4** | **(4.2)** | **19.0** |
| Cash and cash equivalents at the beginning of the year | 7.1 | 9.3 | 16.6 |
| Effect of foreign exchange rate changes | (15.2) | 11.5 | (17.3) |
| **Cash and cash equivalents at the end of the year** | **9.3** | **16.6** | **18.3** |

**Other Key Financial and Operating Information**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | (€ millions, except percentages) | | |
| Gross margin (%) | 40.2% | 39.4% | 37.2% |
| Capital expenditure | (86.3) | (51.8) | (29.1) |
| Capital expenditure as a percentage of turnover (%) | (2.6%) | (1.7%) | (1.0%) |
| Underlying free cash flow(1)(2) | 691.3 | 646.6 | 672.9 |
| Underlying free cash conversion ratio (%)(3) | 95.6% | 94.2% | 99.8% |
| Normalized EBITDA(1)(4) | 723.0 | 686.3 | 674.0 |
| *Developed Markets*(4) | *604.6* | *578.7* | *542.2* |
| *Emerging Markets*(4) | *118.4* | *107.6* | *131.9* |
| Normalized EBITDA margin (%)(5) | 21.9% | 22.6% | 23.2% |
| *Developed Markets*(4) | *22.7%* | *23.8%* | *23.6%* |
| *Emerging Markets*(4) | *18.9%* | *17.9%* | *21.9%* |
| *Pro forma* Normalized EBITDA(1)(4) | | | 819.8 |
| *Developed Markets*(4) | | | *640.2* |
| *Emerging Markets*(4) | | | *179.6* |
| *Pro forma* Normalized EBITDA margin (%)(6) | | | 28.5% |
| *Developed Markets (%)*(6) | | | *27.8%* |
| *Emerging Markets (%)*(6) | | | *29.8%* |

### Summary *Pro Forma* Data of the Issuer

| | Year ended December 31, 2017 |
|---|---|
| | *(€ millions, except ratios)* |
| *Pro form*a Normalized EBITDA[(4)] | 819.8 |
| *Pro forma* cash and cash equivalents[(7)] | 27.0 |
| *Pro forma* net senior secured debt[(8)] | 4,326.8 |
| *Pro forma* net senior secured debt (net of Acquisition-related short-term borrowings for working capital reimbursement)[(9)] | 3,926.8 |
| *Pro forma* total net debt[(10)] | 5,433.5 |
| *Pro forma* total net debt (net of Acquisition-related short-term borrowings for working capital reimbursement)[(11)] | 5,033.5 |
| *Pro forma* interest expense[(12)] | 249.5 |
| *Pro forma* interest expense (excluding interest on Acquisition-related short-term borrowings for working capital reimbursement)[(13)] | 247.4 |
| Ratio of *pro forma* net senior secured debt (net of Acquisition-related short-term borrowings for working capital reimbursement) to *pro forma* Normalized EBITDA | 4.8x |
| Ratio of *pro forma* total net debt (net of Acquisition-related short-term borrowings for working capital reimbursement) to *pro forma* Normalized EBITDA | 6.1x |
| Ratio of *Pro forma* Normalized EBITDA to *pro form*a interest expense (excluding interest on Acquisition-related short-term borrowings for working capital reimbursement) | 3.3x |

(1) Underlying free cash flow, EBITDA before exceptional bonus and share-based payments, Normalized EBITDA and *pro forma* Normalized EBITDA have limitations as analytical tools, and you should not consider any of them in isolation. Some of these limitations include the following: (i) they do not reflect capital expenditures, future requirements for capital expenditures or contractual commitments; (ii) they do not reflect changes in, or cash requirements for, working capital needs; (iii) they do not reflect interest expense, or the cash requirements necessary to service interest or principal payments on debt; and (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and do not reflect any cash requirements that would be required for such replacements. Our presentation of *pro forma* Normalized EBITDA has additional limitations as an analytical tool. For example, *pro forma* Normalized EBITDA does not reflect expenses and capital expenditures that FFG expects to incur to transition to a stand-alone business, which we currently estimate will be approximately €200 million in transition-related expenses and one time expenditures, including approximately €165 million in transitional IT and manufacturing IT costs that we expect FFG to incur as it transitions from a shared IT environment within Unilever to a wholly independent IT platform, and approximately €15 million in one-off real-estate related costs as certain manufacturing and management functions are separated from Unilever and relocated (before any offsetting gains from land sales are considered). The substantial majority of these expenses are expected to be incurred over an extended period, up to an including the year ending December 31, 2019. See "*Presentation of Financial and Other Information—Other Financial Measures.*"

(2) The following table sets forth a reconciliation of Underlying free cash flow to Cash flow from operating activities for the periods indicated.

| | Year ended 31 December | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | *(€ million)* | |
| **Cash flow from operating activities** | **720.7** | **691.2** | **674.6** |
| Portuguese joint venture adjustment[(a)] | 9.7 | 9.8 | 11.2 |
| Provisions less payments | 5.0 | (9.7) | 9.3 |
| Elimination of losses on disposals | (33.4) | (6.2) | (3.2) |
| Non-cash charge for share-based compensation | (15.7) | (13.4) | (20.1) |
| Non-underlying items within operating profit | 89.2 | 28.6 | 5.9 |
| Other adjustments from cash flow statement | 2.1 | (1.9) | 0.4 |
| Capital expenditure | (86.3) | (51.8) | (29.1) |
| Exceptional bonus and share-based payment adjustment[(b)] | — | — | 23.9 |
| **Underlying free cash flow** | **691.3** | **646.6** | **672.9** |

(a) In connection with the Acquisition, FFG's business in Portugal, which historically operated through a joint venture entity (Unilever Jerónimo Martins, Limitada), will become wholly owned by FFG. Accordingly. Portuguese joint venture adjustment (i) adds back the share of net profit of Portuguese joint venture included in FFG's Net profit (2015: €3.3 million, 2016: €3.3 million, 2017: €3.7 million), which item is deducted when reconciling Cash flow from operating activities to Net profit, (ii) adds in the share of net profit of Portuguese joint venture attributed to the non-Unilever-owned portion of that business (2015: €2.7 million, 2016: €2.7 million, 2017: €3.0 million) which will be acquired by FFG in connection with the Transactions, and (iii) adds in the entire net finance costs, taxation, depreciation and amortization of that business (2015: €2.0 million, 2016: €2.1 million, 2017: €2.5 million).

(b) Exceptional bonus and share-based payment adjustment arises because, in part due to the Acquisition, Unilever's spreads business paid incentive and share-based compensation to its employees at rates materially higher than the rates used in other areas of Unilever's business in the year ended December 31, 2017, which were also higher than the rates used across Unilever's global business in the years ended December 31, 2015 and 2016. The adjustment amount reflects the portion of the bonus and share-based payments attributable to the amount by which the rate used in the spreads business exceeded the average rate used across the rest of Unilever's businesses in the year ended December 31, 2017.

(3) Underlying free cash conversion ratio for any period represents Underlying free cash flow for that period divided by Normalized EBITDA for that period, expressed as a percentage.

(4) The following table sets forth a reconciliation of EBITDA before exceptional bonus and share-based payments, Normalized EBITDA and *pro forma* Normalized EBITDA to Net profit for the periods indicated.

| | Year ended December 31 | | |
|---|---|---|---|
| | **2015** | **2016** | **2017** |
| | | *(€ million)* | |
| Net profit[(a)] | 453.6 | 422.5 | 565.1 |
| Taxation[(b)] | 91.0 | 142.8 | (14.7) |
| Net interest cost[(c)] | 3.1 | 8.5 | 8.5 |
| Amortisation of intangible assets – direct[(d)] | — | 0.1 | 0.2 |
| Depreciation of property, plant and equipment – direct[(d)] | 60.2 | 57.3 | 58.4 |
| Exceptional bonus and share-based payment adjustment[(e)] | — | — | 23.9 |
| **EBITDA before exceptional bonus and share-based payments** | **607.9** | **631.2** | **641.4** |
| Non-underlying items[(f)] | 89.2 | 28.6 | 5.9 |
| Portuguese joint venture adjustment[(g)] | 6.4 | 6.5 | 7.5 |
| Allocated amortisation of intangible assets[(d)] | 13.4 | 14.0 | 13.1 |
| Allocated depreciation of property, plant and equipment[(d)] | 5.9 | 5.9 | 5.9 |
| Finance costs related to pensions and similar obligations[(h)] | 0.2 | 0.1 | 0.2 |
| **Normalized EBITDA** | **723.0** | **686.3** | **674.0** |
| Carve-out adjustments from day one[(i)] | | | 75.1 |
| Share-based payments adjustment[(j)] | | | 13.3 |
| Implemented 2017 savings initiatives[(k)] | | | 29.1 |
| Completion Date SG&A cost savings[(l)] | | | 27.1 |
| Impact of commodity prices[(m)] | | | 7.0 |
| Other adjustments[(n)] | | | (5.8) |
| ***Pro forma* Normalized EBITDA[(o)]** | | | **819.8** |
| *Developed Markets* | | | *640.2* |
| *Emerging Markets* | | | *179.6* |

a) Net profit in Developed Markets was €385.6 million, €362.0 million and €483.9 million, respectively, for the years ended December 31, 2015, 2016 and 2017. Net profit in Emerging Markets was €68.0 million, €60.5 million and €81.2 million, respectively, for the years ended December 31, 2015, 2016 and 2017.

b) Taxation in Developed Markets was €53.8 million, €111.3 million and €49.7 million, respectively, for the years ended December 31, 2015, 2016 and 2017. Taxation in Emerging Markets was €37.2 million, €31.5 million and €35.0 million, respectively, for the years ended December 31, 2015, 2016 and 2017.

c) Net interest cost in Developed Markets was €3.1 million, €8.5 million and €8.5 million, respectively, for the years ended December 31, 2015, 2016 and 2017. There was no net interest cost in Emerging Markets for the years ended December 31, 2015, 2016 and 2017.

d) Due to the carve-out nature of the Financial Statements, depreciation of property, plant and equipment and amortisation of intangible assets is divided between (i) direct depreciation of property, plant and equipment and amortisation of intangible assets, which relates to the specific assets which are included in the balance sheet of the carved-out business, and (ii) allocated depreciation of property, plant and equipment and amortisation of intangible assets, which are allocated charges relating to shared factory buildings and shared software assets utilized by FFG but not included on the balance sheet of the combined carve-out financial statements.

Direct depreciation of property, plant and equipment and amortisation of intangible assets is calculated as follows:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ million) | |
| Amortisation of intangible assets – direct | — | 0.1 | 0.2 |
| *Developed Markets* | *—* | *0.1* | *0.2* |
| *Emerging Markets* | *—* | *—* | *—* |
| Depreciation of property, plant and equipment – direct | 60.2 | 57.3 | 58.4 |
| *Developed Markets* | *55.4* | *52.4* | *53.2* |
| *Emerging Markets* | *4.8* | *4.9* | *5.2* |
| **Depreciation and amortisation – direct** | **60.2** | **57.4** | **58.6** |

Allocated depreciation of property, plant and equipment and amortisation of intangible assets is calculated as follows:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ million) | |
| Allocated amortisation of intangible assets | 13.4 | 14.0 | 13.1 |
| *Developed Markets* | *12.6* | *13.3* | *12.5* |
| *Emerging Markets* | *0.8* | *0.7* | *0.6* |
| Allocated depreciation of property, plant and equipment | 5.9 | 5.9 | 5.9 |
| *Developed Markets* | *4.1* | *3.2* | *3.9* |
| *Emerging Markets* | *1.8* | *2.7* | *2.0* |
| **Depreciation and amortisation – allocated** | **19.3** | **19.9** | **19.0** |

e) Exceptional bonus and share-based payment adjustment arises because, in part due to the Acquisition, Unilever's spreads business paid incentive and share-based compensation to its employees at rates materially higher than the rates used in other areas of Unilever's business in the year ended December 31, 2017, which were also higher than the rates used across Unilever's global business in the years ended December 31, 2015 and 2016. The adjustment amount reflects the portion of the bonus and share-based payments attributable to the amount by which the rate used in the spreads business exceeded the average rate used across the rest of Unilever's businesses in the year ended December 31, 2017.

f) Non-underlying items are comprised of restructuring costs in each period presented. These restructuring costs principally relate to costs directly incurred within FFG's business, but also include an amount of €1.6 million allocated from Unilever in 2017 (2016: €4.5 million, 2015: €9.2 million), Restructuring costs incurred in 2015 include €49.8 million arising from the consolidation of multiple U.S. factories into one facility at New Century, Kansas. In 2015, an additional €13.4 million was incurred in relation to Project Eagle, the set up of the separate BCS structure. In 2016, €14 million of costs were incurred completing Project Eagle and restructuring of Global Spreads Marketing and R&D teams. Non-underlying items in Developed Markets (both direct and allocated) were -€83.6 million, -€21.3 million and €1.8 million, respectively, for the years ended December 31, 2015, 2016 and 2017. Non-underlying items in Emerging Markets (both direct and allocated) were -€5.6 million, -€7.3 million and -€7.7 million, respectively, for the years ended December 31, 2015, 2016 and 2017

g) In connection with the Acquisition, FFG's business in Portugal, which historically operated through a joint venture entity (Unilever Jerónimo Martins, Limitada), will become wholly owned by FFG. Accordingly, the Portuguese Joint Venture adjustment adds in (i) the share of net profit of Portuguese joint venture attributed to the non-Unilever-owned portion of that business (2015: €2.7 million, 2016: €2.7 million, 2017: €3.0 million) and (ii) the entire net finance costs, taxation, depreciation and amortization of that business (2015: €3.7 million, 2016: €3.9 million, 2017: €4.5 million). The Portugal joint venture adjustment relates entirely to operations in Developed Markets.

h) Finance costs related to pensions and similar obligations for Developed Markets were €nil for each of the years ended December 31, 2015, 2016 and 2017. Finance costs for related to pensions and similar obligations for Emerging Markets were €0.2 million, €0.1 million and €0.2 million, respectively, for the years ended December 31, 2015, 2016 and 2017.

i) Carve-out adjustments from day one are analysed as follows:

| | Year ended December 31, 2017 |
|---|---|
| | (€ million) |
| Net savings on SG&A overheads(i) | 78.7 |
| Supply chain adjustment(ii) | 33.5 |
| Branding and Marketing Investment adjustment(iii) | 17.4 |
| Distributor model adjustment(iv) | (26.2) |
| Depreciation and amortization adjustment(v) | (28.3) |
| **Carve-out adjustments from day one** | **75.1** |

(i) Net savings on SG&A overheads reflects the difference between net costs for overheads incurred by FFG (including the Portugal business) as part of Unilever, including allocated costs, and the expected costs of providing these services on a stand-alone basis. These allocated costs, amounting to €293 million (Developed Markets: €220 million (after deducting €22 million of the exceptional bonus and share-based payments attributable to overheads), Emerging Markets: €73 million), included costs with respect to customer development, marketing support, research and development, finance, IT, HR, general management, workplace services, legal, share-based payments, and other overhead costs.

We estimate that FFG would have incurred approximately €215 million in SG&A overhead expenses (Developed Markets: €177 million, Emerging Markets: €37 million) had it fully transitioned to providing such services internally or contracted with third-party services providers and ceased using services provided by Unilever. This includes a reduction of €64 million in overall costs, plus the shifting of approximately €14 million of internal overhead costs (primarily in customer development and marketing support costs) to trade terms with distributors, which we expect to occur in connection with the increased utilization of third-party distributors discussed below in note (iv). Net allocated costs for SG&A overheads provided by Unilever in the year ended December 31, 2017, also included non-underlying restructuring costs of €5.9 million discussed above at note f which are not included in our stand-alone cost base given their expected non-recurring nature. Management's estimated annual stand-alone SG&A overhead expenses consist of the following estimated amounts:

- €59.3 million in customer development costs, related to sales personnel to manage customer relationships, sales agency fees in markets where certain customer relationship functions are or will be outsourced, and sales support costs, such as car lease expenses.
- €30.0 million in marketing support costs, related to the global and local coordination of communications, advertising, brand strategy and lobbying.
- €30.2 million in research and development costs, related to the development of manufacturing techniques, the formulation of new products which can be produced with existing manufacturing techniques, adapting and testing products in local markets before release, and the monitoring and implementation of food standards and safety guidelines.
- €26.9 million in finance department costs, related to functions such as financial reporting and budgeting, performance monitoring, tax strategy and compliance, risk management, insurance, contract management, supply chain finance management, treasury services, cash management and working capital management.
- €23.7 million in IT costs, related to the main business processes (apart from supply chain IT costs, which are accounted for in supply chain costs). FFG's current IT environment is fully shared with Unilever, which will only be available for a limited time after the completion of the Acquisition pursuant to a TSA. FFG has developed plans to transition to a fully independent IT environment as a stand-alone business; however, these plans are subject to significant risks and uncertainties. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—As FFG builds its information technology infrastructure and transitions its data to its own systems, it may incur substantial additional costs and experience temporary business interruptions.*"
- €9.2 million in HR costs, related to central and local support of payroll and benefits systems, provision of training, as well as other traditional HR functions.
- €8.3 million for workplace services, related to property management, facilities management and travel services, as well as rent, utility and other operating costs for office space.
- €13.7 million across general management, legal and other corporate and local costs.
- €13.3 million incentive costs for key management and directors.

After the Completion Date, FFG will not incur any allocated expenses from Unilever. FFG has engaged several consultants and industry experts who have assisted it in the analysis of its anticipated stand-alone cost structure. During a transition period of up to 18 months following the Completion Date, FFG will continue to receive certain services from Unilever under the TSAs for which FFG will incur direct costs, as discussed under "Certain Relationships and Related Party Transactions." The TSAs also contain 6 month extension options for IT services and shared services which FFG may exercise. The stand-alone cost structure described in this note (i) is reflected in the pricing of such services under the TSAs. In addition, for up to three years after the consummation of the Acquisition, FFG and Unilever will be party to certain co-packing and reverse co-packing agreements, which stand apart from the TSAs.

(ii) Supply chain adjustment relates primarily to management's estimate of cost savings expected to be achieved from the replacement of overhead allocations from Unilever with bottom-up stand-alone costs, including (a) a raw material cost adjustment to remove central charges, (b) a distribution cost adjustment, (c) savings on local labor costs on a stand-alone basis, and (d) a production cost adjustment relating to network optimization plans and the replacement of allocated production overheads with stand-alone costs. Supply chain adjustments allocated to

Developed Markets amount to €26.4 million in the aggregate, while those allocated to Emerging Markets amount to €7.1 million in the aggregate.

(iii) Branding and Marketing Investment adjustment primarily relates to management's estimate of cost savings expected to be achieved from (a) the elimination of €8 million of global marketing costs allocated by Unilever (such as those related to group-wide campaign costs and shared marketing activities) with respect to markets which will remain on a direct sales model and their replacement with brand and marketing investments planned on an FFG stand-alone basis and (b) an additional €9 million of estimated expected reductions in annual brand and marketing investment associated with the increased utilization of third-party distributors discussed below in note (iv). Branding and Marketing Investment adjustments allocated to Developed Markets amount to €9.8 million in the aggregate, while those allocated to Emerging Markets amount to €7.6 million in the aggregate.

The Branding and Marketing Investment adjustment does not account for the one-time exceptional branding and marketing expenditures which FFG expects to make to re-position itself and its brands over an extended period after completion of the Acquisition, comprising an estimated €175 million of costs spread through the years up to December 31, 2021, which is incremental to the regular recurring branding and marketing investment of the business. See *"Summary—Strategy—Accelerate clearly defined initiatives to stabilize Developed Markets*".

(iv) Distributor model adjustment comprises management's estimate of the direct cost impact of an expected increase in the use of third-party distributers as a result of FFG's separation from Unilever; management believes that the increase in the use of third-part distributors will have an overall neutral effect on Normalized EBITDA because of offsetting factors identified below.

In several of our smaller markets (currently projected at 32) served through a direct sales model under Unilever, we expect FFG to transition to the use of third-party distributors following the separation from Unilever. This transition is expected to result in a €22 million annual increase in costs related to trade terms and concessions to third-party distributors, who are expected to provide certain logistical, branding and marketing support. In addition, we expect that certain markets which will remain predominantly on a direct sales model after the separation from Unilever (such as Hungary and Austria) will nevertheless experience a limited increase in the use of third-party distributors, creating an additional €4 million in annual costs. Across Developed Markets, the total annual costs are expected to amount to €9.6 million, while across Emerging Markets, the total annual costs are expected to amount to €16.6 million.

The additional services to be provided by third-party distributors are, however, expected to allow FFG to (a) reduce branding and marketing investment in respect of those markets by €9 million annually, the impact of which is reflected in Branding and Marketing Investment adjustment and discussed above in note (iii), as well as (b) reduce overhead costs related to the existing internal provision of such services by €14 million annually, the impact of which is reflected in net savings on SG&A overheads and discussed above in note (i). Accordingly, the switch to a distributor model in these countries is expected to have an overall neutral effect on Normalized EBITDA.

(v) Depreciation and amortisation adjustment arises because net savings on SG&A overheads, described above in note (i), and supply chain adjustment, described above in note (ii), were each calculated with reference to allocated Unilever operating costs which included allocated depreciation and amortisation charges. For purposes of calculating a Normalized EBITDA metric, however, management believes that it is inappropriate to include depreciation and amortisation cost components. Accordingly, €15.3 million of depreciation and amortisation attributable to supply chain is backed-out, and €8.0 million of depreciation and amortisation attributable to overhead costs is backed-out. This entire adjustment is attributed to Developed Markets.

j) Share-based payments adjustment reflects estimated cost savings from the planned elimination of share-based incentive costs for key management and directors which are at present included in the stand-alone operating model (described as incentive costs for key management and directors at note i) with the non-cash management incentive plan described under the caption "Management—Director and Executive Officer Compensation." The share-based payments adjustment is allocated €10.5 million to Developed Markets and €2.8 million to Emerging Markets.

k) Implemented 2017 savings initiatives reflects the full year effect of several projects that were implemented in 2017, including procurement projects across a range of inputs, such as raw materials and packaging (€26.2 million) and savings in supply chain through diverse initiatives such as negotiations with freight carriers, network and labor optimization, energy management and fat reduction initiatives in Europe (€1.8 million). Implemented 2017 savings initiatives in Developed Markets amount to €23.0 million in the aggregate, while those in Emerging Markets amount to €6.1 million in the aggregate.

l) Completion Date SG&A cost savings represent additional operating cost and efficiency opportunities in SG&A, beyond the carve-out net savings on SG&A overheads discussed above in note i, which the Issuer believes can and will be promptly implemented upon the consummation of the Acquisition. These mainly represent cost avoidance via rightsizing of the support functions (including finance, IT, HR) and other general and administrative costs through increased concentration of activities in central or regional hubs. This adjustment also accounts for the opportunity to reduce selectively research and development costs (which management believes are higher than those of industry peers) by moving to a more centralized organization relative to the structure currently in place under Unilever. These savings will be achieved by hiring people only for the functions needed in the new streamlined organization.

The Completion Date SG&A cost savings form a subset of management's longer-term plans, developed in close consultation with KKR and leading industry consultants, to implement approximately €200 million of cost savings and efficiencies across raw materials and procurement, manufacturing, supply chain, marketing and SG&A after consummation of the Acquisition. The realization of some of these longer-term cost saving plans (but not the Completion Date SG&A cost savings) is expected to require the incurrence of approximately €45 million to €50 million of non-recurring restructuring and related costs, the majority of which are expected to be incurred by December 31, 2020). See "*Summary—Strategy—Realize significant cost savings opportunity.*" Completion Date SG&A cost savings in Developed Markets amount to €21.5 million in the aggregate, while those in Emerging Markets amount to €5.6 million in the aggregate.

m) Impact of commodity prices is an add-back to reflect the impact of declining prices of edible commodity oils (including sunflower, rapeseed, palm and soybean based oils) between the first and second halves of 2017 and management's expectation that the prices of such commodities during the second half of 2017 are more representative for the business on a go forward basis. The identified savings reflects the incremental Normalized EBITDA that would have been generated during the period if the average prices of such commodities during all of 2017 were the same as the average prices during the second half of 2017. These commodity prices trended downward during the second half of 2017, as well as over the last three years, and management expects them to continue to trade at similar levels for the foreseeable future. Impact of commodity prices in Developed Markets amounts to €5.5 million, while in Emerging Markets it amounts to €1.5 million.

n) Other adjustments are analysed as follows:

| | Year ended December 31, 2017 |
|---|---|
| | *(€ million)* |
| Phasing adjustment to implemented 2017 savings initiatives(i) | (1.1) |
| Supply chain depreciation adjustment(ii) | 5.9 |
| Pensions adjustment(iii) | (3.5) |
| Additional overhead cost savings(iv) | 8.2 |
| Stand-alone insurance adjustment(v) | (4.2) |
| Dis-synergies adjustment(vi) | (7.9) |
| Wage inflation adjustment(vii) | (4.3) |
| Legacy credit facility cost adjustment(viii) | 1.1 |
| **Other adjustments** | **(5.8)** |

(i) Phasing adjustment to implemented 2017 savings initiatives reflects the fact that €1.1 million of the savings initiatives described in note k had limited evidence of full implementation in 2017. This entire adjustment is attributed to Emerging Markets.

(ii) Supply chain depreciation adjustment reflects an add-back of €5.9 million of depreciation costs attributable principally to packaging molds in the U.S. which are recorded within supply chain costs. This entire adjustment is attributed to Developed Markets.

(iii) Pensions adjustment reflects estimated additional costs of providing pension benefits to employees not included in the stand-alone operating SG&A model discussed above at note i. The pensions adjustment is allocated €2.8 million to Developed Markets and €0.7 million to Emerging Markets.

(iv) Additional overhead savings consists of additional savings on R&D employee and central costs which management believes can be promptly achieved after the Completion Date which are not otherwise reflected in *pro forma* Normalized EBITDA. Additional overhead savings are allocated €6.5 million to Developed Markets and €1.7 million to Emerging Markets.

(v) Stand-alone insurance adjustment reflects estimated additional insurance expected to be incurred after the separation from Unilever that are not included in the stand-alone operating model described above in note (i). The stand-alone insurance adjustment is allocated €3.3 million to Developed Markets and €0.9 million to Emerging Markets.

(vi) Dis-synergies adjustment reflects additional costs associated with the loss of scale and bargaining power that will be caused by the separation from Unilever, including with respect to branding and marketing costs (€4.6 million) and supply chain costs (€3.3 million) The dis-synergies adjustment is allocated €6.3 million to Developed Markets and €1.6 million to Emerging Markets.

(vii) Wage inflation adjustment reflects the application of a blended inflation rate of 1.9% to the costs set forth in the stand-alone operating SG&A model described above in note (i), which is applied due to the fact that the model was developed using 2016 cost data. The wage inflation adjustment is allocated €3.4 million to Developed Markets and €0.9 million to Emerging Markets.

(viii) Legacy credit facility cost adjustment reflects commitment fees in respect of a revolving credit facility that will no longer exist in the business after the consummation of the Transactions. The legacy credit facility cost adjustment is allocated €0.9 million to Developed Markets and €0.2 million to Emerging Markets.

o) Our presentation of *pro forma* Normalized EBITDA has additional limitations as an analytical tool. For example, *pro forma* Normalized EBITDA does not reflect expenses and capital expenditures that FFG expects to incur to transition to a stand-alone business, which we currently estimate will be approximately €200 million in transition-related expenses and one time expenditures, including approximately €165 million in transitional IT and manufacturing IT costs that we expect FFG to incur as it transitions from a shared IT environment within Unilever to a wholly independent IT platform, and approximately €15 million in one-off real-estate related costs as certain manufacturing and management functions are separated from Unilever and relocated (before any offsetting gains from land sales are considered). The substantial majority of these expenses are expected to be incurred over an extended period, up to an including the year ending December 31, 2019.

(5) Normalized EBITDA margin for any given region represents Normalized EBITDA for that region divided by turnover for that region, expressed as a percentage.

(6) *Pro forma* Normalized EBITDA margin for any given region represents *pro forma* Normalized EBITDA for that region divided by turnover for that region after deducting the Distributor model adjustment applicable for that region (see note i to footnote 4, above), expressed as a percentage.

(7) *Pro forma* cash and cash equivalents represents our cash and cash equivalents as of December 31, 2017, on an as adjusted basis after giving effect to the Transactions, as set forth in "*Capitalization*" and "*Use of Proceeds*".

(8) *Pro forma* net senior secured debt represents the aggregate principal amount of our senior secured debt as of December 31, 2017, on an as adjusted basis after giving effect to the Transactions, as set forth in "*Capitalization*" and "*Use of Proceeds*" (including (i) the borrowings under the Senior Term Facilities and (ii) the drawing of an amount under the Revolving Credit Facility on or about the Completion Date in respect of Acquisition-related short-term borrowings for a working capital payment to Unilever), less *pro forma* cash and cash equivalents. We do not currently have a figure for the working capital payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date. For purposes of our *pro forma* calculations we have assumed that this payment will be €400 million.

(9) *Pro forma* net senior secured debt (net of Acquisition-related short-term borrowings for working capital reimbursement) represents the aggregate principal amount of our senior secured debt as of December 31, 2017, on an as adjusted basis after giving effect to the Transactions, as set forth in "*Capitalization*" and "*Use of Proceeds*" (including the borrowings under the Senior Term Facilities, but excluding the drawing of an amount under the Revolving Credit Facility on or about the Completion Date in respect of the working capital payment to Unilever), less *pro forma* cash and cash equivalents. We do not currently have a figure for this payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date.

(10) *Pro forma* total net debt represents the aggregate principal amount of our debt as of December 31, 2017, on an as adjusted basis after giving effect to the Transactions, as set forth in "*Capitalization*" and "*Use of Proceeds*" (including (i) the issuance of the Notes offered hereby and the use of proceeds therefrom, (ii) borrowings under the Senior Term Facilities and (iii) the drawing of an amount under the Revolving Credit Facility on or about the Completion Date in respect of the working capital payment to Unilever, but excluding shareholder loans), less *pro forma* cash and cash equivalents. We do not currently have a figure for the working capital payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date. For purposes of our *pro forma* calculations we have assumed that the payment will be €400 million.

(11) *Pro forma* total net debt (net of Acquisition-related short-term borrowings for working capital reimbursement) represents the aggregate principal amount of our debt as of December 31, 2017, on an as adjusted basis after giving effect to the Transactions, as set forth in "*Capitalization*" and "*Use of Proceeds*" (including (i) the issuance of the Notes offered hereby and the use of proceeds therefrom and (ii) borrowings under the Senior Term Facilities, but excluding (x) the drawing of an amount under the Revolving Credit Facility on or about the Completion Date in respect of the working capital payment to Unilever and (y) shareholder loans), less *pro forma* cash and cash equivalents. We do not currently have a figure for the working capital payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date.

(12) *Pro forma* interest expense is calculated using the interest expense of the financial indebtedness of FFG following the Transactions as if the Transactions had occurred on January 1, 2017. It includes (i) interest on the Notes offered hereby, (ii) interest on borrowings under the Senior Term Facilities, (iii) ongoing commitment fees with respect to the Revolving Credit Facility and (iv) the incremental interest expense associated with drawing of an amount under the Revolving Credit Facility on or about the Completion Date to fund the working capital payment to Unilever. We do not currently have a figure for this payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date. For purposes of our *pro forma* calculations we have assumed that the payment will be €400 million. *Pro forma* interest expense excludes (i) any interest expense with respect to other indebtedness of FFG which has been extinguished since January 1, 2017 or which is expected to be extinguished in connection with the Transactions and (ii) any interest expense with respect to shareholder loans. Incremental interest expense on the drawing of the amount under the Revolving Credit Facility to fund the working capital payment to Unilever, which will be subject to a variable interest rate, has been calculated an interest rate of Euribor plus 3.00%, assuming the drawing is fully repaid within 90 days.

(13) Pro *forma* interest expense (excluding interest on Acquisition-related short-term borrowings for working capital reimbursement) is calculated using the interest expense of the financial indebtedness of FFG following the Transactions as if the Transactions had occurred on January 1, 2017. It includes (i) interest on the Notes offered hereby, (ii) interest on borrowings under the Senior Term Facilities and (iii) ongoing commitment fees with respect to the Revolving Credit Facility. It excludes (i) any interest expense with respect to other indebtedness of FFG which has been extinguished since January 1, 2017 or which is expected to be extinguished in connection with the Transactions, (ii) any interest expense with respect to shareholder loans and (iii) the incremental interest expense associated with drawing of an amount under the Revolving Credit Facility on or about the Completion Date to fund the working capital payment to Unilever. We do not currently have a figure for this payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date.

## RISK FACTORS

*An investment in the Notes involves risks. You should carefully consider the risks described below before deciding to invest in the Notes. In assessing these risks, you should also refer to the other information in this Offering Memorandum, including the Financial Statements and accompanying notes included elsewhere in this Offering Memorandum. These risks and uncertainties are not the only ones we or FFG face. Additional risks and uncertainties that are not currently known to us or FFG or that we or FFG currently consider immaterial could also impair FFG's business, financial condition, results of operations and our ability to make payments on the Notes.*

*This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. FFG's actual results may differ materially from those included in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.*

### Risks Related to FFG's Separation from Unilever

***FFG has no history of operating as an independent company and is subject to a number of risks in connection with its separation from Unilever.***

To date, FFG has been part of Unilever and is in the process of being separated into a stand-alone business. FFG has no operating history as an independent company and certain essential business functions are currently and will, pursuant to a number of TSAs, continue to be carried out centrally by Unilever, including IT services, marketing, distribution, shared finance function, human resources, workplace and travel services and logistics. The terms of the TSAs range from six to 18 months, with early termination rights on a regional basis with advance written notice. The TSAs are an essential part of the implementation of our strategy, allowing us to construct business infrastructure that is appropriate to FFG's needs as a stand-alone business without disrupting its operations during the separation process. The services provided pursuant to the TSAs are bespoke and, in some cases, interdependent, making the transition away from the TSAs to stand-alone operations particularly complex. After the TSAs expire, we may not be able to replace these services at all, or to obtain these services at prices or on terms as favorable as the TSAs provide. If the services covered by the TSAs are not provided as anticipated or if we are unable to successfully implement plans to migrate from the TSAs to stand-alone business functions, on the timescale anticipated and on the costs projected, or at all, such developments could have a material adverse effect on business, financial condition and results of operations. Any failure to recruit or retain sufficient staff when needed to deliver these stand-alone business functions could cause this risk to materialize. Any failure or significant disruption to the delivery of Unilever's services during the transitional period could impact the ability to produce and deliver products, or prevent us from paying suppliers and employees, executing foreign currency transactions or performing other administrative services on a timely basis, or could result in weaknesses and deficiencies in its internal controls. Any such development could have a material adverse effect on our business, financial condition and results of operation.

***FFG's historical results may not be representative of its future results as a separate, stand-alone company.***

The Financial Statements presented in this Offering Memorandum are combined carve-out financial statements prepared from the historical consolidated financial statements and accounting records of Unilever. The Financial Statements may not necessarily reflect what its results of operations, financial condition and cash flows would have been had FFG operated as a separate, stand-alone company or reporting segment during the periods presented in this Offering Memorandum and, in particular, the Financial Statements do not reflect the implementation of the separation blueprint or management's target operating model, which differs in substantial respects from the manner in which the business has been operated under Unilever. Unilever did not account for FFG, and FFG did not operate, as a separate, stand-alone company for the periods presented. The historical costs and expenses reflected in FFG's Financial Statements include an allocation for certain corporate functions historically provided by Unilever, including legal, finance, human resources and other administrative functions. These allocations are based on what FFG and Unilever consider to be reasonable reflections of the historical utilization levels of these functions required in support of FFG's business; however, we believe the costs of these functions on a stand-alone basis will differ substantially from costs allocated historically.

Moreover, the Financial Statements do not reflect the costs of borrowing funds as a separate entity. The balance sheet information in the Financial Statements presented in this Offering Memorandum was derived from Unilever's centralized financial information. It includes items that are directly attributable and/or separately identifiable to FFG's business together with an allocation of relevant balances from Unilever to FFG for those items that were not directly attributable or separately identifiable. A number of estimates, judgements and assumptions were made for the purpose of allocating those items that were not directly attributable and/or separately identifiable. See "*Presentation of Financial and Other Information—The Financial Statements*". The balance sheet of the standalone business once the separation from Unilever is complete will differ substantially from the historic allocated balance sheet in many specific areas, including working capital, debt, equity, intangible assets amongst others.

The Financial Statements and the other historical financial information included in this Offering Memorandum do not necessarily indicate what FFG's results of operations, financial condition, cash flows or costs and expenses will be in the future. The adjustments made to arrive at the pro forma and adjusted financial information contained in this Offering Memorandum reflect, among other things, changes in FFG's funding, operational model and overheads that are expected to result from its separation from Unilever. However, there can be no assurance that these adjustments will reflect its funding requirements and operating costs as a separate, stand-alone company. For more information on results of operations, financial condition and cash flows, see "*Presentation of Financial and Other Information*," "*Selected Historical Financial and Other Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements and accompanying notes included elsewhere in this Offering Memorandum.

***Our calculation of pro forma Normalized EBITDA is based on assumptions that may prove to be inaccurate.***

Our calculation of *pro forma* Normalized EBITDA is based on several assumptions that may prove to be inaccurate. We calculate *pro forma* Normalized EBITDA by adjusting FFG's Normalized EBITDA to:

- remove allocated supply chain and general overhead expenses that are associated with services that we have historically received from Unilever, while adding back stand-alone costs that we estimate would have been incurred by FFG by it providing such services internally or by contracting with third parties, assuming FFG had already fully transitioned to a stand-alone entity, which we estimate will require €200 million of transition-related expenses and one-time expenditures, the substantial majority of which will be incurred by December 31, 2019;
- reflect the full year run-rate effect of certain procurement savings, expected changes in commodity prices and synergy initiatives recently undertaken by FFG in anticipation of its separation;
- reflect certain changes to FFG's cost structure that are expected to result from the increased use of third-party distributors after FFG's separation from Unilever, including the transition of 32 markets from a direct distribution model to a third-party distributor model and the increased use of third-party distributors in other markets; and
- reflect certain branding and marketing cost savings that are expected to be implemented as part of the separation from Unilever.

In anticipation of becoming a stand-alone entity, we have entered into negotiations with third-party service providers. We have also engaged several consultants and industry experts to assist us in the analysis of our anticipated cost structure. Our estimates are based on these expected contracts, meetings and discussions, the advice of such industry experts and consultants, benchmarking against other companies within our industry and the industry experience of our management team. The expenses that we estimate we will incur through our internal operations and with third-party service providers are based on several assumptions, including assumptions regarding the volumes of services we will require from such third-party service providers, the price at which such services will be offered, the number of employees we will require to operate as a stand-alone entity and the salaries and benefits we will be required to pay such employees. We cannot assure you that these assumptions will prove to be accurate. Given these uncertainties, we cannot assure you that the performance improvements reflected in *pro forma* Normalized EBITDA will be reached.

Some of our estimates of volumes are based on volumes that are implied from Unilever's historical allocations of expenses to our business, which may not be accurate or fairly predict future costs and/or volumes. Where we anticipate entering into an agreement with a third-party service provider, but do not yet have an executed contract, we based our assumptions on both the price at which we expect such services will be provided, as well as the volumes of services that we expect we will require. We cannot assure you that our assumptions regarding such expenses will prove to be accurate.

In calculating *pro forma* Normalized EBITDA, we also assumed that, after the expiration of the transition period, we will no longer receive services from Unilever under the TSAs. Our ability to transition from the services Unilever will provide to us during the transition period is subject to several risks and uncertainties, including those described here, and we cannot assure you that we will not require services from Unilever after the transition period.

***Following the separation, we may experience increased costs resulting from a decrease in our purchasing power relative to the purchasing power possessed by FFG when it was owned by Unilever.***

Historically, FFG has been able to take advantage of Unilever's economies of scale and purchasing power in purchasing edible oils and packaging materials, digital and traditional media, finished goods, marketing and distribution services, technology and corporate services, including insurance, legal and tax services, employee benefit support, finance and treasury functions, and audit services. Following FFG's separation from Unilever pursuant to the Transactions, we will be a smaller and less diversified company than Unilever, and will not have access to financial and other resources comparable to those of Unilever prior to the separation. In most markets, large media companies give large discounts based on the amounts of media purchased. FFG, as part of Unilever, has benefitted from Unilever discounts for both traditional and digital media. As a standalone entity FFG will try to negotiate favorable rates and will consider entering media buying groups where possible, but there is no guarantee that FFG will be successful. Even if FFG is successful, there will still likely be some increase in costs versus historic rates.

As a separate, stand-alone company, we may be unable to obtain the foregoing goods and services at prices and on terms as favorable as those available to FFG prior to the separation, which could have a material adverse effect on business, financial condition and results of operations.

***Following the separation, we may need to offer customers increased discounts, lose distribution and potentially lose volumes resulting from a decrease in our selling power relative to FFG's selling power when it was owned by Unilever.***

As a smaller company with a narrower range of products, we may have a reduced ability to obtain favorable pricing or trade terms from the retailers and distributors who purchase our products for on-sale to end consumers. Some customers may take advantage of the fact that we are a smaller, more narrowly focused business to induce us to offer them additional discounts or other investments.

Additionally, following the separation, we will not be able to rely on Unilever's diversification, earnings, assets, cash flow or credit, and will be responsible for obtaining and maintaining sufficient working capital and servicing our own debt. There is a risk that market fluctuations and other events may adversely impact us more significantly than if FFG were still part of Unilever.

***Following the separation, we will experience a temporary increase in our working capital needs.***

Historically, FFG has maintained a net negative working capital position by managing its trade payables on terms of up to 120 days, while managing its receivables on typically terms of 30 days or less, in each case consistent with the markets for raw materials and finished products in which FFG operates. In connection with the separation from Unilever, we have agreed to leave behind in Unilever (i) receivables associated with sales of FFG's products prior to the Completion Date and (ii) payables associated with raw materials received by FFG prior to the Completion Date. We have therefore agreed to pay Unilever an amount representing the average net negative working capital position of FFG, as adjusted for the value of any inventories of raw materials and finished products conveyed with the business on the Completion Date. This payment to Unilever will eliminate temporarily our net negative working capital position.

While the foregoing amounts cannot be known with precision as of the date of this Offering Memorandum and are subject to change prior to the Completion Date, we estimate that the aggregate amount we will pay to Unilever on account of the net value of FFG's negative working capital position will be in the range of €350 million to €450 million and that this amount will be paid on or about the Completion Date. We expect to draw on the Revolving Credit Facility to make this payment.

While we expect our net working capital position to return to a net negative position and largely normalize within 120 days after such payment is made (and we expect to repay the Revolving Credit Facility drawing as our working capital position normalizes), there can be no guarantee that all of these transaction will occur as and when expected and that our net working capital position will in fact normalize on that schedule, or at all. Changes to trade terms available to us after the separation (discussed further under the caption "*—Changes to FFG's payment terms with customers or suppliers may adversely affect is working capital position and operating cash flows*") as well as fluctuations in the underlying market prices or sales volumes for our products or the raw materials we consume, could each delay or prevent the expected normalization of our net working capital position; moreover, technical difficulties in valuing inventories and reconciling accounts may delay the date of the payment in respect of the net value of FFG's negative working capital position.

***Changes to FFG's payment terms with customers or suppliers may adversely affect its working capital position and operating cash flows.***

After the separation from Unilever, FFG may experience significant pressure from suppliers to reduce its payment terms. Many large FFG suppliers, especially raw and packaging material suppliers in the developed world, have been able to utilize supplier financing arrangements while FFG was a part of Unilever. As a standalone entity with a lower credit rating, it is unlikely that FFG will be able to offer supplier financing on such attractive terms, and hence some suppliers may renew efforts to reduce payment terms.

At the same time, FFG may experience pressure from its customers to extend the number of days before paying its accounts receivable. Historically, FFG has benefitted from relatively short receivables days as compared to its payable days, allowing it to operate with negative net working capital. Any failure to continue to manage its accounts payable and accounts receivable in this manner, whether due to changes in market practices, a reduction in scale brought about by the separation from Unilever, the termination of any supplier finance arrangements historically sponsored by Unilever, or other reasons, may negatively affect FFG's working capital position and cash flows, which would have a material adverse effect on its business, financial condition and results of operations.

***The assets and employees that are being transferred to FFG from Unilever may not be sufficient for us to operate as a stand-alone company, and we may experience difficulty in retaining transferred employees, hiring new employees, acquiring additional assets or contracting business services, and integrating these assets, services and employees into its business.***

Unilever has developed a separation blueprint which is intended to enable FFG's business to continue to run smoothly as it transitions to stand-alone operation. The implementation of the separation blueprint is subject to execution risks and will require a significant amount of management's time and effort, diverting attention from the business and other strategic priorities.

Because FFG has not operated as a stand-alone company in the past, we may need to acquire assets, obtain business services and hire employees in addition to those transferred by Unilever in connection with the implementation of the separation blueprint. Moreover, as a smaller company with a different ownership structure than Unilever, we may have difficulty retaining employees who are transferred pursuant to the separation blueprint. We may face difficulty integrating newly acquired assets, newly contracted services and newly hired employees into the business. In particular, FFG has a large number of staffing vacancies relative to the positions that are expected to be required to be filled once the TSAs terminate and the separation is fully completed. If we and FFG are unable to retain, recruit, hire and train a sufficient number of qualified individuals to fill these vacancies, or if we or FFG are only able to do so at higher than expected cost due to competition or any other reason, our ability to successfully operate as a stand-alone business will be compromised.

Moreover, as a result of the separation from Unilever, we expect to shift from a direct sales model to a third-party distributor model in 35 of FFG's markets, while using Unilever's distribution infrastructure under a TSA during the interim. If we or FFG are unable to obtain satisfactory terms from such third-party distributors, of if such third-party distributors do not perform to expectations, we may suffer a material adverse effect on our business, financial condition and results of operations in the affected markets.

***We may not succeed Unilever under all joint ventures, contracts and licenses that historically have formed part of FFG's business.***

As part of the separation, Unilever agreed to assign its interest in a number of joint ventures, contracts and licenses to FFG. In many cases, these assignments require the consent of the relevant counterparty. Unilever and FFG are still in the process of seeking the consents of all relevant counterparties. There can be no assurance that we or FFG will able to obtain these consents within a reasonable period of time or at all. Moreover, even if consent is obtained and FFG succeeds to Unilever under the relevant joint venture, contract or license, the relevant counterparty may terminate the arrangement if it disagrees with the way we conduct business following the separation. If a substantial number of these contracts, joint ventures and licenses were terminated, we may be forced to enter into new contracts, joint ventures or licenses. Moreover, contracts to which FFG succeeds may not be long-term in nature and may require renegotiation on a regular basis. Some of these new counterparties may have stronger bargaining positions than when FFG's existing contracts were originally negotiated. As a result, we may not be able to secure replacement contracts, or may only be able to secure replacement contracts on less favorable terms. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

***FFG may lose rights to key intellectual property arrangements as a result of no longer being part of Unilever.***

As part of Unilever, FFG benefited from the use of some of Unilever's intellectual property rights, including cross-licensing arrangements and licenses from third parties, in order to operate its business. While the TSAs are intended to provide transitional coverage, and while Unilever has agreed to transfer or license to us certain intellectual property that is within its power to transfer or license which has been used in the conduct of FFG's business, following the separation we may no longer be a beneficiary under a number of Unilever's existing agreements with third-parties. As a result, we may not have rights to use important intellectual property that FFG has previously been licensed to use and may therefore be subject to claims that FFG is infringing intellectual property rights of third parties through the manufacture and sale of its products and the operation of its business.

FFG has negotiated its own patent cross-license agreements and arrangements with a number of the industry participants with which Unilever has patent cross-license agreements. However, FFG has not completed negotiations with respect to all such agreements and arrangements and cannot assure you that it will be able to do so successfully.

***As FFG builds its information technology infrastructure and transitions its data to its own systems, it may incur substantial additional costs and experience temporary business interruptions.***

FFG relies on its information technology ("IT") systems for communication among its suppliers, manufacturing plants, distribution functions, headquarters and customers. Its performance depends on the availability of accurate and timely data and other information from key software applications to aid day-to-day business and decision-making processes. FFG may be adversely affected if the controls designed to manage information technology operational risks fail to contain such risks.

Prior to FFG's separation from Unilever, FFG was fully integrated into Unilever's IT environment. As part of the separation, FFG is migrating its data and business processes to its own stand-alone IT infrastructure, including critical business functions such as accounting and reporting, manufacturing process control, quality and compliance systems, customer service, inventory control and distribution. We expect that the IT migration process will take a substantial amount of time before and after the consummation of the Acquisition and require the incurrence of substantial one-time costs, which are currently estimated at approximately €165 million, including certain manufacturing and IT costs. There can be no assurance that this figure will not grow as the IT transition progresses.

During a transitional period after the consummation of the Acquisition, we will have access to Unilever's IT environment under a TSA. If this is not properly managed, we may incur temporary interruptions in business operations. However the biggest risk will occur when we transition from Unilever's existing transactional and operational systems, data centers and shared services teams to independent systems, data centers and shared services. We may not be successful in implementing these new systems, they may cost more to run than expected and we may incur substantially higher costs for implementation than currently anticipated. Any unexpected operational interruptions as the new systems are implemented, or a failure to implement the new systems and replace Unilever's services successfully, could disrupt the business and have a material adverse effect on our financial condition and results of operations. In addition, if we are unable to replicate or transition certain systems, our ability to comply with legal, accounting and regulatory requirements could be impaired.

***FFG may not be successful in establishing a strong corporate identity.***

Historically, FFG's consumer products have traded in their individual markets under local brand names (such as "Flora," "Country Crock" and "Blue Band") which will convey with the business, these brands have also been closely linked to the Unilever corporate identity, and all of FFG's consumer products display additional Unilever corporate branding on their packages. Once FFG becomes an independent company, such products must cease using "Unilever" as a corporate identity or trade name on packaging within 12 months. It is unknown what impact this will have on consumer preference.

In addition, Unilever's corporate identity is widely recognized and respected by customers, suppliers, business partners and potential employees. We will need to expend significant time, effort and resources to establish a new corporate identity in the marketplace. We cannot guarantee that this effort will ultimately be successful. If our efforts to establish a strong corporate identity are unsuccessful, our business, financial condition and results of operations could be materially adversely affected.

***We have made certain assumptions relating to the Acquisition in forecasts that may prove to be materially inaccurate.***

We have made certain assumptions relating to the forecast level of cost savings, synergies and associated costs of the Acquisition. These assumptions are based on information available to us and FFG, which we believe to be reasonable. However, these assumptions and forecasts may prove to be inaccurate, and we may suffer from any of: a failure to realize the expected benefits of the Acquisition, higher than expected transaction and integration costs, costs related to unknown liabilities, and a deterioration of our business due to general economic and business conditions. Specifically, the Issuer's objective to realize approximately €200 million in annual run-rate cost savings described under "*Summary—Strategy*" and elsewhere in this Offering Memorandum may differ materially from our actual results and investors should not place undue reliance on this objective. We have not defined, and do not intend to define, "short term" or "medium term", and these should not be read as indicating that we are targeting such cost savings for any particular fiscal year. This cost savings objective is based on a number of assumptions which are inherently subject to significant business, operational, economic and other risks, many of which are outside of our control. Accordingly, such assumptions may change or may not materialize at all. In addition, unanticipated events may adversely affect our actual results in future periods whether or not these assumptions otherwise prove to be correct. As a result, our actual cost savings, if any, may vary materially from this objective. Any of the foregoing may adversely affect our business, financial condition and results of operations following the consummation of the Acquisition and could cause our actual results to differ from the assumptions and forecasts set forth in this Offering Memorandum.

***The benefits of the separation may not materialize and we may not be successful in implementing our growth strategy.***

Due to a combination of market conditions and internal challenges, FFG's sales have been declining for the past few years. Our future success depends in large part on our ability to halt this decline and implement FFG's growth strategy, including revitalizing FFG's core product range, increasing penetration across price segments in the B&M market, continuing to move into growing adjacent product categories including DCA products and plant-based dips, accelerating growth in emerging markets, increasing distribution of products in the foodservice channel and private-label segments and creating further cost efficiencies in its production and supply chain.

Our ability to successfully execute this growth strategy to completion depends in large part on our ability to realize the anticipated benefits from the separation from Unilever, including the implementation of a de-layered and simplified operating model, dedicated and focused sales organization, reductions in branding, marketing and overhead expenses, cost savings and efficiencies associated with a more tailored procurement structure, relaxed nutritional parameters allowing renewed focus on taste, functionality and supply chain efficiency, and a dedicated IT landscape.

There are significant risks associated with the implementation of the separation blueprint and there can be no assurance that we will be able to achieve anticipated efficiencies following the separation from Unilever. In particular, we may encounter challenges to business continuity while central functions are separated, manufacturing sites are being separated, loss of volumes during the change in distribution infrastructure in certain markets, and delays or overruns in the implementation of the IT landscape.

In many respects, we will be dependent on Unilever to manage these risks and operate the FFG business on a transitional basis pursuant to the TSAs. However, there can be no assurance that the services provided under the TSAs will meet our requirements in a timely and effective manner. It is also possible that we may need to operate under the TSAs for longer than expected if it is not able to implement current plans to build the relevant stand-alone business functions in a timely manner, as it may be difficult for us to replace, or undertake on its own, the services provided under the TSAs, at reasonable costs or at all.

A failure to implement FFG's cost optimization and growth strategies, in whole or in part, including due to its inability to realize the anticipated benefits from its separation from Unilever and to successfully transition from its dependence on the TSAs with Unilever, may have a material adverse effect on our business, financial condition and results of operations.

***We will not control FFG until the consummation of the Acquisition.***

We do not currently own FFG and we will not acquire FFG until the consummation of the Acquisition, which is expected to take place in the third quarter of 2018, subject to antitrust clearances. We cannot assure you that during the interim period the business of FFG will be operated in the same way that we would operate it. Any of the risks associated with our lack of control over FFG until the consummation of the Acquisition could have a material adverse effect on our business, financial position or results of operations.

In addition, prior to the Completion Date, FFG will not be subject to the covenants described in "*Description of the Notes.*" As such, we cannot assure you that, prior to such date, FFG will not take an action that would otherwise have been prohibited had such covenants been applicable to it.

***We have relied on representations and warranties that Unilever has provided to us under the Acquisition Agreement.***

In connection with the Acquisition, Unilever has given certain customary representations and warranties under the Acquisition Agreement related to FFG's business, as well as certain indemnities in respect of historic claims. We have relied on these representations and warranties about FFG's business in connection with the Transactions. If these representations and warranties are not true and correct in all material respects, we may suffer losses or be unable to perform to expectations. Moreover, if we suffer losses in respect of historic claims, we may rely on Unilever to pay us appropriate compensation under its indemnities. In either such an event, there can be no assurance that we will be able to recover on damages or indemnity claims from Unilever relating to any such breaches or losses in an amount sufficient to fully compensate us for our losses or underperformance.

***Amendments made to the Acquisition Agreement may have adverse consequences for holders of the Notes.***

The Acquisition is expected to be consummated in accordance with the terms of the Acquisition Agreement. However, the Acquisition Agreement may be amended and the closing conditions may be waived at any time by the parties thereto. Any amendment made to the Acquisition Agreement, or waiver of the conditions to the closing of the Acquisition, may be adverse to the interests of the holders of the Notes, which, in turn, may have an adverse effect on the investment return you expect to receive on the Notes.

***We will incur significant transaction and separation costs as a result of the Acquisition.***

We expect to incur significant one-time transaction costs related to the Acquisition. These transaction costs include investment banking, legal and accounting fees and expenses and other related charges. We may also incur additional unanticipated transaction costs in connection with the Acquisition.

We also expect to incur significant one-time costs related to FFG's separation from Unilever. These separation-related costs are presently estimated at approximately €200 million (the substantial majority of which is expected to be incurred by December 31, 2019) and include costs related to separating FFG's IT, real estate and other corporate functions from shared services provided by Unilever. Moreover, we expect to incur additional one-time costs to implement our plans for the business after the Acquisition is consummated. These include the incurrence of approximately €45 million to €50 million of non-recurring restructuring and related costs (the majority of which are expected to be incurred by December 31, 2020) in connection with the Issuer's plans to realize approximately €200 million in annual run-rate cost savings in the business, and an estimated €175 million of one-time branding and marketing expenditures which FFG expects to make to re-position itself and its brands after completion of the Acquisition, which are expected to be incurred over the short to medium term.

The costs associated with the foregoing items may turn out to be higher than the estimates set forth in this Offering Memorandum. Any material increase in these costs could adversely affect our financial position or results of operations.

**Risks related to the Offering**

***Until the Consummation of the Acquisition, we will have limited assets.***

Holders of the Notes will not have any recourse to FFG or any of its subsidiaries prior to the consummation of the Acquisition. Until the completion of the Acquisition, the Notes will be the obligation solely of the Issuer and will be guaranteed solely by Midco, U.S. Midco, Bidco and Sigma US Corp. (on an unsecured basis). Apart from its interest in the Deposit Accounts, the Issuer will have limited assets until such time and, as a result, the sole recourse of the holders of the Notes prior to the consummation of the Acquisition will effectively be the funds deposited in the Deposit Accounts.

***The proceeds of the offering of the Notes will be placed in deposit accounts and if the Deposit Accounts release conditions are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. No third party escrow agent shall control the Deposit Accounts.***

Prior to the satisfaction of the Deposit Accounts release conditions, the gross proceeds of the offering of the Notes will be held in the applicable Deposit Accounts, which shall be segregated and controlled by the Issuer. If the Deposit Accounts release conditions, as described in "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption*" are not satisfied by or prior to the Longstop Date, or in the event of certain other events, the Notes will be subject to a special mandatory redemption and you may not obtain the return you expect to receive on such Notes. The Indenture will require the Issuer to consummate the Acquisition promptly upon release of the proceeds from the Deposit Accounts. The gross proceeds of the offering of the Notes will be limited and will not be sufficient to pay the special mandatory redemption price, which is equal to 100% of the initial issue price of the applicable series of Notes plus accrued and unpaid interest from the Issue Date to the date of the special mandatory redemption and additional amounts, if any. To the extent not available in the Deposit Accounts, KKR European Fund IV L.P. and KKR Americas Fund XII L.P. (the "Funds") will be required to fund any accrued and unpaid interest (including any negative interest payable on any of the Deposit Accounts) and additional amounts owing to holders of the Notes pursuant to an equity commitment of the Funds. However, there can be no assurance that the Funds will have sufficient funds to make these payments, and the Issuer may not have access to the funds necessary to allow it to pay the full amount of the required redemption price in the event of a special mandatory redemption.

Furthermore, the Deposit Proceeds will be deposited in segregated accounts that are controlled by the Issuer. There will be no independent third party such as an escrow agent controlling the use and release of the Deposit Proceeds, and therefore, despite certain requirements around how and when the funds may be used and released, there can be no guarantee that the same protections of the funds that are expected in a customary escrow arrangement will be realized here. See "*Description of the Notes—Deposit of Proceeds; Special Mandatory Redemption*."

Your decision to invest in the Notes is made at the time of purchase. Changes in business or financial condition or the terms of the Acquisition Agreement (other than a change that would be materially prejudicial to the interests of the holders of the Notes, which will require the consent of holders of a majority of the outstanding principal amount of the Notes) or the financing thereof, between the closing of this offering and the release of the proceeds from the Deposit Accounts, will have no effect on your rights as a purchaser of the Notes.

***The Issuer will be a holding company and is therefore financially dependent on receiving distributions from its Subsidiaries.***

Upon consummation of the Acquisition, the Issuer will be a holding company and all of its operations will be conducted through its subsidiaries. Consequently, it relies on repayments of intercompany loans, dividends or advances from its subsidiaries, including subsidiaries that are not wholly owned. The ability of these subsidiaries to repay intercompany loans or pay dividends, and the Issuer's ability to receive distributions from its investments in other entities are subject to applicable laws and other restrictions. In addition, such repayments, dividends and distributions may be subject to withholding and other taxes which may lead to double taxation or other costs to the Issuer. These laws, restrictions, taxes and costs could limit the repayment of intercompany loans and the payment of dividends and distributions, which could restrict the Issuer's ability to fund operations, and could have a material adverse effect on the Issuer's ability to make payments on the Notes.

**Risks Related to FFG's Business and Industry**

***FFG operates in a highly competitive market and its failure to compete effectively could adversely affect its results of operations.***

The markets for B&M products are highly competitive globally, particularly in developed markets, which accounts for the majority of FFG's turnover. In developed markets, the margarine sector in particular has experienced a secular decline in recent years, which has heightened competitive pressures. FFG's competitors include retailers who promote private label products and well-established branded producers that operate on both a national and an international basis across single or multiple dairy and non-dairy categories. FFG's competitors generally compete with it on the basis of price, actual or perceived quality, health benefits and "naturalness" of products, brand recognition, consumer loyalty, product variety, new product development and improvements to existing products. FFG might not successfully compete with existing or new competitors in the markets in which it operates. In addition, FFG intends to launch a variety of new products and expand into new price points and market segments, and may not successfully compete with existing or new competitors in such markets. For instance, FFG expects to introduce new products across the price spectrum, including expanding its premium line of products. However, an increase in the market share of discounters, which are supermarket retailers which offer a narrow range of grocery products at discounted prices and which typically focus on non-branded products, may adversely affect sales of such premium products. FFG also intends to accelerate and expand its private label, DCA and foodservice offerings. However, margins in these markets tend to be lower than in branded and premium retail offerings, and there is no guarantee that FFG will be competitive in the private label, DCA or foodservice markets or achieve its expected return on investment from these strategies.

In addition, FFG cannot predict the pricing or promotional actions of its competitors or their effect on consumer perceptions or the success of its own advertising and promotional efforts. FFG's competitors have developed and launched products targeted to compete directly with its products. FFG's retail customers generally control the shelf space allocations within their stores and may allocate more shelf space to generic or private label products or to FFG's branded competitors' products in accordance with their respective promotional strategies. Decreases in shelf space allocated to FFG's products, increases in competitor promotional activity, aggressive marketing strategies by competitors or other factors may require FFG to reduce its prices or invest greater amounts in advertising and promotion of its products to ensure its products remain competitive.

Furthermore, some of FFG's competitors may have substantially greater financial, marketing and other resources than those of FFG in certain markets. This creates competitive pressures that could cause FFG to lose market share or require FFG to lower prices, increase advertising expenditures or increase the use of discounting or promotional campaigns. These competitive factors may also restrict FFG's ability to increase prices, including in response to commodity and other cost increases. Any inability to continue to respond effectively to these and other competitive pressures could negatively impact FFG's sales volumes and margins, which could have a material adverse effect on its business, financial condition and results of operations.

***Established negative trends in the B&M market and changes in consumer preferences may have a material adverse effect on FFG's turnover, results of operations and financial condition.***

The B&M industry has experienced sustained negative trends and is subject to changing consumer trends, demands and preferences. Retail B&M sales volumes have declined consistently in recent years and are expected to continue declining, driven by reduced occasions for using spreads (principally due to reductions in the consumption of bread) and shifts towards the consumption of food prepared outside the home, which drives B&M sales volumes into the industrial and foodservice channels where FFG is less well established and where margins are significantly lower.

Retailers have tended to reduce the space allocated to B&M on shelves, but at a slower rate than the market decline. However, in the future, retailers may choose to increase the pace of shelf-space reduction in order to free up valuable space for other fast-growing categories. A change in the rate of shelf-space reduction could drive further declines in the overall B&M market. FFG is be particularly exposed to shelf-space reduction as it has numerous brands in most markets. Any worsening of this trend in the B&M market could have a material adverse effect on FFG's business, financial condition and results of operations.

Trends within the B&M industry change often and FFG's failure to anticipate, identify or react to changes in these trends could, among other things, lead to reduced demand and price reductions, and could have a material adverse effect on its business, financial condition and results of operations. Factors that may affect consumer tastes and preferences include:

- dietary trends and attention to different nutritional aspects of foods,
- concerns regarding the health effects and sourcing practices relating to specific ingredients and nutrients,
- trends regarding the taste profile of spreads,
- a shift in preference from non-organic to organic, from GMO to non-GMO, and from non-natural products to natural products,
- the availability of competing private label products offered by retailers,
- trends toward eating and baking outside of the home,
- concerns regarding the public health consequences associated with obesity, and
- increasing awareness of the environmental and social effects of product production (in particular those related to palm oil, which is a key ingredient in the production of FFG's Plant-Based Spreads).

There has been considerable amount of negative press coverage in recent years of products made from palm oil, due to both health and environmental concerns. This negative press has affected FFG products in several European markets, in particular Spain, France and Italy. There is a risk that this press coverage and the resulting negative consumer perception of products made from palm oil may escalate and spread to other markets in Europe and the rest of the world. While FFG has some palm-oil free products in certain markets, the vast majority our products contain palm-oil and switching to exclusively palm-oil free or even predominantly palm-oil free products is not currently technically feasible or cost effective.

FFG's success will be impacted by its ability to anticipate and identify consumer trends and preferences, and to offer products that appeal to consumer needs and preferences on a timely and affordable basis. In doing so, FFG may also be required to leverage its research and development capabilities, and to utilize management's ability to launch new or improved products quickly, successfully and on a cost-effective basis. A decrease in demand for FFG's products due to a shift in consumer tastes or preferences to which FFG is unable to respond in a timely and cost-effective manner may have a material adverse effect on its business, financial condition and results of operations.

***In a declining B&M market, butter's relative share of the overall market has grown in recent years, at the expense of the Plant-Based Spreads that FFG produces.***

In recent years, the dairy industry has successfully convinced many consumers that butter products are more "natural" and hence healthier than plant-based spreads. This perception of naturalness combined with strong taste profiles have enabled dairy manufacturers to increase their market share relative to FFG and other manufacturers of Plant-Based Spreads.

In 2017, FFG benefitted from record high butter pricing in Europe and this contributed in part to FFG's improved turnover trends in the second half of 2017. Butter prices have now pulled back from these highs in certain markets and may continue to fall. Renewed competition from cheaper butter could have a material adverse effect on FFG's business, financial condition and results of operations.

***FFG's ability to invest in the image of its brands to prevent erosion of the reputation or appeal of one or more of its leading brands could negatively impact FFG's sales and results of operations.***

Nearly all of FFG's turnover derives from sales of its branded products, and the success of its business has resulted from the strength of its brands. FFG's financial success is directly dependent on consumer and customer perception of its brands, including Becel, Rama, Flora, ProActiv, Country Crock, I Can't Believe It's Not Butter!, and Blue Band. The success of FFG's brands may suffer if its marketing plans, marketing spend levels or product initiatives do not have the desired impact on a brand's image or its ability to attract consumers or if consumer or customer perceptions of FFG's brands or products change unfavorably. In particular, FFG's investments in marketing activities for new brands and projects may divert resources from its existing brands, and there can be no assurance that such investments will be successful or that consumer or customer perceptions of its existing brands will not suffer as a result. FFG's results of operations could be negatively affected if the reputation of one or more of its brands suffers damage due to real or perceived quality issues with its products, or if it is found to have violated any applicable laws or regulations. Any circumstances which publicly damage FFG's customer goodwill, injures its reputation or damages its business relationships may lead to a broader adverse effect on FFG's business and prospects by way of loss of business, goodwill, customers, joint venture partners and employees beyond the monetary liability arising directly from the damaging events.

***FFG's future results and competitive position are dependent on the successful development of new products and improvement of existing products, which is subject to a number of difficulties and uncertainties.***

FFG's future results and ability to maintain or improve its competitive position depend on its ability to identify, develop, manufacture, market and sell new or improved products successfully. A key element of FFG's growth strategy is to introduce new products and re-launch and extend existing product lines in each of the markets in which it operates to counteract decreases in sales of existing products, as well as to increase overall sales of its products. For instance, FFG intends to launch a variety of new products and formats across the price spectrum, including a premium line of Plant-Based Spreads products to enhance its spreadable butter and mélange offering, and to expand its offering in adjacent categories, including sweet spreads and non-dairy milk and plant-based dips. The launch and success of new or modified products are inherently uncertain, and there can be no assurance as to FFG's continuing ability to develop and launch successful new products or variations of existing products. While mélanges, non-dairy milk and plant-based dips are all growing segments, other producers have developed leading positions in those markets which FFG may find difficult to challenge. There is also no guarantee that existing FFG brands can stretch into these new segments. The success of FFG's product development is affected by its ability to anticipate changing consumer trends and preferences, to leverage its research and development capabilities, and to utilize management's ability to launch new or improved products quickly, successfully and on a cost-effective basis. If FFG is unsuccessful in developing new products in an efficient and economical manner, demand for its products may decrease, which may have a material adverse effect on its business, financial condition and results of operations.

***If FFG does not manage its supply chain effectively, its operating results may be adversely affected.***

The inability of FFG's manufacturing facilities, as well as any supplier of raw materials, third-party distributor or warehouse, to deliver or perform in a timely or cost-effective manner could cause FFG's operating costs to increase and its profit margins to decrease. FFG will also be dependent on co-packing arrangements with Unilever in certain jurisdictions for a period of time following separation.

FFG is dependent on third-party suppliers of raw materials and packaging for its products. FFG's suppliers may fail to meet timelines or contractual obligations or provide sufficient products, which may adversely affect its business. Certain of FFG's contracts with key suppliers, such as for the raw materials it uses in its products, are short term and can be terminated by the supplier upon giving advanced written notice. Failure to appropriately structure or adequately manage FFG's agreements with third parties may adversely affect its supply of products.

FFG is also dependent on third parties for most of its warehousing and substantially all of its transportation requirements. Certain factors affecting distribution costs, including oil prices, are either subject to market fluctuations or controlled by FFG's third-party carriers. Temporary or long-term disruption of transportation services due to weather-related problems, strikes, lockouts or other events could impair FFG's ability to supply products affordably or in a timely manner. If FFG is unable to produce and effectively distribute sufficient quantities in response to demand for its products, consumers may look to purchase alternative or competitive products. Moreover, if FFG is unable to manage its supply chain efficiently, its operating costs could increase, adversely affecting its business, financial condition and results of operations.

***FFG is subject to the risks associated with operating and maintaining its manufacturing facilities, as well as relying on third-party manufacturing facilities.***

Once the separation process from Unilever is complete, FFG will own and operate a total of 17 production facilities, comprising ten factories in developed markets and seven factories in emerging markets. These facilities produced approximately 88% of FFG's total production volume in 2016. FFG is therefore subject to the risks associated with operating, and must incur potentially significant capital and other expenditures necessary to maintain, its manufacturing facilities, machinery and equipment. FFG must maintain its manufacturing facilities in order to, among other things, keep up with demand for its products, retain sufficient capacity to manufacture new products and increase its margins. If FFG is unable to maintain sufficient manufacturing capacity to keep up with demand for its products and ensure that its sales and production teams adequately coordinate their planning and production efforts, FFG risks losing potential product sales.

Of the 17 total production facilities, seven will transfer in their entirety to FFG as part of the separation process, and there will be a process of physically splitting the other ten sites where FFG and Unilever production lines exist side-by-side. Certain existing spreads-related production equipment will be relocated from sites that will remain with Unilever to sites that will belong to FFG, in order to create a stand-alone operating profile. FFG has also entered into certain co-packing agreements with Unilever on a transitional basis in locations where certain manufacturing capacity cannot be fully separated. If these arrangements are not implemented as expected or if, once implemented, they have an unexpected impact on FFG's manufacturing capability, its results of operations could be adversely impacted.

Furthermore, FFG has relationships with numerous third-party manufacturing facilities, which produced approximately 9% of FFG's total production volume in 2016. FFG currently relies on and may continue to rely on third-party manufacturers to produce its products in certain smaller volume or emerging markets which it would not be able to service otherwise. FFG's third-party manufacturers are required to maintain the quality of its products and to comply with its product specifications and requirements for certain certifications; however, FFG has less control over third-party manufacturing facilities when compared to directly owned facilities. The failure of any third-party manufacturer to produce products that conform to FFG's standards could materially and adversely affect FFG's reputation in the marketplace and result in product recalls, product liability claims and economic loss. FFG also faces risks of losing control of its intellectual property when third-party manufacturers require access to its formulas and trade secrets as a condition to doing business with it.

Any loss of the use of all or a portion of FFG's own or contracted third-party facilities due to accidents, fires, explosions, labor issues, adverse weather conditions, natural disasters such as floods, tornadoes, hurricanes, ice storms and earthquakes, supply interruptions, transportation interruptions, human error, mechanical failure, terrorist acts, power outages, discharges or releases of hazardous substances and other environmental issues, or otherwise, whether short or long-term, could have a material adverse effect on FFG and its operations. For example, the consolidated New Century manufacturing plant in Kansas, U.S.A., produces the substantial majority of all FFG products sold in the United States. Another example is DCA production, where the vast majority of FFG's global volumes are produced at the Kleve factory in Germany. Any loss of the use of all or a portion of any of such key facilities could result in substantial business losses, production delays, third-party lawsuits and significant repair costs, as well as personal injury and/or loss of life, which could materially and adversely affect FFG's business, financial condition, results of operations, prospects and cash flows.

Moreover, unexpected failures of FFG's equipment and machinery could result in production delays, turnover loss and significant repair costs, as well as injuries to its employees. In some cases, facilities are designated for certain types of products based on the unique equipment involved and it is more difficult, or impossible, for FFG to shift production of these products among its facilities. Any interruption in production capability may require FFG to make large capital expenditures to remedy the situation and could require significant lead time replacing, which could have a negative impact on its profitability and cash flows. A loss or interruption in production at certain of FFG's facilities could disrupt its operations and affect a large number of customers, decreasing its turnover. The operation of manufacturing facilities also requires FFG to hire, train and evaluate large numbers of production employees, which involves additional labor and employment related risks and uncertainties.

FFG and its third-party manufacturers are also subject to losses associated with equipment shutdowns, which may be caused by the loss or interruption of electrical power to manufacturing facilities due to unusually high demand, blackouts, adverse weather, equipment failure or other catastrophic events. Losses caused by disruptions in the supply of electrical power could materially and adversely affect FFG's business, financial condition, results of operations, prospects and cash flows.

***Significant disruption in FFG's workforce, increasing labor costs or work stoppages by unionized employees could adversely affect FFG's business, financial condition and results of operations.***

FFG has in the past, and may in the future, experience labor disputes and work stoppages at one or more of its manufacturing sites due to localized strikes or strikes in the larger retail food industry sector. FFG has also been involved in negotiations on collective bargaining agreements. A labor stoppage or other interruption at one of FFG's manufacturing sites could impact its ability to supply customers and could have a pronounced effect on its operations. Future labor disturbances or work stoppages at any of FFG's or its suppliers' facilities, or an inability to negotiate or renew collective bargaining agreements from time to time on suitable terms or at all, may have an adverse effect on such facility's operations and, potentially, on its business, financial condition and results of operations.

An increase in labor and employee benefit costs could adversely affect FFG's profitability. Most of the factors affecting labor costs are beyond FFG's control and FFG may not be able to adjust its pricing to reflect an increase in labor costs. A shortage of qualified employees, general inflationary pressure on wages or an increase in national minimum wages or industry or union agreed wages in any of the jurisdictions in which FFG operates could increase its labor costs and have a material adverse effect on its business, financial condition and results of operations.

***FFG depends on information technology systems to operate its business. Any failure, data security breach or technological changes could have a significant negative impact on its business.***

FFG's business activities rely to a significant degree on the efficient and uninterrupted operation of its various computer and communication systems, including information technology platforms. Any inadequate system design or any failure of current Unilever-provided or future stand-alone systems could impair its ability to receive, process and reconcile transactions, manage supply chain and manufacturing functions, manage compliance and risk functions, and conduct other day-to-day operations of the business. In addition, FFG's computer and communications systems are vulnerable to damage or interruption from a variety of sources, including attacks by computer malware, electronic break-ins or cyber-attacks, theft or corruption of confidential data or other unanticipated problems. We cannot assure you that any preventive measures that FFG has taken offer the appropriate level of security or protection. The cost of implementation for emerging and future technologies could also be significant.

In connection with the separation from Unilever, FFG will transition its information technology landscape from one embedded within Unilever's systems to a new, stand-alone platform. The transition process is expected to involve material costs and expenditures and could involve or result in delays, malfunctions or other issues as more fully set forth under the caption "*—Risks Related to FFG's Separation From Unilever—As FFG builds its information technology infrastructure and transitions its data to its own systems, it may incur substantial additional costs and experience temporary business interruptions.*"

Any significant disruption of FFG's computer or communication systems could affect its ability to manage its information technology systems or lead to recovery costs, litigation brought by customers or business partners, reputational damage or a diminished ability to operate the business, which in turn could have a material adverse effect on FFG's business, financial condition and results of operations.

***Fluctuations and volatility in FFG's raw material costs as well as increases in other inbound supply chain costs could materially adversely affect FFG's operating results.***

The primary raw materials used in the production of FFG's products are commodities, primarily comprising liquid vegetable oils (such as rapeseed, soybean, and sunflower oil) and tropical oils, such as palm oil. In some markets, FFG buys blended oils. Additional primary inputs include cardboard and plastic packaging materials and utility inputs such as water and energy. FFG obtains substantially all of its raw materials and packaging supplies from third-party suppliers, with raw material and packaging expenditures representing 45% and 15%, respectively, of FFG's total supply chain costs (35% and 12%, respectively, of FFG's total costs), in each case in the year ended December 31, 2017. The availability and cost of raw materials and packaging used in FFG's products are variable and can be significantly affected by a number of factors beyond its control, such as general economic conditions, agricultural policies, government programs, weather conditions such as frosts, drought and floods, and plant diseases, pests and other acts of nature. For example, in 2016 peanut availability was reduced to in part to aflatoxins in Argentinian peanut crops. Because FFG does not control the production of raw materials or packaging materials, it is also subject to delays caused by interruptions in production of such materials based on conditions not within its control. Such conditions include industrial actions or strikes by employees of suppliers, weather, crop conditions, transportation interruptions, natural disasters, palm oil sustainability issues and boycotts of products or other catastrophic events. As a result, FFG is not assured of continued supply, pricing, or exclusive access to raw materials or packaging materials from any of its suppliers.

There can be no assurance that FFG or its manufacturers will be able to obtain alternative sources of raw materials or packaging materials at reasonable prices, or at all, should there be shortages or other unfavorable conditions. FFG enters into forward purchase commitments and other financial hedging transactions to secure the costs of projected commodity inputs needed to produce its products and insulate the business from short-term volatility. These commitments are stated at a firm price, or as a discount or premium from a future commodity price. However, there can be no assurance that such hedging transactions will successfully reduce FFG's exposure to price volatility in the long term. In addition, not all of the commodities that FFG needs for its products can be hedged. As it expands its business into new product categories, FFG may not be able to hedge the prices of all of the commodities which it needs for its business at reasonable prices or at all.

FFG's manufacturing facilities also require additional supply chain inputs to process and produce products, such as labor, electricity, general overhead and transportation. In particular, the price of electricity and other energy resources required in the manufacture, storage and distribution of FFG's products may be subject to volatile market conditions. A sustained increase in these inbound supply chain costs can also affect the cost of manufacturing products. These costs may also fluctuate significantly over time due to factors that are beyond FFG's control, which could have an adverse effect on FFG's business.

FFG's inability to obtain adequate supplies of raw materials for its products or other supply chain inputs at reasonable prices, or at all, as a result of any of the foregoing factors or otherwise, could cause an increase in FFG's cost of sales and a corresponding decrease in its margin, or cause its sales and earnings to fluctuate from period to period. Such fluctuations may result in a decrease in gross margin and could have a material adverse effect on FFG's business, results of operations and financial conditions.

***FFG's inability to pass on price increases for materials or other inputs to its customers could adversely affect its margins in developed markets.***

FFG's ability to pass through increases in the prices of commodities and packaging materials to its customers depends, among others, on prevailing competitive conditions and pricing methods in the markets in which it operates, and it may not be able to pass through such price increases to its customers. Even if FFG is able to pass through increases in prices, there is typically a time lag between cost increases affecting its business and the implementation of product price increases, which are ultimately within the discretion of the retailer, during which time FFG's margin may be reduced. A time lag in the recovery of cost inflation, driven by either commodity cost increases or changes in the foreign exchange rate of the currency the commodity is denominated in, can also negatively impact FFG's margins. In addition, during negotiations to increase prices to recover commodity cost increases, retailers may take actions which exacerbate the impact of such cost increases. FFG's inability to pass through price increases in commodities and packaging materials and preserve its profit margins in the future could adversely affect its business, financial condition and results of operations.

***FFG relies substantially on sales to large food retailers and in the event they give higher priority to private label or other branded products, or if the concentration and buying power of these large retailers increase, FFG's business could be adversely affected.***

FFG's customers include supermarkets and large chain food retailers in the United Kingdom, Germany, the United States, most other developed markets and some emerging markets. Throughout FFG's markets, and particularly in Developed Markets (where FFG derived 79% of its turnover in the year ended December 31, 2017), the food retail segments are highly concentrated. In the year ended December 31, 2017, FFG's top five customers in each of its top ten markets accounted for between approximately 40% to 90% of turnover in each such market. In recent years, the major retailers in many of FFG's key markets have increased their share of the grocery market through consolidation and formation of buying groups, and price competition between retailers has intensified. This price competition has led the major retailers to seek lower prices from their suppliers, including FFG, and to reject price increases. The strength of the major retailers' bargaining position gives them significant leverage over their suppliers in negotiating pricing, product specification and the level of supplier participation in promotional campaigns and offers, which can reduce FFG's margins. Further consolidation among the major retailers or disproportionate customer growth in relation to their competitors could increase their relative negotiating power and allow them to force a negative shift in FFG's trade terms. FFG's results of operations could also be adversely affected if it is required to reduce its prices or increase its promotional spending activity as a consequence of an increase in the strength of the major retailers' bargaining position, if it loses business from a major retail customer or if its relationship with a major customer deteriorates.

Food retailers, including mainstream grocery chains which carry FFG products as well as discount chains (such as Aldi and Lidl) which tend not to carry major brands, also offer generic or private label products that compete directly with FFG's products for retail shelf space and consumer purchases. Accordingly, there is a risk that FFG's customers may give higher priority to private label products or the branded products of its competitors, which would adversely affect sales of FFG's products. Moreover, given the growth in market share of discount grocery chains, there is a risk that consumers could increasingly shop at discount chains offering only private label products, which would adversely affect sales of FFG's products and put increasing pressure on FFG's mainstream grocery chain customers. In the event FFG tenders to supply private label products to certain retailers, it may win back some volume but at the expense of lower turnover and margins. FFG may be unable to adequately respond to these trends and, as a result, the volume of its sales may decrease or it may need to lower the prices of its products, either of which could adversely affect its business, financial condition and results of operations.

***FFG is subject to credit risk with respect to its customers and suppliers.***

FFG's business is subject to the risks of non-payment and non-performance by its customers. FFG manages its exposure to credit risk through credit analysis and monitoring procedures, and sometimes uses letters of credit, prepayments and guarantees. However, these procedures and policies cannot fully eliminate customer credit risk, and to the extent FFG's policies and procedures prove to be inadequate, it could negatively affect FFG's financial condition and results of operations. In addition, some of FFG's customers, particularly in emerging markets, may be subject to their own operating and regulatory risks and, even if FFG's credit review and analysis mechanisms work properly, it may experience financial losses in its dealings with such parties. FFG does not maintain credit insurance to insure against customer credit risk. If FFG's customers fail to fulfil their contractual obligations, FFG's business, financial condition and results of operation may be materially adversely affected.

FFG is also subject to credit risk with respect to its third-party suppliers. If any such suppliers become insolvent, an appointed trustee could potentially ignore the service contracts FFG has in place with such party, resulting in increased charges or the termination of the service contracts. FFG may not be able to replace a service provider within a reasonable period of time, on as favorable terms or without disruption to its operations.

***FFG's business depends on its ability to protect its intellectual property effectively and any inability to protect its intellectual property could harm the value of FFG's brands and adversely affect its business.***

FFG's business depends substantially on the legal protection of proprietary rights in intellectual property that it owns or licenses. FFG also claims proprietary rights in various patented and unpatented technologies, know-how, trade secrets (including formulas), trademarks and service marks relating to its products and manufacturing processes. FFG's ability to implement its business plan depends in part on its ability to expand brand recognition using trademarks, service marks and other proprietary intellectual property, including for its brand names and logos, and on its ability to exploit its proprietary knowledge with respect to manufacturing processes. If existing contractual measures fail to protect FFG's proprietary rights, or if any third party misappropriates or infringes its intellectual property (including by reverse-engineering FFG's products or manufacturing processes), any advantage those proprietary rights provide may be negated and the value of FFG's brands may be harmed, which could have a material adverse effect on its business and might prevent its brands from achieving or maintaining market acceptance. Moreover, as FFG moves into new and additional distribution channels for its products, such as foodservice and private label, and as FFG manages turnover of employees over time, it may become increasingly difficult for FFG to fully protect its intellectual property (including trade secrets and know-how).

Monitoring infringement of intellectual property rights is difficult and FFG cannot be certain that the precautions it has taken will prevent the unauthorized use of its intellectual property (including trade secrets and know-how), particularly in countries where it does not have trademarks or patents at all or where the laws of such country may not protect its proprietary rights as adequately as the laws of the European Union or the United States. As FFG expands its operations into new markets, it becomes increasingly exposed to intellectual property laws which may prove to be inadequate for protecting its rights. Accordingly, other parties, including competitors, may duplicate FFG products using its proprietary technologies.

Pursuing legal remedies against persons infringing FFG's owned or licensed intellectual property rights or otherwise improperly using its proprietary information is a costly and time-consuming process that could divert resources from the conduct of FFG's business. When FFG or its licensor seeks to enforce their respective intellectual property rights, defendants are permitted to challenge the validity of the relevant intellectual property, which could have the impact of invalidating or limiting the scope of FFG's owned or licensed intellectual property, which may cause harm to its image, brand or competitive position. In addition, patent infringement cases can involve hearings in which the court determines the boundaries of the patent in dispute, which could limit the utility of FFG's or its licensor's patents.

FFG relies on a combination of registered trademark rights and common law rights or unfair competition protection (which in each case may offer less protection than registered trademarks) to protect FFG's brands in the various jurisdictions in which it operates. There can be no assurance that

FFG will be able to enforce these rights for current products, or register trademarks or obtain common law or unfair competition protection in relation to its brands (such as “Flora,” “Becel,” “I Can’t Believe It’s Not Butter!,” “Country Crock,” “Rama” or “Blue Band”) for any new product lines FFG may introduce. As FFG expands its product lines, it may need to apply for additional trademark protection. Any failure by FFG to maintain and extend protection of its intellectual property could adversely affect its business, financial condition and results of operations.

***Adverse developments with respect to the safety or quality of products of the spreads industry in general or of FFG’s products specifically, as well as evolving nutritional and health-related concerns, may damage FFG’s reputation, increase its costs of operations and decrease demand for its products.***

Food safety, and the public’s awareness that FFG’s products are safe and healthy, are essential to FFG’s image and business. FFG sells food products for human consumption, which subjects it to safety risks such as product contamination, spoilage, misbranding or product tampering. Product contamination, including the presence of a foreign object, substance, chemical or other agent or residue could require product withdrawals or recalls or the destruction of inventory, and could result in negative publicity, temporary plant closures and substantial costs of compliance or remediation. FFG is also subject to risks affecting the food industry generally, including risks posed by widespread contamination. Regulatory authorities may limit the supply of certain types of food products in response to public health concerns and consumers may perceive certain products to be unsafe or unhealthy.

FFG may be harmed by publicity concerning any assertion that its products caused illness or injury, and could become subject to claims or lawsuits relating to an actual or alleged illness stemming from product contamination or any other incidents that compromise the safety and quality of its products. Any significant lawsuit or widespread product recall or other events leading to the loss of consumer confidence in the safety and quality of FFG’s products could damage its brand, reputation and image and negatively affect its sales, profitability and prospects for growth. In addition, product recalls are difficult to foresee and prepare for and, in the event FFG is required to recall one or more of its products, such recall may result in damage to our brands’ image, loss of sales and diversion of management’s time and attention. FFG maintains systems designed to monitor food safety risks and requires its suppliers to do so as well. However, FFG cannot guarantee that its efforts will be successful or that such risks will not materialize. In addition, although FFG attempts, through contractual relationships and regular inspections, to control the risk of contamination caused by third parties in relation to the manufacturing and distribution processes it outsources, FFG cannot guarantee that its efforts will be successful or that contamination of its products by third parties will not materialize.

FFG could also be subject to claims or lawsuits relating to an actual or alleged illness or injury or death stemming from the consumption of a misbranded, altered, contaminated or spoiled product, which could negatively affect FFG’s business. Awards of damages, settlement amounts and fees and expenses resulting from such claims and the public relations implications of any such claims could have an adverse effect on FFG’s business. The availability and price of insurance to cover claims for damages are subject to market forces that FFG does not control, and such insurance may not cover all the costs of such claims and would not cover damage to its reputation. Even if product liability claims against FFG are not successful or fully pursued, these claims could be costly and time consuming, increase FFG’s insurance premiums and divert management’s time and resources towards defending them rather than operating the business. In addition, any adverse publicity concerning such claims, even if unfounded, could cause customers to lose confidence in the safety and quality of FFG’s products and damage its reputation and brand image.

Evolving nutritional and health-related concerns have led to negative publicity in the food industry concerning the health implications of GMOs, palm oil, obesity, trans fat, diacetyl and artificial growth hormones. In particular, the food industry has been experiencing a significant trend in which an increasing number of consumers are requiring only non-GMO and other specialized ingredients in their foods. Legislation could also require companies to move to non-GMO labelling or other higher cost ingredients. This could result in changes to FFG’s labelling, advertising and/or packaging or require it to purchase non-GMO ingredients, which would increase its costs. Sourcing non-GMO and other specialized ingredients increases costs because such raw materials are generally less widely available and therefore more expensive and FFG may not be able to increase its prices to reflect this increased cost. As additional retailers require or consider requiring all of their products to be non-GMO, additional pressure may come to bear on manufacturers to find sources of raw materials which are non-GMO. This may be particularly difficult in the United States, where most farmers produce genetically modified foods, causing it to be difficult to source non-GMO ingredients and raw materials. Companies that fail to source non-GMO and other specialized ingredients could, over time, lose market share, suffer harm to their brand images and face decreasing sales. Consumers may increasingly require that foods meet stricter standards than are required by applicable governmental agencies, which would further increase the cost of manufacturing such foods and ingredients.

***Seasonal fluctuations in product demand may affect the business***

FFG's sales have historically been affected by seasonal cyclicality in customer orders in various markets. The extent and impact of such seasonal variations varies among the countries in which FFG operates. For example, the U.S. business typically experiences three "peaks" in sales during the year: a spike in the fourth quarter which is driven by Christmas baking, an increase in sales in the first quarter due to Easter, and a spike in sales during the third quarter due to "back to school" baking. Similarly, in Indonesia there is a peak in margarine use for cooking and baking during the Ramadan festival season, which can occur in various quarters from year to year. Furthermore, across all the countries in which we operate, the timing of product promotions drives volatility from normal consumption. Finally, weather has some limited impact on sales, because hot weather reduces consumer appetite for spreads products. While FFG's sales are seasonal, many of the business's expenses, such as personnel costs, are incurred more evenly throughout the year, which could affect measures of profitability in the short term and put pressure on our working capital position. Also, for these reasons, sequential quarterly comparisons may not be a reliable indication of the performance of the business or how it may perform in the future.

***Potential liabilities and costs from litigation could adversely affect FFG's business.***

From time to time, in the ordinary course of business, FFG is subject to litigation. There is no guarantee that FFG will be successful in defending itself in civil, criminal or regulatory actions. These actions may relate to commercial, employment, environmental, food quality, food safety, anti-trust, international trade, taxation, intellectual property and advertising and similar matters. For example, FFG's marketing could face allegations of false or deceptive advertising or other criticisms which could result in litigation and potential liabilities or costs. In addition, FFG could incur substantial costs and fees in defending itself or in asserting its rights in these actions or meeting new legal requirements. The costs and other effects of potential litigation and administrative actions against FFG, and new legal requirements, cannot be determined with certainty and may differ from expectations.

***FFG's business, financial condition or results of operations could be adversely affected as a result of unstable political conditions, civil unrest, volatile or unfavorable economic conditions or other developments and risks in emerging markets.***

Emerging markets are a significant part of FFG's business strategy and the emerging markets in which FFG operates, including Brazil, Turkey, Indonesia, Mexico, Nigeria and other nations in Latin America, Africa, the Middle East and Asia, have experienced and may continue to experience unstable political environments and volatile or unfavorable economic conditions.

There can be no assurance that FFG will be able to maintain or grow its sales and profitability in emerging markets. Such inability may be caused by any one or more of the following factors:

- unfavorable economic conditions, including: adverse changes in interest rates, tax laws or tax rates; highly inflationary currency, devaluation or fluctuation; contraction in the availability of credit in the marketplace due to legislation or economic conditions; the effects of government initiatives, including austerity or stimulus measures, to manage economic conditions and any changes to or cessation of such initiatives; the effects of any default by or deterioration in the credit worthiness of the countries in which FFG's products are sold or of countries that may then impact countries in which FFG's products are sold;
- reduced demand for FFG's products resulting from volatility in general global economic conditions or a shift in consumer preferences for economic reasons or otherwise to regional, local or private label products or other lower-cost products, or to less profitable channels;

- unstable political or social conditions, including a lack of well-established or reliable legal systems; or
- acts of war, terrorist acts, and civil unrest.

These factors may reduce demand for FFG's products in emerging markets, including by changing consumer preferences and reducing discretionary spending levels, as well as negatively impact FFG's ability to operate its business in such markets, including through restrictions on advertisements of its products and the nationalization or government-mandated closure of FFG's local manufacturing facilities and assets or those of its third-party suppliers, manufacturers and distributors. In addition, even in Emerging Markets where FFG operates profitably, foreign exchange controls, capital controls and other limitations on the convertibility and flow of currency may restrict FFG's ability to repatriate its earnings from such countries, which would hamper its ability to deploy its capital most effectively.

Conditions in the emerging markets from which FFG sources certain key raw materials, including palm oil, may also adversely affect FFG's business, in particular if they result in restrictions on the purchase and sale, or otherwise limit the availability, of such raw materials. In addition, FFG may become subject to new or increased sanctions against, or other regulations restricting economic contact with, the emerging markets in which it has a presence or otherwise sources its raw materials. FFG may also incur increased costs of doing business due to compliance with complex and evolving foreign and U.S. laws and regulations that apply to FFG's international operations, including the Foreign Corrupt Practices Act and the U.K. Bribery Act.

If FFG is unable to expand its businesses in developing and emerging markets, effectively operate, or manage the risks associated with operating, in these markets, or achieve the return on capital FFG expects from its investments in these markets, its business, financial condition or results of operations could be adversely affected.

***FFG is exposed to local business and tax risks in many different countries.***

FFG operates in numerous countries across Europe, North America, Latin America, Africa, the Middle East and Asia. As a result, FFG's business is subject to risks resulting from differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments in these markets, all or any of which could result in disruption of its activities. These risks include, among others, political instability, differing economic cycles and adverse economic conditions, unexpected changes in regulatory environments, currency exchange rate fluctuations, inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws, changes in distribution and supply channels, foreign exchange controls and restrictions on repatriation of funds, and difficulties in attracting and retaining qualified management and employees. FFG's overall success in the markets in which it operates depends, to a considerable extent, on its ability to effectively manage differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments. FFG cannot guarantee that it will succeed in developing and implementing policies and strategies which will be effective in each location where it does business.

FFG must comply with complex and evolving tax regulations in the various jurisdictions in which it operates, which subjects it to international tax compliance risks. Some tax jurisdictions in which FFG operates have complex and subjective rules regarding income tax, value-added tax, sales or excise tax and transfer tax. From time to time, FFG's foreign subsidiaries are subject to tax audits and may be required to pay additional taxes, interest or penalties should the taxing authority assert different interpretations, or different allocations or valuations of its services which could be material and could reduce FFG's income and cash flow from its international subsidiaries.

***FFG is exposed to risks associated with its growth and business development initiatives.***

FFG's business can be affected by risks related to expansion into new international markets, particularly emerging markets and the development of new products. FFG is also exposed to reputational risks connected to a potential failure to manage and properly implement these growth initiatives.

New international markets could develop more slowly than we expect at any given time. Entry into a new market may require a local manufacturing or distribution partner, which may be difficult to obtain or slow down the speed of expansion. Should further expansion into international markets not be successful or not be as successful as planned, the investments made might not result in the desired growth in revenue, which could have a material adverse effect on our business, financial condition and results of operations.

We will also seek to expand FFG's product offering into adjacent categories and distribution channels, including additional DCA products and the foodservice and industrial distribution channels. There can be no assurance that any new product line or channel which FFG might expand into will develop into a viable offering, or that any investment made in expanding into such adjacent product categories or distribution channels will be adequately rewarded.

Growth can carry risks relating to the adequacy of FFG's resources and the capacity of management and employees to properly manage all critical issues, resulting in a focus on certain initiatives to the detriment of others and a failure to properly anticipate risks to our global supply chain. Growth risks also include risks related to potential mergers and acquisitions, including potential liability under acquisition agreements, product liability and environmental responsibility risks as well as reputational and personnel related risks. The success of any merger or acquisition is also dependent on our management's ability to successfully integrate such companies into existing operations. Any failure to manage risks related to potential mergers and acquisitions could have a material adverse effect on FFG's business, financial condition or results of operations.

***The nature of the exit of the U.K. from the EU could adversely impact FFG's business, results of operations and financial condition.***

In the year ended December 31, 2017, 46% of FFG's turnover was derived from the European Union (excluding the United Kingdom) and 8% was derived from the United Kingdom. On June 23, 2016, the U.K. electorate voted in favor of leaving the European Union (commonly referred to as "Brexit"), and on March 29, 2017 the U.K. government formally initiated the withdrawal process. The terms of any withdrawal are subject to a negotiation period that could last until March 2019; thus, the referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union.

Since the Brexit referendum, the pound sterling has experienced increased volatility, particularly versus the U.S. dollar and Euro, as a result of which FFG has experienced adverse impacts on consumer demand and suppliers' profitability in the U.K. and other markets. For example, in the first quarter of 2017, negotiations with large retail customers in a number of developed markets (including the U.K.) were unusually prolonged due to price increases implemented by Unilever in response to the heightened commodity price environment, which was exacerbated in the U.K. by the fall in the value of the pound sterling after the Brexit referendum. While the situation was resolved in the second half of 2017 (albeit with some lasting impact on full year financial performance), there can be no assurance that similar issues will not arise in future years.

In addition, Brexit has introduced general uncertainty in the overall business environment in which FFG operates. Depending on the terms of Brexit, the United Kingdom could also lose access to the EU single market and beneficial terms, resulting in an adverse impact on the general and economic conditions in the United Kingdom. FFG also faces the risk that raw materials and finished products imported into the U.K. will face tariffs after Brexit is implemented. Changes may occur in regulations that FFG is required to comply with as well as amendments to treaties governing tax, duties and tariffs, among other things, which could adversely impact its operations and require it to modify its financial and supply arrangements. Additionally, political instability in the European Union as a result of Brexit may have a material negative effect on credit markets and foreign direct investments in the EU and U.K. This deterioration in economic conditions could result in increased unemployment rates, increased short- and long-term interest rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, and other results that negatively impact household incomes. Further, a number of FFG's employees in the U.K. are not U.K. citizens and, depending on the terms negotiated, may no longer have the right to work in the U.K. following the U.K.'s formal withdrawal from the EU. Any of these factors could have a material adverse effect on FFG's business, financial condition and results of operations.

***FFG is dependent upon key executives and qualified managers and it cannot assure their retention.***

FFG's success depends, in part, upon the continued services of key members of its management. FFG executives' and managers' knowledge of the market, FFG's business and its company represents a key strength of its business, which cannot be easily replicated. The success of FFG's business strategy and its future growth also depends on its ability to attract, train, retain and motivate skilled managerial, sales, administration, development and operating personnel.

There can be no assurance that FFG will be able to hire or retain experienced, qualified employees to carry out FFG's strategy, in particular following the separation from Unilever and the expiry of the TSAs. Operating our business separately from Unilever's broader infrastructure and its resources could present operational and organizational challenges to our senior management team, and the separation process from Unilever will divert management time and attention from the day-to-day requirements of FFG's business. The loss of one or more of its key management or operating personnel, or the failure to attract and retain additional key personnel, could have a material adverse effect on FFG's business, financial condition and results of operations.

***Costs or liabilities relating to compliance with applicable directives, regulations and laws could have a material adverse effect on FFG's business, financial condition and results of operations.***

As a producer of food products for human consumption, FFG is subject to extensive regulations in the countries in which it operates, in particular the U.S.A. and EU, which govern production, composition, manufacturing, storage, transport, advertising, packaging, health, quality, labelling, safety and distribution standards. Regulations of the European Parliament and Council published in October 2011 changed rules relating to the presentation of nutritional information on packaging and other rules on labelling. It is unclear how this will be impacted by Brexit but there may be changes and further regulations to which FFG will be required to adhere. Local governmental authorities also set out health and safety related conditions and restrictions. Any failure to comply with applicable laws and regulations could subject FFG to civil remedies, including fines, injunctions, product recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on FFG's business, financial condition and results of operations. Changes in the regulatory environment could also lead to increased costs.

In addition, FFG's manufacturing facilities as well as those of its suppliers and third-party manufacturers are subject to licensing, reporting requirements and official quality controls by numerous governmental authorities. These governmental authorities include national and local health, environmental, labor relations, sanitation, building, zoning, and fire and safety departments. Difficulties in obtaining or failure to obtain the necessary licenses or approval could delay or prevent the development, expansion or operation of a given production or warehouse facility. Any changes in those regulations may require FFG to implement new quality controls and possibly invest in new equipment, which could delay the development of new products and increase FFG's operating costs.

All of FFG's products must comply with strict national and international hygiene regulations. FFG's facilities and its suppliers' facilities are subject to regular inspection by authorities for compliance with hygiene regulations applicable to the sale, storage and manufacturing of foodstuffs and the traceability of genetically modified organisms and other raw materials. Despite the precautions FFG undertakes, should any non-compliance with such regulations be discovered during an inspection or otherwise, authorities may temporarily shut down any of FFG's facilities and levy a fine for such non-compliance, which could have a material adverse effect on FFG's business, financial condition and results of operations.

Finally, any attempt to expand production may attract the scrutiny of European and other competition and anti-trust regulators, and such an attempt may not succeed. In addition, FFG's size and prominence in the B&M market may prompt heightened scrutiny by such regulators seeking to restrain anti-competitive market practices. Any competition or anti-trust investigation could require significant legal expenditures and result in liabilities or adverse governmental orders. Such developments could adversely affect FFG's business, financial condition and results of operations.

*FFG could incur material costs to address violations of, or liabilities under, health, safety and environmental regulations.*

FFG's facilities and operations are subject to numerous health, safety and environmental regulations, including local and national laws, U.S. federal and state legislation and regulations, and European directives and regulations governing, among other things, water supply and use, water discharges, air emissions, chemical safety, solid and hazardous waste management and disposal, clean-up of contamination, energy use, noise pollution, and workplace health and safety. Health, safety and environmental legislation in Europe, the United States and elsewhere have generally become more comprehensive and restrictive and more rigid over time and enforcement has become more stringent. Failure to comply with applicable requirements, or the terms of required permits, can result in penalties or fines, clean-up costs, third-party property damage and personal injury claims, which could have a material adverse effect on FFG's brand, business, financial condition and results of operations. In addition, if health, safety and environmental laws and regulations in the countries in which FFG operates or from which it sources raw materials and ingredients become more stringent in the future, the extent and timing of investments required to maintain compliance may exceed FFG's budget or estimates and may limit the availability of funding for other investments.

Furthermore, under some environmental laws, FFG could be liable for costs incurred in investigating or remediating contamination at its facilities, even if the contamination was caused by an unrelated party, and even if the activity which caused the contamination was legal at the time it occurred. The discovery of previously unknown contamination, or the imposition of new or more burdensome obligations to investigate or remediate contamination at FFG's properties or at third-party sites, could result in substantial unanticipated costs which could have a material adverse effect on FFG's business, financial condition and results of operations.

In certain jurisdictions, FFG is also subject to legislation designed to significantly reduce industrial energy use, carbon dioxide emissions and the emission of ozone depleting compounds more generally. If FFG fails to meet applicable standards for energy use reduction or is unable to decrease, and in some cases eliminate, certain emissions within the applicable period required by relevant laws and regulations, it could be subject to significant penalties or fines and temporary or long-term disruptions to production at its facilities, all of which could have a material adverse effect on FFG's business, financial condition and results of operations.

*FFG is exposed to foreign exchange rate risks and such rates may adversely affect its results of operations.*

FFG is exposed to translational and transactional foreign exchange rate risk. FFG is exposed to translational foreign exchange risk as FFG's reporting currency is the euro but a significant proportion of its sales are denominated in the various currencies of the countries in which it sells its products; 65% of FFG's turnover in the year ending December 31, 2017 was denominated in currencies other than the euro. FFG does not currently hedge against this translational foreign exchange risk. FFG is also exposed to transactional foreign exchange risk due to the fact that a significant portion of its raw material purchases are denominated in U.S. dollars or are otherwise heavily influenced by U.S. dollar fluctuations, for example the price of plastic packaging materials, even if quoted in euros or some other currency, is influenced by crude oil prices which are set in dollars. FFG intends to reduce this risk by hedging its major currency exposures; however, such hedging arrangements may not fully protect FFG against currency fluctuations. Fluctuations and sustained strengthening of the U.S. dollar exchange rate against FFG's operating currencies may materially adversely affect its business, financial condition and results of operations.

*FFG may incur liabilities that are not covered by insurance.*

While FFG seeks to maintain appropriate levels of insurance, not all exposures are insurable and FFG may experience major incidents of a nature that are not covered by its insurance. FFG's insurance policies cover, among other things, employee-related accidents and injuries, property damage and liability deriving from its activities. FFG maintains an amount of insurance protection that it believes is adequate, but there can be no assurance that such insurance will continue to be available on acceptable terms or that FFG's insurance coverage will be sufficient or effective under all circumstances and against all liabilities to which it may be subject. FFG could, for example, be subject to substantial claims for damages upon the occurrence of several events within one calendar year. In addition, FFG's insurance costs may increase over time in response to any negative development in its claims history or due to material price increases in the insurance market in general.

***Due to restrictions on the deduction of interest expenses or forfeiture of interest carry-forwards under Dutch law, we may be unable to fully deduct interest expenses on our financial liabilities.***

The gross proceeds of this Offering, together with borrowings under the Senior Facilities Agreement and the Shareholder Contribution, will be used by FFG to (i) finance the Acquisition and (ii) pay costs, expenses and fees in connection with the Transactions. The Issuer will pay interest on the Notes semi-annually in arrears. As of the date of this Offering Memorandum, Dutch tax law does not provide for interest deduction restrictions with respect to third party debt taken up by the Issuer, the proceeds of which are used to grant interest-bearing loans. Interest payments to the holders of the Notes are not subject to Dutch dividend withholding tax.

According to the EU Anti-Tax Avoidance Directive, the Netherlands must introduce an interest deductibility limitation rule effective from January 1, 2019. Under such rule, net interest due in excess of 30% of the Issuer's EBITDA is not deductible in that calendar year. Net interest due means interest income minus interest expenses. Furthermore, the Dutch government has announced that Dutch financial institutions, which generally realize a positive interest margin and should thus not be affected by the new 30% EBITDA rule, may become subject to thin capitalization legislation. If the Issuer is affected by either of the aforementioned provisions, the Issuer may no longer be able to (fully) deduct the interest expenses due to the holders of the Notes as a result of which the Dutch corporate income tax burden may increase. The Dutch tax rate is currently 25% (a reduced rate applies to the first €200,000 of taxable profit).

In addition, the Dutch government has announced its intention to introduce a withholding tax on interest payments to lenders resident in low tax countries and non-cooperative countries, as listed by the European Commission. Such withholding tax may be introduced in 2020 or 2021.

***Transfer pricing rules may have a material adverse effect on our financial condition and results of operations.***

Certain of our subsidiaries have business relationships with other companies of FFG. Under certain (corporate) income and trade tax law, such intra-group relationships are required to meet arm's length terms. If intra-group relationships are not agreed on an arm's length basis, certain tax authorities may in particular accept the deduction of business expenses for tax purposes only to the extent the business expenses would have been incurred in case of an arm's length relationship. Under certain circumstances, intra-group performances that do not meet arm's length terms may also be re-qualified as deemed dividends. These consequences would negatively impact our financial condition and results of operations.

With respect to business relationships between companies of FFG established in different jurisdictions, certain tax authorities may request proper transfer pricing documentation from the relevant Group company. Such transfer pricing documentation may also be requested by certain tax authorities with respect to the allocation of profits between companies of FFG established in different jurisdictions. If no proper transfer pricing documentation is delivered to the tax authority in a timely manner upon such request, the tax authorities may adjust the taxable income of the relevant company. In this case, an additional surcharge may also be applied by the tax authority.

### Risks Related to the Notes, the Guarantees and the Collateral

***Creditors under the Senior Credit Facilities Agreement and certain hedging obligations that we may enter into are entitled to be repaid with the proceeds of the Collateral sold in any enforcement procedure in priority to the Notes.***

The obligations of the Issuer under the Notes will be secured by liens over the Collateral on the basis and priority set out in the Intercreditor Agreement. The Collateral, together with certain other assets not pledged in favor of the Notes, also secures our obligations under the Senior Credit Facilities Agreement. In addition, the Collateral may secure certain hedging obligations which we may enter into. The Indenture also permits the Collateral to be pledged to secure additional indebtedness in accordance with the terms thereof and the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the liabilities under the Senior Credit Facilities Agreement and certain hedging obligations will have priority over any amounts received from the sale of the Collateral pursuant to an enforcement action taken with respect to the Collateral. As such, in the event of a foreclosure on the Collateral, you may not be able to recover on the Collateral if the then-outstanding claims under the Senior Credit Facilities Agreement and certain hedging obligations are greater than the proceeds realized. Any proceeds from an enforcement sale of the Collateral by any creditor will, after all obligations under the Senior Credit Facilities Agreement, certain hedging obligations and any other such obligations sharing the Collateral have been discharged in full, be applied *pro rata* in repayment of the Notes and any other obligations secured by the Collateral on an equal basis with the Notes. The Intercreditor Agreement provides that a common Security Agent, who will also serve as the security agent for the lenders under the Senior Credit Facilities Agreement, certain hedging arrangements and any additional secured debt permitted to be incurred under the Indenture and the Senior Credit Facilities Agreement, will act only as provided for in the Intercreditor Agreement.

In general, lenders under the Senior Credit Facilities Agreement and any other permitted future senior secured debt will have, subject to certain restrictions, the ability to provide enforcement instructions to the Security Agent to enforce the shared Collateral. Such creditors may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Notes to do so.

***The Collateral may not be sufficient to secure the obligations under the Notes.***

The Notes will be secured on the basis and priority set out in the Intercreditor Agreement by security interests in the Collateral, which Collateral also secures the obligations under the Senior Credit Facilities Agreement. The Collateral may also secure additional debt, to the extent permitted by the terms of the Indenture, the Senior Credit Facilities Agreement and the Intercreditor Agreement. The Collateral may also be released or otherwise reduced in the future. For example, some of the shares of Midco that comprise part of the Collateral could be sold in a transaction that is not prohibited by the Indenture. Similarly, the principal amount of the Proceeds Loan from the Issuer to Midco, which also comprises part of the Collateral, could be reduced through repayment or the terms of the Proceeds Loan could be amended. Your rights to the Collateral may be diluted by any increase in the first-priority debt secured by the Collateral or a reduction of the Collateral.

The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which operations are located and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, some or all of the Collateral may be of no value if Midco is subject to insolvency or bankruptcy proceedings.

***It may be difficult to realize the value of the Collateral.***

The Collateral will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and/or the Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the Collateral from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the priority of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or re-characterization under the laws of certain jurisdictions.

The security interests of the Security Agent in the Collateral will be subject to practical problems generally associated with the realization of security interests in collateral. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to enforce the Collateral. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may in the meantime significantly decrease. Furthermore, the security interests may be subject to certain limitations on enforcement or may be limited by applicable law or may be subject to certain defenses that may limit its validity or enforceability. For additional information relating to limitations on enforceability of Collateral and enforcement proceedings generally, see "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*."

In addition, our business requires a variety of national and local permits and licenses. The continued operation of properties that comprise part of the Collateral and that depend on the maintenance of such permits and licenses may be prohibited or restricted following a change in ownership in an enforcement scenario. Our business is subject to regulations and permit requirements and may be adversely affected if we are unable to comply with applicable regulations or requirements. In the event of foreclosure, the grant of permits and licenses may be revoked, the transfer of such permits and licenses may be prohibited or may require us or the acquired in an enforcement scenario to incur significant cost and expense. Further, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfers are not obtained, are delayed or are practically or commercially prevented, the foreclosure may be delayed, a temporary or lasting shutdown of operations may result, and the value of the Collateral may be significantly decreased.

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

The Issuer is organized under the laws of the Netherlands; the Guarantors are organized under the laws of the Netherlands, the United States, Germany and the United Kingdom; and the Collateral will include a pledge over the shares of Midco, which is incorporated under the laws of the Netherlands, and over the receivable from Midco under the Proceeds Loan. In the event of bankruptcy, insolvency, administration, restructuring or similar event, proceedings could be initiated in any of these jurisdictions. Your rights under the Notes, the Guarantees and the Collateral are likely to be subject to insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings.

The insolvency, administrative and other laws of the jurisdictions of organization of the Issuer and the Guarantors may be materially different from, or conflict with, each other and, in certain circumstances, with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest, the duration of proceedings and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affect your ability to enforce your rights under the Guarantees and the Security Documents in these jurisdictions or limit any amounts that you may receive. See "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations*."

***Each Guarantee and the security interests in the Collateral will be subject to significant limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.***

The Guarantors will guarantee the payment of the Notes on a senior subordinated basis. Each Guarantee will provide the relevant holders of the Notes with a direct claim against the relevant Guarantor. In addition, the Issuer will secure the payment of the Notes on the basis and priority set out in the Intercreditor Agreement by granting security under the relevant Security Documents. Under the terms of the Intercreditor Agreement, lenders under the Senior Credit Facilities Agreement and counterparties to certain hedging agreements, and any additional indebtedness secured on the same basis, will have priority over any amounts received from the sale of the Collateral pursuant to an enforcement action taken with respect to the Collateral. There is no guarantee that the value of the Guarantees or the Collateral will be sufficient to satisfy claims under the Notes. Notwithstanding the foregoing, the Indenture will provide for general limitation language to the effect that each Guarantee and each security interest granted as well as any other obligation, liability or indemnification under a Security Document will be limited to the maximum amount that can be guaranteed/secured by the relevant Guarantor/security provider with respect to the aggregate obligations and exposure of the Guarantor/security provider without rendering the relevant Guarantee/security interest voidable or otherwise ineffective under the applicable law, and enforcement of each Guarantee/Security Document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. See "*Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" for a description of certain of these limitations in several relevant jurisdictions. If one or more of these laws and defenses are applicable, the relevant Guarantor may have no liability, or decreased liability, under its Guarantee.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate or void the Guarantees or the security interest granted under the Security Documents and, if payment had already been made under a Guarantee or enforcement proceeds applied under a Security Document, require that the recipient return the payment to the relevant Guarantor/security provider, if the court found that:

- the amount paid or payable under the relevant Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;
- the relevant Guarantee or security interest under a Security Document was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor/security provider or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor/security provider was insolvent when it granted the relevant Guarantee or security interest;
- the Guarantor/security provider did not receive fair consideration or reasonably equivalent value for the relevant Guarantee/security interest and the Guarantor/security provider was: (i) insolvent or rendered insolvent because of the relevant Guarantee/security interest; (ii) undercapitalized or became undercapitalized because of the relevant Guarantee/Security Document; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or
- the relevant Guarantees/Security Documents were held to exceed the corporate objects/corporate purposes of the Guarantor/security provider or not to be in the best interests or for the corporate benefit of the Guarantor/security provider.

***The security interest in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes and the Collateral will be granted subsequent to the issuance of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.***

The security interests in the Collateral that will secure our obligations under the Notes will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Indenture will provide, along with the Intercreditor Agreement, that only the Security Agent has the right to enforce the Security Documents. The ability of the Security Agent to enforce the Security Documents may be restricted under local law. As a consequence of the right to enforce the Security Documents, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral, except through the Trustee, which will (subject to the applicable provisions of the Indenture and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral.

Under Dutch law, it is uncertain as to whether security interests can be granted to a party other than the creditor of the claim which is purported to be secured by such security interests. Under German law, to the extent accessory security (akzessorische Sicherheit) such as, for example, pledges over shares, partnership interests, receivables or bank accounts is concerned, the relevant accessory security interest can only be granted to the creditor of the claim which is purported to be secured. As a consequence, of such uncertainties or restrictions, the Intercreditor Agreement provides for the creation of parallel debt ("Parallel Debt") obligations in favor of the Security Agent mirroring the obligations of the Issuer and Guarantors towards the holders of the Notes under or in connection with the Intercreditor Agreement (the "Principal Obligations").

The Dutch law and the German law security interests will be granted to the Security Agent as security for the Parallel Debt and will not directly secure the Principal Obligations. As a result, the holders of the Notes will bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. In addition, the Parallel Debt construct has not been fully tested under Dutch and German law and, to the extent that the security interests in the collateral created to secure the Parallel Debt are successfully challenged by other parties, holders of the Notes will not (directly) receive any proceeds from an enforcement of the security interests in the Collateral.

***There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically, without your consent or the consent of the Trustee.***

Under various circumstances, the Guarantees and the Collateral will be released automatically, including, without limitation:

- in the case of Collateral, in connection with any sale or other disposition to any third party of Collateral, so long as the sale or other disposition is permitted by the Indenture or the Issuer to any restricted subsidiary consistent with the Intercreditor Agreement;
- in accordance with the "*Amendment and Waiver*" provisions of the Indenture;
- upon defeasance or satisfaction and discharge of the Indenture as provided under the caption "*Description of the Notes—Defeasance;*"
- with respect to the property and assets securing the Notes, automatically if a security interest granted in favor of the other indebtedness that gave rise to the obligation to grant the security interest over such property and assets pursuant to the covenant described under the caption "*Description of the Notes—Certain Covenants—Limitation on Liens*" is released (other than pursuant to the payment and discharge thereof);
- in the case of the Collateral, in connection with an IPO Pushdown in accordance with the Indenture;
- in the case of the Collateral, in order to effectuate a merger, consolidation, conveyance or transfer pursuant to the covenant described under the caption "*Description of the Notes—Certain Covenants—Merger and Consolidation*" or in connection with a Permitted Reorganization in accordance with the Indenture; or
- in accordance with the Intercreditor Agreement.

Unless consented to by the holders of the Notes, the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the Guarantees or security interests in the Collateral unless the relevant sale or disposal is made:

- for consideration all or substantially all of which is in the form of cash;
- concurrently with the discharge or release of the indebtedness of the disposed entities of certain other creditors, including the creditors under the Senior Credit Facilities Agreement, unless each agent for the senior creditors determines that the senior creditors will recover a greater amount if any such claim is sold or otherwise transferred to the purchaser of the disposed entities and not released and discharged; and
- pursuant to a public auction or other competitive sales process, or a fairness opinion has been obtained from a financial adviser selected by the Security Agent.

The Intercreditor Agreement also provides that the Collateral may be released and retaken in connection with the refinancing of certain indebtedness, including the Notes, if the Issuer has confirmed in writing to the Security Agent that it has determined that it is either not possible or not desirable to implement any such refinancing on terms satisfactory to the Issuer by instead granting additional collateral and/or amending the terms of the existing Collateral. In certain jurisdictions, such a release and retaking of collateral may give rise to the start of a new "hardening period" in respect of such collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of the Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of the Collateral and thus reduce your recovery under the Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Certain Covenants—Impairment of Security Interest.*"

Due to German mandatory law, security grantors may have a right to claim the release of certain collateral in case of a subsequent over-collateralization (*nachträgliche Übersicherung*) (where the value of the relevant security interest subsequently significantly and not only temporarily exceeds the amount of the secured obligations), or security interest can even be deemed void in case of an initial excessive over-collateralization (*anfängliche Übersicherung*). It is a factual question whether the security granted under the Collateral exceeds this limit.

***Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.***

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security interest. The security interest in the Collateral may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions required to perfect any such security interest. The Security Agent shall be under no obligation to perfect the Collateral.

Under Dutch law, a right of pledge over receivables can be created in two manners, by means of (i) a disclosed right of pledge which is disclosed to the debtor, or (ii) an undisclosed right of pledge. A disclosed and undisclosed right of pledge can both be created by means of a notarial deed or private deed non-notarial agreement. As a general rule under Dutch law, disclosed rights of pledge are created in respect of, *inter alia*, account receivables, insurance receivables, intercompany receivables and hedging receivables, while undisclosed rights of pledge are created in respect of trade receivables. A disclosed right of pledge is perfected at the moment a debtor receives a notification of such right of pledge. An undisclosed right of pledge is perfected at the moment that (a copy of) the agreement is submitted to the Dutch tax authorities if such agreement is executed as a private deed or perfected at the moment of execution, if such agreement is executed as a notarial deed. For undisclosed rights of pledge over receivables, the relevant debtor may validly discharge its obligations under the relevant pledged receivable by paying the pledgor. As soon as the debtor is notified of the right of pledge, the debtor is only able to validly discharge its obligations by making payments to the pledgee. For more information, see "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law considerations—The Netherlands*."

Further, pursuant to the terms of certain security documents, actions for perfection of certain security interests may only be undertaken following certain trigger events, such as notice of the occurrence of an event of default under the Indenture that is continuing. See *"Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law considerations—The Netherlands*."

***The granting of security interests in the Collateral may create hardening periods for such security interests in accordance with the law applicable in certain jurisdictions.***

The granting of new security interests in connection with the issuance of the Notes, or delayed perfection of certain security interests following certain trigger events under the Security Documents, such as notice of the occurrence of an event of default under the Indenture which is continuing, may create hardening periods for such security interests in certain jurisdictions. The applicable hardening period for these new security interests will run as from the moment each new security interest has been granted, perfected or recreated (as applicable). In each such case, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it. See "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations*."

Similar considerations also apply following the issuance of the Notes in connection with the accession of further subsidiaries as Target Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of the holders of the Notes.

With respect to Dutch law, transactions can in certain circumstances be returned to a bankruptcy estate or a company subject to company reorganization. Broadly, these transactions include, among others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest or provided a guarantee that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during three or six months preceding the commencement of the relevant Dutch insolvency proceedings. However, in certain situations, longer time limits apply and in others there are no time limits. For more information, see "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations—The Netherlands—Fraudulent Transfer / conveyance.*"

***The Guarantees will be subordinated to our existing and future senior debt and the Notes are subject to restrictions on payment and enforcement.***

Under the Intercreditor Agreement, the Guarantees will be senior subordinated obligations of the Guarantors and each will:

- be general, senior obligations of the Issuer, secured as set forth below under "*Summary—The Offering—Security;*"
- rank *pari passu* in right of payment with all of the Issuer's existing and future senior indebtedness, including the guarantee given by the Issuer under the Senior Credit Facilities Agreement;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer;
- be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness, including the guarantee given by the Issuer in favor of the Senior Credit Facilities Agreement, and certain hedging obligations; and
- be effectively subordinated to any existing and future indebtedness of subsidiaries of the Issuer that do not guarantee the Notes.

Payment under the Guarantees will be expressly subordinated in right of payment to the payment when due of all Senior Indebtedness (as defined in "*Description of the Notes—Certain Definitions—Senior Indebtedness*") of the Guarantors (including indebtedness incurred under the Senior Credit Facilities Agreement and certain hedging obligations). As a result of this subordination, holders of Senior Indebtedness of any Guarantor will be entitled to receive full payment on all obligations owed to them before any payment can be made to holders of the Notes in respect of the Guarantees.

In addition, no enforcement action with respect to the Guarantees may be taken unless (subject to certain limited exceptions): (i) any enforcement action has been taken with respect to senior secured debt (provided the Trustee and holders of the Notes will be limited to taking the same action); (ii) an insolvency event has occurred in relation to the Issuer; (iii) with respect to any enforcement action on a Guarantee, an insolvency event has occurred with respect to the relevant Guarantor; (iv) there is a default on the Notes outstanding after a period of 179 days after the date on which the agent with respect to senior debt delivers written notice of such default; (v) a default has occurred resulting from a failure to pay principal on the Notes at maturity; or (vi) the lenders under the Senior Credit Facilities Agreement have given their consent to the proposed action. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

Upon any distribution to the creditors of a Guarantor in a liquidation, administration, bankruptcy, moratorium of payments, dissolution or other winding up of such Guarantor, the holders of senior debt of such Guarantor will be entitled to be paid in full before any payment may be made with respect to its Guarantee. As a result, holders of the Notes may receive less, ratably, than the holders of senior debt of the Guarantors, including the lenders under the Senior Credit Facilities Agreement.

In addition, the Intercreditor Agreement contains significant restrictions with respect to payments of the Notes. If there is a payment default under the Senior Credit Facilities Agreement, or if a senior payment stop notice is issued following a non-payment event of default under the Senior Credit Facilities Agreement, then payments by the Guarantors and the Issuer will not be permitted to be made in respect of the Notes unless the payment is funded directly or indirectly with amounts which have not been received by a Guarantor or the Issuer from another FFG company. In some circumstances, for instance where payments were received on the Notes in breach of the Intercreditor Agreement, holders would be required to turn over such payments to the Security Agent for redistribution. In addition, although the holders of the Notes are generally entitled to enforce their claims against the Issuer pursuant to the terms of the Indenture, the Intercreditor Agreement nevertheless places limits on enforcement to the extent it would prejudice the enforcement by senior creditors of their security granted by the Issuer. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

As of December 31, 2017, on a pro forma basis after giving effect to the Acquisition, we would have had an aggregate principal amount of outstanding financial liabilities that ranked senior to the Notes Guarantees of €3,954 million. See "*Capitalization.*"

***The rights to enforce remedies with respect to the Collateral are limited as long as any senior debt is outstanding.***

The security interests in all of the Collateral will rank behind the first-priority security interests in the Collateral in favor of the creditors under the Senior Credit Facilities Agreement and certain hedging obligations which we may enter into. The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for the secured parties under the Senior Credit Facilities Agreement, certain hedging obligations, future senior secured indebtedness and the Notes, and will (subject to certain limited exceptions) act with respect to such Collateral only at the direction of the relevant instructing group of creditors under the Senior Credit Facilities Agreement, future senior secured indebtedness and certain hedging obligations until the amounts outstanding under such debt instruments and hedging agreements are paid in full and discharged. Until the expiration of a standstill period on enforcement of such security on behalf of holders of the Notes, the creditors under the Senior Credit Facilities Agreement, future senior secured indebtedness and certain hedging obligations will have (subject to certain limited exceptions) the exclusive right to make all decisions with respect to the exercise of remedies relating to such Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*" As a result, the holders of the Notes will not be able to force a sale of such Collateral, or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, until the expiration of the applicable standstill period for so long as any amounts under the Senior Credit Facilities Agreement, future senior secured indebtedness and certain hedging obligations remain outstanding. The creditors under the Senior Credit Facilities Agreement, future senior secured indebtedness and certain hedging obligations may have interests that are different from the interests of holders of the Notes, and they may elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Notes to do so. This may affect the ability of holders of the Notes to recover under the Collateral if the proceeds from the Collateral, after having satisfied obligations under or in respect of the Senior Credit Facilities Agreement and certain hedging obligations, are less than the aggregate amount owed in respect of the Notes and any other indebtedness secured by second-priority security interests on such Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security—Release of Liens.*"

In addition, if the creditors or the agent under the Senior Credit Facilities Agreement or counterparties to certain hedging agreements cause the sale of the shares of Midco or the shares of any of our subsidiaries through an enforcement of their first-priority security interest in accordance with the terms of the Intercreditor Agreement, the Guarantees and the liens over the Collateral securing the Notes and each Guarantee may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security—Release of Liens.*"

***The ability of holders of the Notes to recover under the security interests in the Collateral may be limited.***

The security interests granted by the Issuer over its ownership interests in Midco and the Proceeds Loan made by the Issuer to Midco shall be extended to secure the obligations of the Issuer under the Notes on the basis and priority set out in the Intercreditor Agreement. Security interests on an equal and ratable first-priority basis in such Collateral have been granted for the benefit of creditors under the Senior Credit Facilities Agreement as well as counterparties to certain hedging agreements which way may enter into. Holders of the Notes may not be able to recover on the Collateral because the creditors under the Senior Credit Facilities Agreement and counterparties to certain hedging agreements will have a prior claim on all proceeds realized from any enforcement of such security interests and any enforcement sale with respect to such Collateral, and the Notes will need to share any remaining proceeds from such enforcement with any other secured creditors. If the proceeds realized from the enforcement of such security interests or such sale or sales exceed the amount owed under the Senior Credit Facilities Agreement and certain of our hedging obligations, any excess amount of such proceeds will be paid to the Trustee on behalf of itself and the registered holder of the Notes for the benefit of the holders of the Notes. If there are no excess proceeds, or if the amount of such excess proceeds is less than the aggregate amount of the obligations under the Notes, the holders of the Notes will not fully recover (if at all) under such Collateral.

Pursuant to the Intercreditor Agreement, until the expiration of a standstill period on enforcement of security on behalf of the holders of the Notes, the Trustee, the Security Agent and holders of the Notes will (subject to certain limited exceptions) not be able to force a sale of the Collateral securing the Notes or otherwise independently pursue the remedies of a secured creditor under the Security Documents relating to such Collateral for so long as any amounts under the Senior Credit Facilities Agreement and certain of our hedging agreements remain outstanding and, if the creditors under the Senior Credit Facilities Agreement enforce their security, they together with the counterparties to certain hedging agreements will have priority over the holders of the Notes with respect to the proceeds from this Collateral. See *"—The rights to enforce remedies with respect to the Collateral are limited as long as any senior debt is outstanding."* As such, holders of the Notes may not be able to recover on the Collateral if the claims of the creditors under the Senior Credit Facilities Agreement and certain hedging obligations are greater than the proceeds realized from any enforcement of the Collateral. In addition, if the creditors or the agent under the Senior Credit Facilities Agreement cause the sale of the shares of Midco or the shares of any of our subsidiaries through an enforcement of their first-priority security interest, in accordance with the terms of the Intercreditor Agreement, the Guarantees and the liens over any other assets and the Proceeds Loan securing the Notes may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security—Release of Liens.*"

***Investors may face foreign exchange risks by investing in the Notes.***

The Dollar Notes will be denominated and payable in U.S. dollars and the Euro Notes will be denominated and payable in euro. If investors measure their investment returns by reference to a currency other than U.S. dollars or euros, respectively, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the U.S. dollar or euro relative to any such other currency because of economic, political and other factors over which we have no control. Depreciation of the U.S. dollar or euro against any such other currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into any such other currency. Investments in the Notes by U.S. investors may also have important tax consequences as a result of foreign exchange gains or losses, if any. See "*Certain Tax Considerations—Certain United States Federal Income Tax Considerations.*"

***The insolvency laws of the Netherlands or the jurisdiction of incorporation or formation of the Guarantors may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.***

Your rights under the Notes and the Guarantees will be subject to the insolvency and administrative laws of several jurisdictions and you may not be able to effectively enforce your rights in such complex, multiple bankruptcy or insolvency proceedings. The Notes will be issued by Sigma Holdco B.V., which is organized under the laws of the Netherlands, and may be guaranteed by entities formed or incorporated in the Netherlands, the United States, Germany and the United Kingdom. In the event of a bankruptcy or insolvency event, proceedings could be initiated in the Netherlands, the United States, Germany, the United Kingdom or in one or more other jurisdictions in which the Guarantors are domiciled. Such multi-jurisdictional proceedings are likely to be complex and costly and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. The bankruptcy laws of these jurisdictions may be less favorable to your interests as a creditor than the bankruptcy laws of the U.S.A. or any other jurisdiction you may be familiar with, including in respect of priority of creditors, the ability to obtain post-petition interest, the ability to influence proceedings and the duration thereof, and this may limit your ability to receive payments due on the Notes. In the event that any one or more of the Issuer, the Guarantors, any future Guarantors, if any, or any other of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer and certain other transactions, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Notes, the Guarantees or the

Collateral in these jurisdictions and limit any amounts that you may receive. In addition, in actions brought in countries outside of the United States, courts may choose to apply their own law rather than the law of the State of New York, which governs the Indenture, the Notes and the Guarantees. The application of foreign law may limit your ability to enforce your rights under the Notes and the Guarantees.

See also "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations*" for additional information on the insolvency laws of the European Union, the Netherlands, Germany and the United Kingdom.

***Investors may not be able to recover in civil proceedings for U.S. securities law violations.***

The Issuer and a majority of the subsidiaries of the Issuer, including the Guarantors, are organized outside the United States, and their business is conducted primarily outside the United States. Although the Issuer and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws or under the Indenture, you may be unable to effect service of process within the United States on the directors and executive officers of the Issuer and the Guarantors. In addition, because a majority of the assets of the Issuer and the Guarantors and their respective subsidiaries and all or a majority of the assets of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, actions of the Issuer and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States. See "*Enforcement of Civil Liabilities.*"

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with the Netherlands, Germany and the United Kingdom. There is, therefore, doubt as to the enforceability in such countries of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in such countries. In addition, the enforcement in such countries of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a court in any of the foregoing countries would have the requisite power or authority to grant remedies sought in an original action brought in such country on the basis of U.S. securities laws violations. For further information see "*Enforcement of Civil Liabilities.*"

***We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.***

Upon the occurrence of certain events constituting a "Change of Control", the Issuer would be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of repurchase plus accrued and unpaid interest to the date of purchase. If a Change of Control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in the Indenture or the Senior Credit Facilities Agreement or other then-existing contractual obligations would allow us to make such required repurchases. A Change of Control may result in a requirement to offer to prepay loans under, an event of default under, or acceleration of, the Senior Credit Facilities Agreement and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the Change of Control itself does not. The ability of the Issuer to receive cash to allow it to pay cash to the holders of the Notes following the occurrence of a Change of Control may be limited by our then existing financial resources.

In addition, under the terms of the Senior Credit Facilities Agreement, in certain circumstances we are required to cancel all commitments and repay all amounts borrowed under such agreement. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a Change of Control occurs at a time when FFG is prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the repurchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that FFG would be able to obtain such financing. Any failure by the Issuer to offer to repurchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Senior Credit Facilities Agreement and certain other indebtedness. See *"Description of the Notes—Change of Control."*

In addition, the occurrence of certain events that might otherwise constitute a Change of Control will be deemed not to be a Change of Control if at the time our consolidated leverage ratio is less than certain specified levels. See "*Description of the Notes—Change of Control*" and "*Description of the Notes—Certain Definitions—Specified Change of Control Event.*"

The Change of Control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. Except as described under *"Description of the Notes—Change of Control*," the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "Change of Control" in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or 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 Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

***Our significant leverage may make it difficult for us to operate our businesses.***

Upon consummation of the Transactions, including the issuance of the Notes, we will have a significant amount of outstanding debt with substantial debt service requirements. As at December 31, 2017, on a *pro forma* basis for the Transactions, our *pro forma* total net debt would have been €5,433.5 million. See "*Summary Historical and Other Financial Information*." In addition, we are able to draw an additional €700 million of borrowings under our Revolving Credit Facility subject to certain conditions. Our significant leverage could have important consequences for our business and operations and for holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debts and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund acquisitions, organic growth projects and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. Our ability to make payments on and refinance our debt and to fund acquisitions, working capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations or obtain enough capital to service our debt or to fund our future acquisitions or other working capital expenditures.

In addition, we may be able to incur substantial additional debt in the future, including debt in connection with future acquisitions. The terms of the Senior Credit Facilities Agreement and the Indenture will permit our subsidiaries to do so, in each case, subject to certain limitations. If new debt is added to our current debt levels, the risks that we now face could intensify. For a discussion of our cash flows and liquidity, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources*."

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our business.

We may incur substantial additional debt in the future. Although the Indenture and the Senior Credit Facilities Agreement will contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes or may be secured by collateral that does not secure the Notes and the Guarantees. In addition, the Indenture and our Senior Credit Facilities Agreement do not prevent us from incurring obligations that do not constitute debt under those agreements. The incurrence of additional debt would increase the leverage-related risks described in this Offering Memorandum.

***We are subject to restrictive covenants which limit our operating, strategic and financial flexibility.***

Our Senior Credit Facilities Agreement and/or the Indenture will contain covenants which impose significant restrictions on the way we can operate, including restrictions on our ability to (in each case, subject to customary exceptions and carve-outs):

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures or undertaking capital expenditures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- agree to limitations on the ability of our subsidiaries to make distributions;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- issue or sell share capital of certain subsidiaries;
- impair the Security Interests granted for the benefit of the holders of the Notes; and
- create or incur certain liens.

These covenants could affect our ability to operate our business and may limit our ability to react to market conditions or regulatory developments or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, pursue acquisitions, investments or alliances, restructure our organization or finance our capital needs or such acquisitions.

***Our failure to comply with the covenants under the Senior Credit Facilities Agreement or the Indenture, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our financial condition and results of operations.***

The Senior Credit Facilities Agreement and the Indenture will require us to comply with various covenants, including a springing financial covenant in respect of the Revolving Credit Facility requiring us to maintain a specified leverage ratio and which is tested on the last date of each financial quarter provided that the aggregate amount of outstanding loans under the Revolving Credit Facility is equal to or greater than 40% of the total commitments under the Revolving Credit Facility at that time. See "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement*." Our ability to meet this financial ratio could be affected by deterioration in our operating results, as well as by events beyond our control, including, without limitation, unfavorable economic conditions, and we cannot assure you that we will be able to meet this ratio. Moreover, the Senior Credit Facilities Agreement includes certain events of default (including, amongst other things, events of default for breaches of representations and warranties and an event of default for our failure to make principal payments when due on certain other debt) that are in addition to the events of default set forth in the Indenture. Subject to a clean-up period lasting until the date falling four months after the first utilization date (or four months following a permitted acquisition), if an event of default occurs and is continuing under the Senior Credit Facilities Agreement, this could result in, amongst other things, termination of any available facilities, canceling any undrawn commitments and declaring all amounts borrowed, together with accrued and unpaid interest and any other sums then payable, to be immediately due and payable. Borrowings under other debt instruments, including the Notes, that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand in the event that acceleration occurs under the Senior Credit Facilities Agreement. In these circumstances, our assets and cash flow may not be sufficient to repay in full that debt and our other debt, including the Notes then outstanding, if some or all of these instruments were accelerated, which could force us into bankruptcy or liquidation, and we might not be able to repay our obligations under the Notes in such an event.

***We may not be able to generate sufficient cash to service our debt or sustain our operations, including due to factors outside our control, and may be forced to take other actions to satisfy our debt obligations, which may not be successful.***

Our ability to make payments on or to refinance the Notes or our other debt obligations, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debt, including the Notes, or to fund our liquidity needs. If our future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including the Notes.

In addition, any failure to make payments of interest or principal on our outstanding debt on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional debt. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our debt, including under the Indenture, restrict our ability to transfer or sell assets. We may not be able to consummate certain dispositions or obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet our debt service obligations then due.

***The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries and effectively subordinated to liabilities that are secured on assets that do not secure the Notes.***

Certain of our subsidiaries will not guarantee the Notes. Our subsidiaries will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose unless they guarantee the Notes or grant Security Interests in this respect. Generally, holders of debt of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payment of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or any Guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

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

As such, the Notes and each related Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. Markets in which our subsidiaries will not guarantee the notes generated 57% of our turnover for the year ended December 31, 2017, and held 53% of our total assets as at December 31, 2017. Our subsidiaries which we expect will not guarantee the Notes had an immaterial amount of third party financial indebtedness. This amount will rank structurally senior to the Notes and the related Guarantees. The Indenture, subject to certain limitations, will permit these non-Guarantors to incur additional indebtedness, which may also be secured.

Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the related Guarantees and any debt we incur that is secured on property or assets that do not form part of the Collateral securing the Notes will be effectively senior to the Notes to the extent of the value of the property or assets securing such indebtedness.

***If the Notes are redeemed early, an investor may not be able to reinvest such proceeds in a comparable security.***

In the event that the Notes are redeemed early in accordance with "*Description of the Notes—Optional Redemption*" and depending on prevailing market conditions at the time, an investor who receives proceeds due to such an early redemption may not be able to reinvest such proceeds in a comparable security at an effective interest rate as high as that carried by the Notes.

***The Notes may not become, or remain, listed on the International Stock Exchange Authority Limited.***

Although the Issuer will, in the Indenture, agree to use its commercially reasonable efforts to have the Notes listed on the Official List of the Exchange and admitted to trading thereon and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become or remain listed. If the Issuer cannot maintain the listing on the Exchange and the admission to trading thereon or it determines that it will not maintain such listing, the Issuer may cease to make or maintain such listing on the Exchange, provided that it will use its commercially reasonable efforts to promptly obtain and maintain the listing of the Notes on another recognized stock exchange, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

***Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurances can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of such Notes.

***There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.***

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although application will be made to the Authority for the listing of and permission to deal in the Notes on the Official List of the Exchange, there can be no assurances that the Notes will be listed on the Official List of the Exchange and that such permission to deal in the Notes will be granted or that such listing will be maintained. Although no assurance is made as to the liquidity of the Notes as a result of the listing, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes, as applicable, from the Official List of the Exchange may have a material effect on a holder's ability to resell the Notes, as applicable, in the secondary market.

In addition, the Indenture will allow us to issue additional notes in the future which could adversely impact the liquidity of the Notes.

### *The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.*

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See "*Transfer Restrictions.*" We have not agreed to or otherwise undertaken to register the Notes or the Guarantees, and do not have any intention to do so.

### *The Notes will be held in book-entry form and therefore you must rely on the procedures of the relevant clearing system to exercise any rights and remedies.*

The Notes will be issued in fully registered form. The Regulation S Global Notes and the Rule 144A Global Notes will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream (with respect to the Euro Notes) and registered in the name of the nominee of the common depositary, or a nominee of DTC (with respect to the Dollar Notes) and registered in the name of the nominee of DTC.

Ownership of beneficial interests in the Global Notes (the "Book-Entry Interests") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and Clearstream, as applicable, and their participants. Owners of beneficial interests in the Global Notes will not be entitled to receive definitive notes in registered form, except under the limited circumstances described in "*Book-Entry, Delivery and Form—Definitive Registered Notes.*" So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Global Notes. DTC or its nominee, or the common depositary for Euroclear and/or Clearstream, or its nominee, as applicable, will be considered the sole holders of Global Notes.

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the relevant Paying Agent. The relevant Paying Agent will, in turn, make such payments to DTC or the common depositary or its nominee for Euroclear and/or Clearstream, as applicable. DTC or the common depositary, or its nominee, will in turn distribute such payments to participants in accordance with its procedures. After payment to DTC or the common depositary or its nominee for Euroclear and/or Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of DTC or Euroclear and Clearstream, as applicable, and, if you are not a participant in DTC, Euroclear and/or Clearstream, as applicable, on the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear or Clearstream, as applicable. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through DTC, Euroclear or Clearstream, as applicable. The procedures to be implemented through DTC, Euroclear or Clearstream, as applicable, may not be adequate to ensure the timely exercise of rights under the Notes.

### Risks Related to Ownership

***The interests of the Issuer's principal shareholder may conflict with your interests.***

The interests of the Issuer's principal shareholder, in certain circumstances, may conflict with your interests as holders of the Notes. The Issuer is indirectly controlled by KKR. See "*Principal Shareholders*." The Issuer's shareholder is able to appoint its board of directors and to determine corporate strategy, management and policies. In addition, the Issuer's shareholder has control over decisions to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of shareholders regardless of whether holders of the Notes believe that any such transactions are in their own best interests. For example, the shareholder could vote to cause the Issuer to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the Indenture, the Senior Facilities Agreement and the Intercreditor Agreement so permit. The incurrence of additional indebtedness would increase the Issuer's debt service obligations and the sale of certain assets could reduce its ability to generate turnover or, if the assets distributed or sold are Notes Collateral, could reduce the amount of the asset sale proceeds available to repay the Notes, each of which could adversely affect holders of the Notes.

Additionally, the Issuer's shareholder 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 FFG. The Issuer's shareholder may also pursue acquisition opportunities that may be complementary to FFG's business and, as a result, those acquisition opportunities may not be available to FFG. So long as KKR continues to own a significant amount of the Issuer's capital stock, even if such amount is less than 50%, KKR will continue to be able to strongly influence or effectively control FFG's decisions. The interests of KKR may not coincide with your interests.

## USE OF PROCEEDS

The gross proceeds of this Offering, together with borrowings under the Senior Facilities Agreement and the Shareholder Contribution, will be used by FFG to (i) finance the Acquisition and (ii) pay costs, expenses and fees in connection with the Transactions.

The following table sets forth the estimated sources and uses of funds in connection with the Acquisition and the other Transactions. Actual amounts will vary from estimated amounts depending on several factors, including the Completion Date, the differences between the estimated and actual amount of cash and working capital held (including due to recent trading), fluctuations in currency exchange rates and the difference between estimated and actual fees and expenses.

For descriptions of our anticipated indebtedness following the offering of the Notes, see "*Description of the Notes*," "*Description of Certain Financing Arrangements*" and "*Capitalization.*"

| Sources | Amount (€ millions) | Uses | Amount (€ millions) |
|---|---|---|---|
| Senior Credit Facilities[(1)] | 3,953.8 | Acquisition consideration[(4)] | 6,825.0 |
| Notes offered hereby[(2)] | 1,098.0 | | |
| Shareholder Contribution[(3)] | 1,926.2 | Estimated transaction fees and expenses[(5)] | 153.0 |
| **Total sources** | **6,978.0** | **Total uses** | **6,978.0** |

Notes:

1) Our Senior Credit Facilities Agreement provides for our Senior Term Facilities and our Revolving Credit Facility. The amount here reflects term loan borrowings under the Senior Term Facilities that we expect will be drawn on or around the Completion Date, including borrowings under: (i) a euro tranche in aggregate principal amount of €2,000 million; (ii) a U.S. dollar tranche in aggregate principal amount of $875 million; (iii) a Polish złoty tranche in aggregate principal amount of €475 million (equivalent); and (iv) a pound sterling tranche in aggregate principal amount of £445 million plus €300 million (equivalent). The euro equivalent presented in the "Sources" column takes into account the U.S. dollar and pound sterling forward currency arrangements which we have concluded in order to ensure the availability of the required amount of euros on the Completion Date, under which we would be able to convert the proceeds of the U.S. dollar tranche to euros at a rate no worse than $1.2712 per €1.00 and the proceeds of the £445 million portion of the pound sterling tranche to euros at a rate no worse than £0.9072 per €1.00; foreign currency amounts presented in this footnote as euro equivalents (namely, the Polish złoty tranche and the €300 million (equivalent) portion of the pound sterling tranche) are committed in euros as of the date of this Offering Memorandum and will be converted to their final local currency amounts when drawn. For a description of the terms of the Senior Credit Facilities Agreement, see "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement*."
   On or about the Completion Date, we expect to draw on the Revolving Credit Facility temporarily to make a payment to Unilever in respect of FFG's net negative working capital position as further described below in note 4. This Revolving Credit Facility drawing is not reflected in this table.
2) Represents €685.0 million principal amount of Euro Notes and $525.0 million principal amount of Dollar Notes, translated at an exchange rate of $1.2712 = €1.00.
3) As part of the Transactions, KKR will indirectly contribute equity in an amount of €1,926.2 million to the Issuer. See "*Summary Corporate and Financing Structure*," "*Principal Shareholders*" and "*Capitalization*."
4) Represents the purchase price payable to Unilever under the Acquisition Agreement on a cash-free, debt-free basis and does not reflect the working capital payment which we expect to make to Unilever on or around the Completion Date. In connection with the separation from Unilever, we have agreed to leave behind in Unilever (i) receivables associated with sales of FFG's products prior to the Completion Date and (ii) payables associated with raw materials received by FFG prior to the Completion Date. We have therefore agreed to pay Unilever an amount representing the average net negative working capital position of FFG, as adjusted for the value of any inventories of raw materials and finished products conveyed with the business on the Completion Date. This payment to Unilever will eliminate temporarily our net negative working capital position. We do not currently have a figure for this working capital payment but we estimate it to be in the range of €350 million to €450 million. This is subject to change prior to the Completion Date. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—Following the separation, we will experience a temporary increase in our working capital needs*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*."
5) Reflects estimated fees and expenses associated with the Offering, fees and expenses associated with the Acquisition, and certain financing fees with respect to the Senior Credit Facilities Agreement. These fees and expenses include customary financial advisory and other transaction costs and customary professional expenses, as well as costs associated with foreign currency hedges entered into in connection with the tranches of the Senior Term Facilities denominated in currencies other than euro, Initial Purchasers' fees, legal and accounting expenses and other transaction costs.

## CAPITALIZATION

The following table sets forth the cash and capitalization, (i) of FFG as at December 31, 2017 on an actual combined carve-out basis; and (ii) of the Issuer on an adjusted basis to give effect to the Transactions as described in "*Use of Proceeds*" as if they had occurred on December 31, 2017. The adjusted information below is illustrative only and does not purport to be indicative of the Issuer's actual capitalization following completion of the Offering.

You should read the following table in conjunction with "*Use of Proceeds*," "*Selected Historical Financial and Other Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and the Financial Statements included elsewhere in this Offering Memorandum. Except as set forth below, there have been no other material changes to the capitalization of the Issuer since December 31, 2017.

| | As at December 31, 2017 | |
|---|---|---|
| | **Actual** | **As adjusted(1)** |
| | (€ millions) | |
| **Cash and cash equivalents** | 27.0 | 27.0 |
| Senior Credit Facilities(1) | — | 3,953.8 |
| **Total secured debt** | **—** | **3,953.8** |
| Notes offered hereby(2) | — | 1,098.0 |
| Related party loans with Unilever(3) | 941.1 | — |
| Overdrafts(4) | 8.7 | 8.7 |
| **Total debt** | **949.8** | **5,060.5** |
| **Shareholders' equity / Net Parent Deficit(5)** | **(691.3)** | **1,926.2** |
| **Total capitalization** | **258.5** | **6,986.7** |

Notes:

1) Our Senior Credit Facilities Agreement provides for our Senior Term Facilities and our Revolving Credit Facility. The "adjusted" column reflects term loan borrowings under the Senior Term Facilities that we expect will be drawn on or around the Completion Date, including borrowings under: (i) a euro tranche in aggregate principal amount of €2,000 million; (ii) a U.S. dollar tranche in aggregate principal amount of $875 million; (iii) a Polish złoty tranche in aggregate principal amount of €475 million (equivalent); and (iv) a pound sterling tranche in aggregate principal amount of £445 million plus €300 million (equivalent). Indebtedness in respect of our Senior Term Facilities is presented based on its principal amount rather than the carrying value it would have on our balance sheet. The euro equivalent presented in the "adjusted" column takes into account the U.S. dollar and pound sterling forward currency arrangements which we have concluded in order to ensure the availability of the required amount of euros on the Completion Date, under which we would be able to convert the proceeds of the U.S. dollar tranche to euros at a rate no worse than $1.2712 per €1.00 and the proceeds of the £445 million portion of the pound sterling tranche to euros at a rate no worse than £0.9072 per €1.00; foreign currency amounts presented in this footnote as euro equivalents (namely, the Polish złoty tranche and the €300 million (equivalent) portion of the pound sterling tranche) are committed in euros as of the date of this Offering Memorandum and will be converted to their final local currency amounts when drawn. For a description of the terms of the Senior Credit Facilities Agreement, see "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement*."

   On or about the Completion Date, we expect to draw on the Revolving Credit Facility temporarily to make a working capital payment to Unilever. In connection with the separation from Unilever, we have agreed to leave behind in Unilever (i) receivables associated with sales of FFG's products prior to the Completion Date and (ii) payables associated with raw materials received by FFG prior to the Completion Date. We have therefore agreed to pay Unilever an amount representing the average net negative working capital position of FFG, as adjusted for the value of any inventories of raw materials and finished products conveyed with the business on the Completion Date. This payment to Unilever will eliminate temporarily our net negative working capital position This negative net working capital position fluctuates over time as volumes and pricing in FFG's markets evolve. Accordingly, while the amount of the payment to Unilever cannot be known with precision as of the date of this Offering Memorandum, we estimate that the aggregate amount we will pay to Unilever on account of the net value of FFG's negative working capital position will be in the range of €350 million to €450 million and that this amount will be paid on or about the time the Acquisition is consummated. This is subject to change prior to the Completion Date. Given the expected temporary and one-time nature of the drawing, driven by the mechanics of FFG's separation from Unilever, this drawing is not reflected in the "adjusted" column. We expect our net working capital position to return to a net negative position and largely normalize within 120 days after such payment is made and we expect to repay the Revolving Credit Facility drawing as our working capital position normalizes. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—Following the separation, we will experience a temporary increase in our working capital needs*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*."

2) Represents €685.0 million principal amount of Euro Notes and $525.0 million principal amount of Dollar Notes, translated at an exchange rate of $1.2712 = €1.00.

3) Unilever's internal reorganization of the portion of its spreads business focused on the developed market regions of Europe and North America into the BCS entities during the year ended December 31, 2015 involved the transfer at fair value of spreads-related trade, assets and liabilities amounting to a total of €2,612.1 million. In some countries, BCS entities drew down loans from Unilever Finance International AG amounting to a total of €1,289.9 million which provided the relevant BCS entities the cash necessary to pay the selling Unilever group entities the purchase price of the transferred assets in such countries. These loans will be extinguished upon consummation of the Acquisition.
4) Overdrafts reflect local bank overdraft facilities and exclude trades payables, pension and post-retirement healthcare liabilities and tax liabilities.
5) As part of the Transactions, KKR will indirectly contribute equity in an amount of €1,926.2 million to the Issuer. See "*Summary—Summary Corporate and Financing Structure*" and "*Principal Shareholders*."

## SELECTED HISTORICAL FINANCIAL AND OTHER INFORMATION

*The selected historical financial information provided below has been derived from the audited combined carve-out financial statements of FFG for the years ended December 31, 2015, 2016 and 2017.*

*The combined carve-out Financial Statements have been prepared by combining and carving-out the assets, liabilities, income and expenses that the directors have determined relate to FFG. Those amounts have been derived from the underlying financial records of the Unilever entities running Spreads activities, which also include allocations and recharges by Unilever of indirect central costs and general corporate expenses. The combined carve-out Financial Statements include a cash flow statement showing movement arising from operating, investing and financing activities that is independent of Unilever's centralized approach to cash management and financing and disclose the cumulative investment of Unilever in FFG as net parent (deficit) / investment.*

*The assets, liabilities, income and expenses that the directors have determined relate to FFG include all those that are directly attributable and/or separately identifiable to FFG, together with an allocation of the items that are not. Certain estimates, judgments and assumptions have been made for the purpose of allocating items to the combined carve-out Financial Statements that are not directly attributable and/or separately identifiable.*

*The Financial Statements do not necessarily reflect FFG's financial position, results of operations or cash flows had FFG been a separate entity, or the future results of FFG as it will exist upon the completion of the separation from Unilever. See "Presentation of Financials and Other Information."*

*This summary historical combined carve-out financial data should be read in conjunction with the sections entitled "Use of Proceeds," "Capitalization," "Selected Historical Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined carve-out financial statements and accompanying notes included elsewhere in this Offering Memorandum.*

### Combined Carve-out Income Statement

| | Year ended December 31, | | |
|---|---|---|---|
| | **2015** | **2016** | **2017** |
| | | *(€ millions)* | |
| Turnover | 3,294.9 | 3,031.7 | 2,904.9 |
| *Developed Markets* | *2,666.8* | *2,429.1* | *2,302.0* |
| *Emerging Markets* | *628.1* | *602.6* | *602.9* |
| **Operating profit** | **544.6** | **570.6** | **555.4** |
| *Non-underlying items* | *(89.2)* | *(28.6)* | *(5.9)* |
| Net finance costs | (3.3) | (8.6) | (8.7) |
| *Finance costs – interest on related party loans with Unilever* | *(3.1)* | *(8.5)* | *(8.5)* |
| *Pensions and similar obligations* | *(0.2)* | *(0.1)* | *(0.2)* |
| Share of net profit of Portuguese joint venture | 3.3 | 3.3 | 3.7 |
| **Profit before taxation** | **544.6** | **565.3** | **550.4** |
| Taxation | (91.0) | (142.8) | 14.7 |
| **Net profit** | **453.6** | **422.5** | **565.1** |

### Combined Carve-Out Balance Sheet

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | *(€ millions)* | |
| **Assets** | | | |
| Total non-current assets | 742.4 | 713.4 | 762.8 |
| Total current assets | 408.7 | 407.6 | 381.0 |
| *Cash and cash equivalents* | *13.0* | *21.7* | *27.0* |
| **Total assets** | **1,151.1** | **1,121.0** | **1,143.8** |
| **Liabilities** | | | |
| Total current liabilities | 1,969.7 | 1,712.7 | 1,765.1 |
| Total non-current liabilities | 291.8 | 314.8 | 68.4 |
| **Total liabilities** | **2,261.5** | **2,027.5** | **1,833.5** |
| Total net (deficit) / investment | (1,110.4) | (906.5) | (689.7) |
| **Total liabilities and net (deficit) / investment** | **1,151.1** | **1,121.0** | **1,143.8** |

### Combined Carve-Out Statement of Cash Flows

| | Year ended December 31, | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | *(€ millions)* | |
| Net cash flow from operating activities | 593.9 | 558.4 | 548.4 |
| Net cash flow from investing activities | (79.4) | (48.5) | (28.0) |
| Net cash flow used in financing activities | (497.1) | (514.1) | (501.4) |
| **Net increase / (decrease) in cash and cash equivalents** | **17.4** | **(4.2)** | **19.0** |
| Cash and cash equivalents at the beginning of the year | 7.1 | 9.3 | 16.6 |
| Effect of foreign exchange rate changes | (15.2) | 11.5 | (17.3) |
| **Cash and cash equivalents at the end of the year** | **9.3** | **16.6** | **18.3** |

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

*The following discussion and analysis of financial condition and results of operations is based upon, and should be read in conjunction with, the Financial Statements, and the related notes thereto included elsewhere in this Offering Memorandum. It covers periods prior to the consummation of the Acquisition; accordingly, the discussion and analysis of historical periods does not reflect the significant impact that the Transactions will have on us.*

*This discussion and analysis includes forward-looking statements that reflect the current view of management and involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons. For the preparation of the Financial Statements it was necessary to make assumptions and estimates for carve-out adjustments. Accordingly, the Financial Statements do not necessarily reflect the financial position and performance that would have been presented if FFG had already existed as an independent company during the periods presented. As a result, the Financial Statements are not necessarily indicative of the future developments of the business. See "Risk Factors" and "Forward-Looking Statements" for a discussion of certain important factors that could cause actual results to differ materially from the forward-looking statements contained herein.*

## Overview

FFG is the world's leading producer of plant-based and other blended spreads, with leading market positions in both developed and emerging markets and products sold in over 69 countries. A historic part of Unilever, FFG will, through the Transactions, become a stand-alone leader in its industry, four times larger than its nearest global-branded competitor, boasting a global portfolio of iconic consumer brands, with seven of its key brands each generating at least €175 million in turnover in the year ended December 31, 2017. FFG has 17 manufacturing facilities located throughout the developed and emerging markets in which it operates, as well as world-class research and development capabilities that have put it at the forefront of the plant-based spreads industry.

FFG's principal product line is Plant-Based Spreads, which accounted for 83% of its turnover in the year ended December 31, 2017. This is complemented by its line of dairy cream alternatives, which represented 6% of turnover for the same period, Liquids products (including liquid margarine, vegetable cooking oils and olive oil), which represented 7% of turnover for the same period, and other products which represented 4% of turnover for the same period.

FFG is a market leader in North America and Western Europe and has a strong presence across emerging markets in Latin America, Africa, the Middle East and Asia with number one positions in 44 of its 69 markets. In each of these countries, FFG sells its products predominantly to retail outlets, including to many of the world's largest retailers and their chains of supermarkets, hypermarkets, convenience stores and e-commerce platforms, as well as to wholesalers. FFG also supplies the foodservice channel, including restaurants, hotels, workplace and educational canteens and healthcare facilities.

In the years ended December 31, 2015, 2016 and 2017, FFG had turnover of €3,294.9 million, €3,031.7 million and €2,904.9 million, respectively, net profit of €453.6 million, €422.5 million and €565.1 million, respectively, and Normalized EBITDA of €723.0 million, €686.3 million and €674.0 million, respectively. *Pro Forma* Normalized EBITDA was €819.8 million for the year ended December 31, 2017.

## Recent Developments

### *Current Trading*

FFG reported on a preliminary basis that its turnover for the three months ended March 31, 2018 was €691.2 million (this includes turnover in Portugal of €11.6 million), which is 6.0% or €44.3 million lower than FFG's turnover of €735.4 million for the three months ended March 31, 2017. This was primarily driven by foreign exchange effects. Adjusted for constant currency, USG year on year performance was -0.3% which shows the continuing positive momentum of the business. Developed Markets USG of -0.7% was partially offset by Emerging Markets USG of +1.3%. Normalized EBITDA was

€165.3 million, which was €3.0 million, or 1.8%, lower than FFG's Normalized EBITDA of €168.3 million for the three months ended March 31, 2017. Savings in Branding and Marketing Investment and other overhead costs contributed to increase FFG's Normalized EBITDA Margin for the three months ended March 31, 2018 by 102 basis points to 23.9% from 22.9% for the three months ended March 31, 2017.

This information is based solely on preliminary internal information used by management and is based on assumptions that are subject to inherent uncertainties. Our actual consolidated financial results for the three months ended March 31, 2018 may differ from our preliminary calculated results and remain subject to our normal review process, including the adjustments required to present this accounting information in accordance with IFRS. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the three months ended March 31, 2018.

### Factors Affecting Comparability

#### *Historical and New Cost Structures*

FFG historically operated as part of Unilever, which provided substantial infrastructure, management and shared services to the business. We have no history operating as a stand-alone company. Consequently, our future results of operations will exclude costs historically allocated to FFG from Unilever and will include costs and expenses for us to operate as a stand-alone business, and we expect these costs and expenses to be materially different than FFG's historical cost structure. We will also incur a significant amount of debt in connection with the Transactions. Accordingly, the historical combined financial statements presented in this Offering Memorandum are not indicative of our future results of operations, financial position and cash flows.

The historical combined financial statements presented in this Offering Memorandum include allocations of certain Unilever corporate expenses to the FFG business, including: information technology resources and support; financing, accounting and auditing services; real estate and facilities management services; human resources activities; procurement support; treasury services; distribution and supply chain support; branding and marketing support; legal advisory services; and research and development services. These expenses were allocated to the FFG business using various estimates of the utilization of such services or the benefits received by FFG. Such allocations have been made on the basis of direct usage when identifiable or as a proportion of revenue, adjusted on a line-by-line basis to reflect specific local circumstances when not. These allocated costs are not necessarily representative of the future level of costs in our business as it will exist after the consummation of the Acquisition.

As a stand-alone business, we expect to receive services previously provided by Unilever from our internal operations or third-party service providers. However, under our TSAs, we will pay Unilever for certain services for up to 18 months after the consummation of the Acquisition as we transition to stand-alone operations (with an additional 6 month extension option for IT services and shared services). We do not believe that the expenses allocated to us for services historically are at a level we expect to incur after our separation, and the pricing under our TSAs reflects our expected post-separation cost levels. Based on our estimates of the costs we expect to incur as a stand-alone entity, we expect our stand-alone costs to be different across a number of areas. We expect costs to be lower across areas including supply chain, branding and marketing investment, and SG&A overheads, while we expect costs associated with the use of third-party distributors to be higher. Specifically, we expect stand-alone supply chain costs to be approximately €37 million lower and our branding and marketing investment to be approximately €17 million lower than the costs allocated to FFG by Unilever in the year ended December 31, 2017, while we expect costs associated with the use of third-party distributors to be approximately €26 million higher. Furthermore, with respect to the SG&A overheads allocated to FFG by Unilever in the year ended December 31, 2017, we believe that net cost savings based on the stand-alone operating model developed during separation planning with Unilever will amount to approximately €79 million, and that it is useful, when reviewing our historical and pro forma financial information, to:

- remove €293 million of net allocated costs for SG&A overheads provided by Unilever in the year ended December 31, 2017; and

- add approximately €215 million of estimated annual stand-alone costs for SG&A overheads, which is what we estimate out stand-alone costs would have been during that period to provide replacement corporate services, had we fully transitioned to a stand-alone cost structure base on our own (or third party contractor) service provision, or, to the extent we utilized services provided by Unilever, we paid for them at rates agreed in the TSAs (which reflect these expected reductions in SG&A overheads).

The approximately €215 million of estimated annual stand-alone SG&A overhead expenses consist of the following estimated amounts:

- €59.3 million in customer development costs related to sales personnel to manage customer relationships, sales agency fees in markets where certain customer relationship functions are or will be outsourced, and sales support costs, such as car lease expenses.
- €30.0 million in marketing support costs related to the global and local coordination of communications, advertising, brand strategy, lobbying, marketing personnel and marketing research.
- €30.2 million in research and development costs related to the development of manufacturing techniques, the formulation of new products which can be produced with existing manufacturing techniques, packaging development, adapting and testing products in local market sites before release, and the monitoring and implementation of food standards and safety guidelines.
- €26.9 million in finance department costs related to functions such as financial reporting and budgeting, performance monitoring, tax strategy and compliance, risk management, insurance, contract management, supply chain finance management, treasury services, cash management and working capital management.
- €23.7 million in IT costs related all the main business processes (apart from supply chain IT costs, which are accounted for in supply chain costs). FFG's current IT environment is fully shared with Unilever, which will only be available for a limited time after the completion of the Acquisition pursuant to a TSA. FFG has developed plans to transition to a fully independent IT environment as a stand-alone business; however, these plans are subject to significant risks and uncertainties. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—As FFG builds its information technology infrastructure and transitions its data to its own systems, it may incur substantial additional costs and experience temporary business interruptions.*"
- €9.2 million in HR costs related to central and local support of payroll and benefits systems, provision of training, HR personnel, as well as other traditional HR functions.
- €8.3 million for workplace services related to property management, facilities management and travel services, as well as rent, utility and other operating costs for office space.
- €13.7 million across general management, legal and other corporate and local costs.
- €13.3 million incentive costs for key management and directors.

FFG has engaged several consultants and industry experts to assist it in the analysis of its anticipated stand-alone cost structure. Our estimate of these stand-alone costs is based on several assumptions that we believe are reasonable but may prove to be inaccurate.

Beyond the stand-alone cost differences in the areas of supply chain, branding and marketing investment, SG&A overheads and the use of third-party distributors described above, management also believes that an additional cost savings and efficiencies in respect of SG&A overheads are achievable promptly upon separation from Unilever, which additional savings are likely to be partly offset by certain increases in stand-alone costs not fully captured in the stand-alone SG&A overhead cost base described above. These additional savings and expenses are not reflected in the stand-alone operating model developed in cooperation with Unilever and not reflected in the cost structure of the TSAs. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—The benefits of the separation may not materialize and FFG may not be successful in implementing its growth strategy*".

**Factors Affecting Results of Operations**

FFG's operating results are affected by a combination of economic, regulatory, industry-specific and company-specific factors. The following is a description of the key factors affecting the results of FFG's operations in prior periods and which are expected to affect its results going forward.

### *Changes in Policy Upon Separation from Unilever*

Historically, FFG has operated as part of Unilever. In certain respects, Unilever group-wide policies have limited FFG's ability to implement a growth strategy in a number of respects.

Unilever's financial policy prioritized gross margin preservation, which discouraged the FFG business from pursuing relatively lower margin opportunities in the private label, hard discount retailer and foodservice market segments, which would have provided cash generative sales opportunities that would have increased asset utilization and helped defray fixed overheads. This focus has also resulted in reductions in product fat levels to optimize production costs, often to the detriment of taste and consumer preference, to ensure a stable gross margin.

Unilever's positioning of its product portfolio also had a constraining effect on FFG's businesses. FFG's principal products played an important role in Unilever's wider nutritional agenda to reduce levels of fat (particularly saturated fat) and salt, and as a result, taste and functionality of the spreads products were deprioritized. Now, as a stand-alone business, FFG is working to reframe the health and "naturalness" perception around Plant-Based Spreads, particularly in developed markets, while improving taste and functionality. FFG is reinvesting in taste to improve its existing product offerings and develop new ones, in particular, FFG plans to build on the "free-from" diet and health trend by extending its strongest brands into the dairy-free milk and yogurt alternatives. Further expansion into alternative and sweet spread adjacencies (including chocolate spreads), as well as plant-based dips, to appeal to higher income and health-conscious millennial demographics, also forms a central part of strategy and is supported by underlying consumer consciousness of the benefits of a plant-based diet. Moreover, the historic lack of a sales force dedicated to the spreads business has also meant that FFG's product category has been deprioritized as it formed a less important part of the broader Unilever sales team portfolio. FFG initiatives did not receive priority, given opportunities in more attractive categories. There was also limited need for Unilever to extend FFG's brands into adjacent categories as Unilever is already diversified across categories.

Management believes that, historically, the speed of product development for the FFG business has been sub-optimal, driven by extensive pre-launch testing and a focus on technical developments, which hampered new product development to improve brand positioning. This constraint has been lifted within FFG more recently, with increased levels and speed of lower cost product innovation now taking place.

The separation from Unilever will also affect FFG's operating model and expected overhead costs, especially when compared to costs historically allocated to the business by Unilever. See "—*Historical and New Cost Structures,*" above.

### *Commodity Prices*

The principal ingredient in FFG's margarines and other spreads is vegetable oil, specifically liquid and tropical oils such as rapeseed, soybean, palm and sunflower oils. In the year ended December 31, 2017, raw materials accounted for 44.6% of FFG's cost of goods sold and 34.6% of total costs. FFG has a sophisticated procurement function that manages the supply of these materials to FFG's manufacturing operations. While FFG leverages its scale in order to secure attractive pricing and payment terms for its key commodities, it is not immune to fluctuations in price.

In particular, its commodity purchasing arrangements expose FFG to transactional foreign exchange risk. Transactional foreign exchange risk arises principally as FFG's operations in each country sell their products in local currency, but a significant proportion of FFG's raw materials are purchased in U.S. dollars. Historically, transactional currency risk was managed through physical and contractual hedging coordinated by the Unilever central treasury function, tied to the number of weeks it takes for the business to pass on any cost increases to customers in each territory.

Due to raw material stocks and hedging arrangements, a change in the cost of FFG's raw materials takes between three and six months to flow through to the pricing offered on FFG's products. The market prices of FFG's principal raw materials have fluctuated significantly during the course of 2016 and 2017. Most notably, during the second half of 2016, key raw material prices increased considerably due to heightened demand, the impact of weather patterns (El Niño, in particular) and inventory levels across the industry. During the period, prices of palm oil, rapeseed oil and soybean oil increased by 26%, 25% and 19%, respectively. In response to these increases, FFG has passed on price increases to retailers in its emerging markets, but in more recent periods, FFG has chosen not to pass on price increases in certain of its developed markets, including the U.K. and Germany, as a strategic move to avoid diminishing the positive momentum from recent innovation and brand re-launches. The decision in the U.K. was also driven by the adverse response of many of FFG's principal customers to Unilever's approach to pricing in response to the devaluation of sterling following the Brexit referendum. Price stability in Germany was kept consistent in order to maintain competitiveness and market share. Certain of FFG's other developed markets, including the Netherlands, Sweden, Poland and the Czech Republic increased prices in 2017 to help offset the cost increases. FFG will remain exposed to fluctuations in the prices of its key raw materials and its ability to mitigate the impact of those fluctuations through the pricing of its products will need to be balanced against competitive dynamics in its various markets.

### *Changes in Food Trends and Consumer Preferences*

The B&M industry has experienced sustained negative trends and is subject to changing consumer trends, demands and preferences. Retail B&M sales volumes have declined consistently in recent years and are expected to continue declining, driven by reduced occasions for using spreads (principally due to reductions in the consumption of leavened bread) and shifts towards the consumption of food prepared outside the home, which drives B&M sales volumes into the industrial and foodservice channels where FFG is less well established. Moreover, butter's relative share of the overall B&M market has grown in recent years at the expense of the Plant-Based Spreads that FFG produces, due in part to the perception of enhanced naturalness and health of butter products, consumer taste preferences and reduced butter prices in certain markets. Historically, FFG's financial performance has been adversely impacted by relatively wide market contractions driven by changing consumer preferences in developed markets (such as the switch to spreadable butter and the decline in consumption of leavened bread) and lower butter prices, which have resulted in consumers shifting away from FFG's core products and resulting in lower sales volumes. See "*Risk Factors—Risks Related to FFG's Business and Industry—Established negative trends in the B&M market and changes in consumer preferences may have a material adverse effect on FFG's turnover, results of operations and financial condition.*"

In addition to affecting FFG's turnover, lower sales volumes also reduce the rate of cost absorption, meaning that in periods where key input costs are higher, margins are adversely impacted to a greater degree than would otherwise be the case. However, during the periods under review, FFG's supply chain function has been able to mitigate the impact on margins and maintain controllable costs at stable levels through the implementation of savings programs. Management estimates that approximately 75% of FFG's cost base is variable, allowing for a sustainable gross margin going forward. FFG has consistently operated with a clear approach to fluctuations in commodity and packaging costs in regards to procurement and foreign exchange hedging policies and, as a result, has been able to maintain strong levels of profitability after direct costs in changing cost environments. Moreover, FFG's ability to effectively leverage its product development expertise to continually update its portfolio in response to changing consumer tastes—especially with the development of innovative premium products—is a key element of its strategy.

### *Customer Pricing*

"Customer pricing" refer to prices that FFG charges to retailers. FFG does not set the prices that retailers charge to end-use consumers in most developed and some emerging markets.

The prices paid by its customers for FFG's products are a key driver of its financial results and are affected by a number of external factors. The consumer prices of FFG's spreads products are influenced heavily by a substitution effect with the market price of butter. Butter price decline between 2014 and 2016 impacted the ability of spreads producers to increase price, and contributed to FFG volume declines. However, the year ended December 31, 2017 saw increases in butter prices which had a positive effect on the relative prices of FFG's products, and contributed to the slowdown in FFG volume declines in 2017, as compared to 2015 and 2016.

Pricing is also driven by the terms FFG agrees with its major retail customers. FFG usually conducts annual negotiations with most of its large retail customers in developed markets in respect of the supply and pricing of its products in the first quarter of the year. These agreements, often referred to as Joint Business Plans, usually encompass pricing, trade terms, support for new innovation, assortment, distribution and shelf space. In some markets, the agreements also include promotional activity for the year, although in most markets it is still possible to change promotional activity and pricing during the year. In early 2017, these negotiations were unusually prolonged in a number of countries. The impact of these prolonged negotiations dissipated in the second half of 2017 (albeit with some lasting impact on full year financial performance), there can be no assurance that similar issues will not arise in future years given the competitive dynamics of FFG's industry. For the avoidance of doubt, in territories where resale price maintenance is not permitted, retailers remain free at all times to set levels of retail pricing.

Finally, as a stand-alone business, there is some risk that FFG will sustain a loss of pricing power relative to its customers, as its stand-alone product offering will be narrower than Unilever's pre-separation offering. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—Following the separation, we may experience increased costs and decreased pricing power resulting from a decrease in our purchasing and selling power relative to the purchasing power possessed by FFG when it was owned by Unilever*." However, management believes that FFG's leading position in its product categories and its strong iconic brands mitigate these risks.

#### *Seasonality*

FFG experiences some limited seasonality in turnover and profit before overheads. The extent and impact of such seasonal variations varies among the countries in which FFG operates. For example, the U.S. business typically experiences two "peaks" in sales during the year: a spike in the fourth quarter which is driven by Christmas and Thanksgiving, and an increase in sales due to Easter, either in the first or second quarter depending on the timing of Easter. Similarly, in Indonesia there is a peak in margarine use for baking during the Ramadan festival season, which can occur in various quarters from year to year. Furthermore, across all the countries in which we operate, the timing of product promotions drives volatility from normal consumption. Finally, weather has some limited impact on sales, especially in markets where FFG products are extensively used for cooking such as the Netherlands, because hot weather reduces consumer appetite for cooking.

### Explanation of Certain Income Statement Items

#### *Turnover*

Turnover comprises sales of goods after the deduction of discounts, sales taxes and returns. It does not include sales between group companies. Discounts given by the business include rebates, price reductions and incentives given to customers, promotional couponing and trade communication costs. Turnover is recognized when the risks and rewards of the underlying products have been substantially transferred to the customer. Depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. The cost of services that are provided by customers directly to FFG, such as merchandising, listing new products and in-store advertising, is reported under trade terms and hence deducted from turnover. Furthermore, any terms given to third party distributors to carry out activities on behalf of FFG are reported under trade terms and therefore also deducted from turnover. Finally, license and royalty fees for use of brands by third parties are reported under turnover.

#### *Cost of Sales*

Cost of sales includes raw and packaging material costs, all production costs including the depreciation of fixed assets, logistics and warehousing costs including the depreciation of related fixed assets, business waste and supply chain indirects. Supply chain indirects includes supply chain personnel that are not reported under production, logistics or warehousing, such as demand and supply planning personnel, quality assurance personnel and supply chain leadership. Supply Chain indirects also includes an allocation of shared services cost (IT, Finance, HR and facilities) for services provided to the supply chain and this includes an allocation of IT amortization related to software that has been capitalized on the balance sheet. It has been assumed that one-off costs of setting up the new IT platform for FFG as a standalone business will not be capitalized and therefore there is no amortization of these assets in the to-be profit and loss of FFG.

### *Selling and Administrative Expenses*

Selling and administrative expenses include: (1) branding and marketing investment, (2) research and development costs, (3) other indirect central costs and (4) general corporate expenses.

- Branding and marketing investment comprises three principal areas: (a) advertising expenses (including media spend on traditional and digital media spots, as well as agency fees and production costs for traditional and digital media), (b) promotional expenses (including the costs of promotion packs and samples, communication material and promotion agency costs) and (c) point of sale investment (including costs of third-party merchandisers and point of sale materials).
- Research and development costs primarily relate to FFG's maintenance and expansion of its research and development facilities as well as relevant salary and materials expenses. Research and development spend is fully expensed.
- Indirect costs primarily relate to FFG's sales force, merchandising activities, general management, marketing teams and general marketing indirects.
- General corporate and local market expenses primarily relate to the finance, legal, IT, HR, communications and audit functions.

During the periods presented, other indirect central costs and general corporate expenses incurred by Unilever were systematically recharged to FFG business units as management charges in accordance with Unilever's historical internal methodology. These management charges are recharged by Unilever on the basis of direct usage when identifiable or are based on a proportion of revenue, adjusted on a line-by-line basis to reflect specific local circumstances, when not. These recharged costs and expenses:

- are deemed to have been settled by FFG to Unilever in the period in which these costs were accrued; and
- are influenced by the management and recharge arrangements that existed within the Unilever group and are not necessarily representative of the future level of costs for FFG as it will exist upon completion of the separation from Unilever.

FFG historically operated as part of Unilever, which provided substantial infrastructure, management and shared services to the business, including with respect to the items described above. We have no history operating as a stand-alone company. Consequently, our future results of operations will exclude costs historically allocated to FFG from Unilever and will include costs and expenses for us to operate as a stand-alone business, and we expect these costs and expenses to be materially different than FFG's historical cost structure. Furthermore, when discussing expected stand-alone SG&A overhead costs, management separates branding and marketing investment into a separate area of discussion. See "*—Factors Affecting Comparability—Historical and New Cost Structure.*"

### *Operating Profit*

Operating profit is calculated by subtracting Cost of sales and Selling and administrative expenses from turnover.

### *Net Finance Costs*

Net finance costs comprise finance costs – interest on related party loans with Unilever and finance costs related to pensions and similar obligations. Borrowing costs are recognized based on the effective interest method. The primary component of finance costs in the periods under review was interest on related party loans from Unilever. We expect that our incurrence of substantial third-party debt in connection with the Transactions will materially increase our net finance costs in future periods.

### *Taxation*

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in net parent (deficit) / investment.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

FFG's business is subject to taxation in the many countries in which it operates. The tax legislation of these countries differs, is often complex and is subject to interpretation by management and the government authorities. These matters of judgment give rise to the need to create provisions for tax payments that may arise in future years. Provisions are made against individual exposures and take into account the specific circumstances of each case, including the strength of technical arguments, recent case law decisions or rulings on similar issues and relevant external advice.

For the historical periods presented, the tax charge is a combination of the tax charges recorded in the legal entities comprising FFG's business and an allocation of the tax charges recorded in Unilever that are associated with FFG's business operations not recorded within the legal entities comprising FFG's business. The allocation of tax charges recorded within Unilever to FFG has been made using an effective tax rate that management believes is appropriate to the circumstances of each country. Accordingly, the tax charges recorded in the Financial Statements may not be representative of the charges that may arise in the future when the business is operated and taxed on a stand-alone basis.

**Explanation of Certain Balance Sheet Items**

The following estimates, judgments and assumptions have been made for the purposes of allocating items to the combined carve-out Financial Statements that are not directly attributable or separately identifiable with FFG's business.

***Property, plant and equipment***

Property, plant and equipment includes:

- land and buildings related to factories and sites shared between Unilever's spreads business and other parts of Unilever only where those land and buildings (or share of those land and buildings) are transferring to the Issuer as part of the Acquisition;
- plant and machinery at the above sites where directly attributable to spreads or, where shared, in proportion to its estimated use by the spreads business based on production cost ratios; and
- plant and machinery at other sites that are not transferring to the Issuer where directly attributable to the spreads business.

The property, plant and equipment that will actually be transferred as part of the separation from Unilever is expected to differ from the property, plant and equipment reflected on FFG's historical financial statements, possibly to a material extent.

***Trade and other receivables***

FFG has not had separate trade receivables from Unilever in any market, and therefore an allocation of Unilever trade receivables has been necessary. Where trade receivables held by Unilever relate to spreads and non-spreads products, FFG trade receivables have been estimated in each of the top 19 countries for the top 20 customers of FFG products by applying the ratio of spreads sales over total sales to total receivables for each of those customers. The balance for the remaining customers and countries has been estimated by applying the same ratio after excluding sales from those top 20 customers.

Also includes certain receivables from other parts of Unilever that are not supported by loan agreements and therefore not presented as financial assets / liabilities.

As set forth below under the caption "—*Liquidity and Capital Resources,*" trade receivables on FFG's balance sheet will in general not transfer with the business as part of the separation from Unilever. Instead, we will make a payment to Unilever in respect of the net negative working capital position on or around the Completion Date.

***Cash and cash equivalents***

As Unilever uses a centralized approach to cash management and financing its operations, transactions between Unilever and FFG are accounted for through net parent (deficit) / investment. Accordingly, none of the cash, cash equivalents, debt or related interest income and expense at the corporate level have been assigned to FFG, with the exception of cash, debt and related interest held by BCS legal entities.

***Financial Liabilities***

Intercompany receivables from, and payables to, other parts of Unilever that are supported by loan agreements have been presented as financial assets / liabilities; other balances have been presented as part of trade receivables / payables.

Commodity and foreign exchange derivatives are held by Unilever and have been estimated as follows:

- Commodity derivatives: in proportion to the commodities used by FFG.
- Foreign exchange derivatives: using the proportion of FFG usage compared to total Unilever cost usage.

***Trade payables and other current liabilities***

Where trade payables held by Unilever relate to spreads and non-spreads purchases, FFG trade payables have been estimated using the proportion of the FFG cost of sales and administrative expenses compared to total Unilever cost of sales and administrative expenses in each country.

Trade payables and current liabilities also includes certain payables to other parts of Unilever that are not supported by loan agreements and therefore not presented as financial assets / liabilities.

As set forth below under the caption "*—Liquidity and Capital Resources,*" trade payables on FFG's balance sheet will in general not transfer with the business as part of the separation from Unilever. Instead, we will make a payment to Unilever in respect of the net negative working capital position on or around the Completion Date.

***Current tax liabilities***

Current tax balances in BCS legal entities form part of FFG's current liabilities. Tax amounts allocated from Unilever to FFG activities operated outside of BCS legal entities have been reflected in the combined balance sheet as changes in net parent (deficit) / investment. These liabilities will not transfer to FFG upon completion of the Acquisition.

**Results of operations**

**Comparison of the Year Ended December 31, 2017 and the Year Ended December 31, 2016**

The following table sets out FFG's turnover, operating profit, and net profit for the periods indicated.

| | Year ended 31 December | |
|---|---|---|
| | 2016 | 2017 |
| | *(€ million)* | |
| Turnover | 3,031.7 | 2,904.9 |
| *Developed Markets* | *2,429.1* | *2,302.0* |
| *Emerging Markets* | *602.6* | *602.9* |
| *Retail* | *2,775.0* | *2,641.8* |
| *Foodservice* | *256.7* | *263.2* |
| Cost of sales | (1,837.3) | (1,823.0) |
| *of which:* | | |
| *Distribution costs* | *(202.2)* | *191.4* |
| Gross profit | 1,194.4 | 1,081.9 |
| Selling and administrative expenses | (623.8) | (526.5) |
| *of which:* | | |
| *Brand and Marketing Investment* | *(269.0)* | *(211.2)* |
| *Research and Development* | *(52.1)* | *(48.6)* |
| Operating profit | 570.6 | 555.4 |
| Net finance costs | (8.6) | (8.7) |
| Share of net profit of Portuguese joint venture | 3.3 | 3.7 |
| Taxation | (142.8) | 14.7 |
| Net profit | 422.5 | 565.1 |

### *Turnover*

Turnover decreased by €126.8 million, or -4.2%, from €3,031.7 million in the year ended December 31, 2016 to €2,904.9 million in the year ended December 31, 2017. Adjusting for constant currency, the underlying sales growth or USG was -2.7%. Negative sales growth was driven by volume pressure in Developed Markets, partially offset by growth within Emerging Markets.

*Developed markets*

Developed Markets turnover decreased by €127.1 million, or -5.2% from €2,429.1 million in the year ended December 31, 2016 to €2,302.0 million in the year ended December 31, 2017. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -4.2%. This was mainly driven by declines in both North America and Europe.

In North America turnover in the year ended December 31, 2017 declined by €44.8 million, or -6.7%, to €619.4 million from €664.2 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -4.2%. This was driven by overall B&M market contraction, changing consumer behavior (including a decrease in bread consumption and further shifts to out of the home dining), a shift to butter or alternative spreads, and price competition. All of these factors affected the U.S. business but had a larger negative impact on the FFG business in Canada. Within North America, turnover in the U.S. in the year ended December 31, 2017 declined by €35.5 million, or -6.3%, to €531.1 million from €566.6 million in the year ended December 31, 2016.

In Europe, turnover in the year ended December 31, 2017 continued to decline by €83.9 million, or -4.9%, to €1,628.0 million from €1,711.9 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -3.8%. Within Europe, turnover in Germany in the year ended December 31, 2017 declined by €6.7 million, or -2.0%, to €324.8 million from €331.5 million in the year ended December 31, 2016. Turnover in the Netherlands in the year ended December 31, 2017 declined by €5.1 million, or -2.5%, to €197.6 million from €202.8 million in the year ended December 31, 2016. Turnover in the UK in the year ended December 31, 2017 declined by €40.8 million, or -14.5%, to €240.7 million from €281.5 million in the year ended December 31, 2016. Turnover was adversely impacted in early 2017 due to unusually prolonged negotiations with customers, which was partially offset by price increases realized in the second quarter, supported by brand relaunches and the recovery of butter prices from historic lows beginning in the second quarter of the year. Czech Republic USG was back in growth with USG of +7.8% and there was a slow-down in the rate of decline in Germany and Netherlands with USG of -2.0% and -2.5% respectively. The U.K., however, remained a very challenging market, with a USG of -8.2%. In connection with the Acquisition, FFG's business in Portugal, which historically operated through a joint venture entity (Unilever Jerónimo Martins, Limitada), will become wholly owned by FFG and will fully consolidate its results with FFG's. The business in Portugal had €48.6 million in turnover in the year ended December 31, 2017 and €50.4 million in turnover in the year ended December 31, 2016.

*Emerging Markets*

Turnover in the year ended December 31, 2017 was relatively flat in Emerging Markets, growing by €0.3 million, or +0.1%, to €602.9 million from €602.6 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was +3.3%. Within Emerging Markets, turnover in Indonesia in the year ended December 31, 2017 increased by €1.8 million, or 2.2%, to €82.3 million from €80.6 million in the year ended December 31, 2016. Turnover in Mexico in the year ended December 31, 2017 increased by €11.0 million, or 12.1%, to €102.0 million from €91.0 million in the year ended December 31, 2016. Margarine has been growing significantly in key Emerging Market geographies, primarily driven by volume growth, as the region benefits from favorable macroeconomic drivers (including strong population growth, a rising middle class and growing demand for B&M products). USG in Latin America was +2.6% driven mainly by Mexico USG of +15.6% due to several price increases and also some volume growth. This growth was offset partially by declines in Brazil, where USG was -10.3%, mainly due to macroeconomic challenges. Turnover in Asia was positively affected by a recovery in sales in Sri Lanka following the resumption of production after a fire at FFG's production facility in that country in 2016, mitigating lower than expected performance in Indonesia. In Africa and the Middle East, turnover growth remains strong due to positive macroeconomic trends in Africa as well as positive pricing conditions in Turkey and Kenya.

*Retail and Foodservice*

Global turnover through FFG's retail channel decreased by €133.2 million, or -4.8%, from €2,775.0 million in the year ended December 31, 2016 to €2,641.8 million in the year ended December 31, 2017. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -3.4%. This decline was primarily driven by adverse market dynamics in the European and North American markets, partly offset by improving market conditions in FFG's emerging markets. Global turnover through FFG's foodservice channel increased by €6.5 million, or +2.5%, from €256.7 million in the year ended December 31, 2016 to €263.2 million in the year ended December 31, 2017. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was +4.4% driven by price and growth in overall food services market globally.

*Product Categories*

FFG's global turnover in the Plant-Based Spreads product category decreased by €93.9 million, or -3.8%, from €2,492.5 million in the year ended December 31, 2016 to €2,398.6 million in the year ended December 31, 2017. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, USG in the Plant-Based Spreads category was -2.3%. This decline was primarily driven by adverse market dynamics in the European and North American markets, partly offset by improving market conditions in FFG's emerging markets. FFG's global turnover in other product categories decreased by €29.7 million, or -5.7%, from €516.0 million in the year ended December 31, 2016 to €486.4 million in the year ended December 31, 2017 with creams growing turnover by 1.4% while all other markets were in decline. Adjusting for constant currency, USG in other product categories was -4.4%.

*Quarterly Evolution*

FFG's global turnover was 5.5% lower in the three months ended March 31, 2017 when compared to the three months ended March 31, 2016, 3.2% lower in the three months ended June 30, 2017 when compared to the three months ended June 30, 2016, 4.2% lower in the three months ended September 30, 2017 when compared to the three months ended September 30, 2016 and 3.9% lower in the three months ended December 31, 2017 when compared to the three months ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, USG saw a decrease of 5.7% in the three months ended March 31, 2017 when compared to the three months ended March 31, 2016, a decrease of 3.1% in the three months ended June 30, 2017 when compared to the three months ended June 30, 2016, a decrease of 1.8% in the three months ended September 30, 2017 when compared to the three months ended September 30, 2016 and a decrease of 0.5% in the three months ended December 31, 2017 when compared to the three months ended December 31, 2016. In Developed Markets, adjusting for constant currency and by eliminating the impact of any acquisitions or disposals, USG saw a decrease of 8.8% in the three months ended March 31, 2017 when compared to the three months ended March 31, 2016, a decrease of 5.1% in the three months ended June 30, 2017 when compared to the three months ended June 30, 2016, a decrease of 2.3% in the three months ended September 30, 2017 when compared to the three months ended September 30, 2016 and a decrease of 0.8% in the three months ended December 31, 2017 when compared to the three months ended December 31, 2016. In Emerging Markets, adjusting for constant currency and by eliminating the impact of any acquisitions or disposals, USG saw a growth of 7.6% in the three months ended March 31, 2017 when compared to the three months ended March 31, 2016, a growth of 4.2% in the three months ended June 30, 2017 when compared to the three months ended June 30, 2016, a growth of 0.4% in the three months ended September 30, 2017 when compared to the three months ended September 30, 2016 and a growth of 1.1% in the three months ended December 31, 2017 when compared to the three months ended December 31, 2016. The improved trend in recent quarters globally has mainly been driven by volume growth in Europe, notably in the U.K. and Germany, which is due to internal factors (including the ongoing implementation of FFG's new strategies and initiatives, the re-launch or repositioning of certain major brands, such as Rama, Becel and Country Crock, and the launch of innovative new products centered around "free-from," organic and plant oil products with strong wellness, taste and plant-based nutrition perceptions) and external factors (namely, increasing butter prices which make margarine a more attractive substitute product).

### *Cost of sales*

Cost of sales was €1,823.0 million in the year ended December 31, 2017, an €14.3 million, or 0.8% increase from €1,837.3 million in the year ended December 31, 2016. This was primarily driven by a spike in commodity prices in the first half of 2017, particularly those of palm, rapeseed, soybean and linseed oils, partially offset by procurement and packaging cost savings initiatives. In North America, certain supply chain disruptions and start-up costs associated with the consolidation of production in the New Century, Kansas, facility in 2016 did not reoccur in 2017, and continued improvement in soybean oil costs and waste and logistics costs in North America has improved performance. In connection with the Acquisition, FFG's business in Portugal, which historically operated through a joint venture entity (Unilever Jerónimo Martins, Limitada), will become wholly owned by FFG and will fully consolidate its results with FFG's. The business in Portugal had €30.7 million in cost of sales in the year ended December 31, 2017 and €32.7 million in cost of sales in the year ended December 31, 2016.

### *Selling and administrative expenses*

Selling and administrative expenses were €526.5 million in the year ended December 31, 2017, a €97.3 million, or -15.6% decrease from €623.8 million in the year ended December 31, 2016. The decrease was driven by a decrease in BMI costs from €269.0 million in the year ended December 31, 2016 to €211.3 million in the year ended December 31, 2017, due to a shift away from television to digital and point-of-sale advertising, a focus on key brands, a reduction of external agency spending and improved planning. The decrease was also driven by a reduction in overheads attributed to the establishment of the BCS entities in Europe and reduced allocations of central costs on account of lower turnover. In connection with the Acquisition, FFG's business in Portugal, which historically operated through a joint venture entity (Unilever Jerónimo Martins, Limitada), will become wholly owned by FFG and will fully consolidate its results with FFG's. The business in Portugal had €3.1 million in BMI costs in the year ended December 31, 2017 and €3.4 million in BMI costs in the year ended December 31, 2016.

Historical selling and administrative expenses may not be indicative of future results going forward due to the replacement of allocated overhead services provided by Unilever with stand-alone overhead services that will be provided internally after the consummation of the Acquisition. See "*—Explanation of Certain Income Statement Items—Selling and administrative expenses*" and "*—Factors Affecting Comparability—Historical and New Cost Structures.*"

### *Operating profit*

Operating profit was €555.4 million in the year ended December 31, 2017, a €15.2 million, or 2.7% decrease from €570.6 million in the year ended December 31, 2016. Declining volumes exacerbated the impact of increased commodity prices, and adverse foreign exchange effects offset by price increases in particular in Emerging Markets and some of the positive fundamental trends in Emerging Markets. FFG was able to pass along the effect of higher commodity prices to its customers in some of its markets but not all of them, leading to margin squeeze in certain markets. Pricing pressure due to the continued low consumer price of butter, particularly in North America, also adversely impacted operating profit. This was partially offset by further rationalization of BMI spend with higher focus on key brands and improved planning, and margins are expected to improve as a result of the cost savings initiatives which have already been implemented as well as those which have been planned. In connection with the Acquisition, FFG's business in Portugal, which historically operated through a joint venture entity (Unilever Jerónimo Martins, Limitada), will become wholly owned by FFG and will fully consolidate its results with FFG's. The business in Portugal had €9.1 million in operating profit in the year ended December 31, 2017 and €8.1 million in operating profit in the year ended December 31, 2016.

### *Net finance costs*

Net finance costs were €8.7 million in the year ended December 31, 2017, a €0.1 million, or 1.2% increase from €8.6 million in the year ended December 31, 2016.

Net finance costs in the years ended December 31, 2016 and 2017 are primarily associated with related party loans from Unilever which were extended in connection the internal reorganization of aspects of the Developed Markets spreads business into the BCS entities which took place in late 2015, which are expected to be extinguished in connection with the separation from Unilever. Accordingly, net finance costs recorded in the Financial Statements are not expected to be representative of the net finance costs that will arise in the future after the Transactions are consummated.

***Taxation***

Taxation income was €14.7 million in the year ended December 31, 2017, compared to taxation costs of €142.8 million in the year ended December 31, 2016. While underlying corporate tax charges were largely unchanged from prior years, the 2017 result was primarily driven by an internal transfer of the European supply chain business from Switzerland to the Netherlands which gave rise to an intangible tax asset on FFG's balance sheet, as well as a tax benefit arising from U.S. tax reform enacted on December 22, 2017.

The allocation of tax charges recorded within Unilever to FFG has been made using an effective tax rate that management believes is appropriate to the circumstances of each country. Accordingly, the tax charges recorded in the Financial Statements may not be representative of the charges that may arise in the future when the business is operated and taxed on a stand-alone basis.

***Net profit***

As a result of the foregoing factors, net profit increased by €142.6 million, or 33.8%, from €422.5 million in the year ended December 31, 2016 to €565.1 million in the year ended December 31, 2017.

**Comparison of the Year Ended December 31, 2016 and the Year Ended December 31, 2015**

The following table sets out FFG's turnover, operating profit, and net profit for the periods indicated.

| | Year ended 31 December | |
|---|---|---|
| | **2015** | **2016** |
| | *(€ million)* | |
| Turnover | 3,294.9 | 3,031.7 |
| *Developed Markets* | *2,666.8* | *2,429.1* |
| *Emerging Markets* | *628.1* | *602.6* |
| *Retail* | *3,034.7* | *2,775.0* |
| *Foodservice* | *260.2* | *256.7* |
| Cost of sales | (1,971.9) | (1,837.3) |
| *of which:* | | |
| *Distribution costs* | *(213.2)* | *(202.2)* |
| Gross profit | 1,323.0 | 1,194.4 |
| Selling and administrative expenses | (778.4) | (623.8) |
| *of which:* | | |
| *Brand and Marketing Investment* | *(314.5)* | *(269.0)* |
| *Research and Development* | *(51.3)* | *(52.1)* |

| | Year ended 31 December | |
|---|---|---|
| | **2015** | **2016** |
| | *(€ million)* | |
| Operating profit | 544.6 | 570.6 |
| Net finance costs | (3.3) | (8.6) |
| Share of net profit of Portuguese joint venture | 3.3 | 3.3 |
| Taxation | (91.0) | (142.8) |
| Net profit | 453.6 | 422.5 |

***Turnover***

Turnover decreased by €263.2 million, or 8.0%, from €3,294.9 million in the year ended December 31, 2015 to €3,031.7 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -5.2%. Negative sales growth was driven by volume pressure in Developed Markets, partially offset by growth within Emerging Markets.

*Developed Markets*

Developed Markets turnover decreased by €237.7 million, or 8.9% from €2,666.8 million in the year ended December 31, 2015 to €2,429.1 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -7.1%. This was driven largely by declines in both North America and Europe.

Within Developed Markets, turnover in North America declined by €46.4 million, or 6.5%, from €710.6 million in the year ended December 31, 2015 to €664.2 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -5.8%. This decline was primarily driven by adverse market dynamics, including a change in consumer behavior and health perceptions of FFG's products, as well as a shift towards butter or alternative spreads, which led to increased pricing pressure.

Turnover in Europe declined by €192.9 million, or 10.1%, from €1,904.8 million in the year ended December 31, 2015 to €1,711.9 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -7.6%, primarily driven by a shrinking market, particularly in regions where there is a strong butter market. The majority of European countries, but particularly the U.K. (USG of -9.8%) and Germany (USG of -8.3%), have been significantly impacted by growth in spreadable butter. These impacts have been offset, in part, by increasingly positive health perceptions of FFG's products and improvements in historically low butter prices, which have a substitution effect on the pricing of FFG's products.

*Emerging Markets*

Turnover in FFG's emerging markets increased by €25.5 million, or 4.1%, from €628.1 million in the year ended December 31, 2015 to €602.6 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was +3.2%. The easing of recessionary pressures, particularly in Latin America, supported increases in pricing. Strong market trends in Asia, as well as positive macroeconomic factors in Africa and favorable pricing dynamics in Turkey also helped to drive the growth.

*Retail and Foodservice*

Global turnover through FFG's retail channel decreased by €259.8 million, or 8.6%, from €3,034.7 million in the year ended December 31, 2015 to €2,775.0 million in the year ended December 31, 2016. On a constant currency basis and by eliminating the impact of any acquisitions or disposals, the underlying sales growth or USG was -5.8%. This decline was primarily driven by adverse market dynamics in the European and North American markets, partly offset by improving market conditions in FFG's emerging markets. Global turnover through FFG's foodservice channel decreased slightly by €3.5 million, or 1.3%, from €260.2 million in the year ended December 31, 2015 to €256.7 million in the year ended December 31, 2016. Adjusting for constant currency the underlying sales growth or USG was +1.5% driven by strong growth in Emerging markets (USG of +7.8%).

*Product Categories*

FFG's global turnover in the B&M product category decreased by €236.0 million, or 8.6%, from €2,751.7 million in the year ended December 31, 2015 to €2,515.6 million in the year ended December 31, 2016. This decline was primarily driven by adverse market dynamics in the European and North American markets, partly offset by improving market conditions in FFG's emerging markets and negative exchange rates. FFG's global turnover in other product categories decreased by €27.2 million from €543.3 million in the year ended December 31, 2015 to €516.0 million in the year ended December 31, 2016 primarily driven by market decline in developed markets.

*Quarterly Evolution*

FFG's global turnover was 7.7% lower in the three months ended March 31, 2016 when compared to the three months ended March 31, 2015, 9.7% lower in the three months ended June 30, 2016 when compared to the three months ended June 30, 2015, 8.6% lower in the three months ended September 30, 2017 when compared to the three months ended September 30, 2016 and 6.1% lower in the three months ended December 31, 2017 when compared to the three months ended December 31, 2016.

***Cost of sales***

Cost of sales was €1,837.3 million in the year ended December 31, 2016, a €134.6 million, or 6.8%, decrease from €1,971.9 million in the year ended December 31, 2015. While the decrease was primarily driven by the reduction in volumes of product produced and sold, it was further decreased beyond the rate of underlying volume declines by the completion of a significant rationalization program at FFG's North American production facilities which eliminated supply chain inefficiencies that affected results in the year ended December 31, 2015.

***Selling and administrative expenses***

Selling and administrative expenses were €623.8 million in the year ended December 31, 2016, a €154.6 million, 19.9%, decrease from €778.4 million in the year ended December 31, 2015. The decrease was driven by cost saving initiatives and a decrease in expense allocations from Unilever following the formation of BCS, and to a lesser extent by a reduction in BMI spend from €314.5 million in the year ended December 31, 2015 to €269.0 million in the year ended December 31, 2015 following the reduction of global marketing charges in the year ended December 31, 2016. The internal reorganization of aspects of the Developed Markets spreads business into the BCS entities which took place in mid-2015 led to greater autonomy and efficiency in overhead costs, and reductions in centrally allocated services from Unilever. Most savings from the reorganization were realized in 2016. Research and development costs remained stable during this period, increasing slightly from €51.3 million in the year ended December 31, 2015 to €52.1 million in the year ended December 31, 2016**.**

Historical selling and administrative expenses may not be indicative of future results going forward due to the replacement of allocated overhead services provided by Unilever with stand-alone overhead services that will be provided internally after the consummation of the Acquisition. See "*—Explanation of Certain Income Statement Items—Selling and administrative expenses*" and "*—Factors Affecting Comparability—Historical and New Cost Structures.*"

***Operating profit***

Operating profit increased by €26.0 million, or 4.8%, from €544.6 million in the year ended December 31, 2015 to €570.6 million in the year ended December 31, 2016. Despite the decline in sales, operating profit was positively impacted by decreases in both cost of sales and selling and administrative expenses as discussed above. FFG's Developed Markets operations saw a decrease in volumes as well as increases in commodity prices, which were only partially offset by a decrease in BMI spend. There was also increased price pressure from retailers resulting from competition for shelf space. In Emerging Markets, declines in volumes and increased supply chain costs in the region were more than offset by price increases.

***Net finance costs***

Net finance costs increased by €5.3 million from €3.3 million in the year ended December 31, 2015 to €8.6 million in the year ended December 31, 2016, primarily due to an increase in balances on related party loans from Unilever which were extended in connection with the internal reorganization of aspects of the Developed Markets spreads business into the BCS entities which took place in late 2015, leading to higher full year interest costs in 2016.

***Taxation***

Taxation increased by €51.8 million, or 56.9%, from €91.0 million in the year ended December 31, 2015 to €142.8 million in the year ended December 31, 2016. While underlying corporate tax charges were largely unchanged, the 2015 tax figure was primarily driven by the creation of deferred tax assets on FFG's balance sheet arising from changes in the underlying tax bases of intellectual property and other intangible assets transferred at fair value during the restructuring of a portion of Unilever's spreads business into the BCS entities, which reduced the taxation charge recorded in that year. The creation of deferred tax assets did not recur in 2016.

The allocation of tax charges recorded within Unilever to FFG has been made using an effective tax rate that management believes is appropriate to the circumstances of each country. Accordingly, the tax charges recorded in the Financial Statements may not be representative of the charges that may arise in the future when the business is operated and taxed on a stand-alone basis.

***Net profit***

As a result of the foregoing factors, net profit decreased by €31.1 million, or 6.9%, from €453.6 million in the year ended December 31, 2015 to €422.5 million in the year ended December 31, 2016.

**Analysis of Certain Consolidated Balance Sheet Items**

***Inventories***

Inventories are valued at the lower of weighted average cost and net realizable value. Cost comprises direct costs and, where appropriate, a proportion of attributable production overheads. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. FFG's inventories are comprised of raw materials, consumables and finished goods and goods for resale. In 2015, 2016 and 2017, average inventory days were 26, 26 and 25, respectively, a figure management plans to reduce by one day as part of the implementation of its business plan to further increase efficiency and improve its working capital position.

***Trade and other current receivables***

FFG's trade receivables principally comprise payments due from customers for the supply of FFG's products. Concentrations of credit risk with respect to trade receivables are limited as FFG's customer base is large and diverse on a global basis, with no customer representing more than 10% of FFG's turnover in 2017. Average receivable days in 2015, 2016 and 2017 were 20, 21 and 20, respectively.

FFG's trade receivables figures are based on allocations from Unilever. Where trade receivables held by Unilever relate to spreads and non-spreads products, FFG trade receivables have been estimated in each of the top 19 countries for the top 20 customers of spreads products by applying the ratio of spreads sales over total sales to total receivables for each of those customers. The remaining balance has been estimated by applying the same ratio after excluding sales from those top 20 customers.

The following table sets out the aging of FFG's trade receivables for the periods indicated.

| | As of December 31 | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (*€ million*) | |
| Total trade receivables | 187.4 | 184.3 | 171.3 |
| Loss impairment provision for trade receivables | (9.8) | (11.8) | (11.4) |
| | **177.6** | **172.5** | **159.9** |
| Of which: | | | |
| Not overdue | 125.8 | 111.6 | 131.1 |
| Past due less than three months | 42.5 | 47.9 | 24.9 |
| Past due more than three months but less than six months | 5.0 | 9.2 | 4.7 |
| Past due more than six months but less than one year | 4.9 | 6.7 | 4.1 |
| Past due more than one year | 9.2 | 8.9 | 6.5 |
| Impairment provision for trade receivables | (9.8) | (11.8) | (11.4) |
| | **177.6** | **172.5** | **159.9** |

***Trade payables and other current liabilities***

Trade payables comprise amounts due to creditors, principally for the supply of raw materials used in the manufacture of FFG's products, as well as packaging and distribution costs. Trade payable days in 2015, 2016 and 2017 were 112, 119 and 114, respectively.

**Liquidity and Capital Resources**

Liquidity describes our ability to generate sufficient cash flows to meet the cash requirements of our business operations, including working capital needs, debt service obligations, capital expenditures, contractual obligations and other commitments, as well as acquisitions. Our primary sources of liquidity are provided by our cash from operating activities, including our net negative working capital position, and our financings. Our principal liquidity requirements arise from the need to settle supplier payables and fund our ongoing operations. During the periods under review, the liquidity needs of the business were mainly funded from cash from operations, including our net negative working capital position.

FFG's business is cash generative and during the periods under review it has operated with negative net working capital, driven by longer credit terms received on purchases from its suppliers compared to those offered to its customers. Particularly in its developed markets, trade receivables are net of trade term rebates and trade payable days are significantly longer than inventory and receivables days. Historically, FFG has managed its trade payables on typically 90 to 120 day terms and managed its receivables on typically 30 day terms. FFG also offer additional discounts to customers in many markets for "prompt payment", which is defined as payment in less than 30 days. This net negative working capital balance also exists in FFG's emerging markets, but to a lesser extent. In the year ended December 31, 2017, FFG's payable days to suppliers globally were 114, versus average inventory days of 25 and receivable days from customers of 20. We are exposed to the risk that after the separation from Unilever our working capital position and operating cash flows could deteriorate due to changes in terms with customers or suppliers. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—Changes to FFG's payment terms with customers or suppliers may adversely affect its working capital position and operating cash flows.*"

In connection with the separation from Unilever, we have agreed to leave behind in Unilever (i) FFG's rights to collect receivables associated with sales of its products prior to the Completion Date and (ii) its obligations to satisfy the payables associated with raw materials received prior to the Completion Date. This is because the receivables and payables associated with FFG's operations pre-separation are generally incorporated within collective invoices which span products sold or supplies used across the Unilever group. In addition, we expect FFG's inventories of raw materials and finished products on hand on the Completion Date to be conveyed with the business. We have therefore agreed to pay Unilever an amount representing the average net negative working capital position of FFG, as adjusted for the value of any inventories of raw materials and finished products conveyed with the business on the Completion Date. This payment to Unilever will eliminate temporarily our net negative working capital position.

While the foregoing amounts cannot be known with precision as of the date of this Offering Memorandum, we estimate that the aggregate amount we will pay to Unilever on account of the net value of FFG's negative working capital position will be in the range of €350 million to €450 million and we expect that this amount will be paid on or about the Completion Date. We expect to draw on the Revolving Credit Facility to make this payment. This is subject to change prior to the Completion Date.

While we expect our net working capital position to return to a net negative position and largely normalize within 120 days after such payment is made, there can be no guarantee that all of these transactions will occur as and when expect and that our net working capital position will in fact normalize on that schedule, or at all. Changes to trade terms available to us after the separation brought about by our reduced scale, as well as fluctuations in the underlying market prices or sales volumes for our products or the raw materials we consume, could each delay or prevent the expected normalization of our net working capital position; moreover, technical difficulties in valuing inventories and reconciling accounts may delay the date of such payment in respect of the net value of FFG's negative working capital position.

After the consummation of the Transactions, we will have a substantial amount of indebtedness. As of December 31, 2017, on a pro forma basis, after giving effect to the Transactions, we would have had outstanding €5,060.5 million in aggregate indebtedness, with an additional €700 million of borrowing capacity available under our new Revolving Credit Facility. €350 million to €450 million of this borrowing capacity is expected to be drawn to make the working capital reimbursement to Unilever described above, which will be a substantial short-term demand on our liquidity. We expect to repay this drawing as our working capital position normalizes. Moreover, our substantial indebtedness will significantly increase our long-term liquidity requirements, primarily due to debt service requirements.

Furthermore, we will require additional liquidity to meet the expenses and capital expenditures that FFG expects to incur to transition to a stand-alone business. We currently estimate that we will incur approximately €200 million in transition-related expenses and one time expenditures, including approximately €165 million in transitional IT and manufacturing IT costs which we expect to incur as FFG transitions from a shared IT environment within Unilever to a wholly independent IT platform, and approximately €15 million in one-off real-estate related costs as new head offices are equipped globally. The substantial majority of the IT expenses are expected to be incurred through December 31, 2019.

To meet these additional liquidity needs going forward, we expect our sources of liquidity will consist mainly of the following:

- cash generated from our operating activities;
- borrowings under the Revolving Credit Facilities;
- issuances of debt securities; and
- borrowings under other loan facilities.

Although we believe that our expected cash flows from operations, together with available borrowings, will be adequate to meet our anticipated liquidity needs, working capital requirements, separation-related expenditures and debt service obligations for the next twelve months, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund all of our other projected liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of net income from our operations, which could be due to downturns in our performance or the industry as a whole;
- increased commodity costs which we cannot pass onto customers;
- exposure to increased interest rates in relation to our borrowings which bear interest at a variable rate, including our Senior Term Facilities and our Revolving Credit Facility;
- changes in trade terms or market conditions which might imperil our ability to maintain a net negative working capital position consistent with past practice; and
- higher capital expenditure, such as due to higher than expected expenses incurred in connection with our product innovation and growth strategies.

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditure;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinancing all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt, including the Notes and the Senior Credit Facilities Agreement, limit our ability to pursue any of these alternatives, as may the terms of any future debt.

### *Cash flow*

As Unilever uses a centralized approach to cash management and financing its operations, transaction between Unilever and FFG are accounted for through net parent (deficit) / investment. Accordingly, none of the cash, cash equivalents debt or related interest income and expense at the corporate level have been assigned to FFG, with the exception of cash, debt and related interest held by BCS legal entities. The “Other transactions with Unilever and owners of non-controlling interests” line item below reflects the fact that FFG does not retain cash generated from operating activities and represents the cash outflow associated with repatriating such cash to Unilever, net of (i) any movement in working capital, (ii) investing activities and (iii) other financing activities.

The following table sets out movements in FFG's cash flows for the periods indicated.

| | Year ended 31 December | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ million) | |
| **Net profit** | **453.6** | **422.5** | **565.1** |
| Taxation | 91.0 | 142.8 | (14.7) |
| Share of net profit of Portuguese joint venture | (3.3) | (3.3) | (3.7) |
| Net finance costs | 3.3 | 8.6 | 8.7 |
| **Operating profit** | **544.6** | **570.6** | **555.4** |
| Depreciation and amortisation (direct and allocated) | 79.5 | 77.3 | 77.6 |
| Changes in working capital | 54.6 | 12.1 | 28.0 |
| *Inventories* | *(14.8)* | *11.6* | *(1.1)* |
| *Trade and other receivables* | *1.1* | *16.1* | *6.3* |
| *Trade and other payables* | *68.3* | *(15.6)* | *22.8* |
| Provisions less payments | (5.0) | 9.7 | (9.3) |
| Elimination of losses on disposals | 33.4 | 6.2 | 3.2 |
| Non-cash charge for share-based compensation | 15.7 | 13.4 | 20.1 |
| Other adjustments | (2.1) | 1.9 | (0.4) |
| **Cash flow from operating activities** | **720.7** | **691.2** | **674.6** |

| | Year ended 31 December | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ million) | |
| Income tax paid | (126.8) | (132.8) | (126.2) |
| **Net cash flow from operating activities** | **593.9** | **558.4** | **548.4** |
| Purchase of intangible assets | — | (0.9) | — |
| Purchase of property, plant and equipment | (86.3) | (50.9) | (29.1) |
| Disposal of property, plant and equipment | 5.2 | 0.4 | — |
| Dividends from Portuguese joint venture | 1.7 | 2.9 | 1.1 |
| **Net cash flow from investing activities** | **(79.4)** | **(48.5)** | **(28.0)** |
| Interest paid | (2.4) | (7.8) | (9.4) |
| Cash proceeds from new loan from Unilever | 1,289.9 | — | — |
| Remittance of cash on BCS restructuring | (1,289.9) | — | — |
| Additional related party loans with Unilever | — | 138.0 | 693.5 |
| Repayment of related party loans with Unilever and other financial liabilities | (1.0) | (294.0) | (265.3) |
| Other transactions with Unilever and owners of non-controlling interests | (493.7) | (350.3) | (920.2) |
| **Net cash flow used in financing activities** | **(497.1)** | **(514.1)** | **(501.4)** |
| **Net increase / (decrease) in cash and cash equivalents** | **17.4** | **(4.2)** | **19.0** |
| **Cash and cash equivalents at the beginning of the year** | **7.1** | **9.3** | **16.6** |
| Effect of foreign exchange rate changes | (15.2) | 11.5 | (17.3) |
| **Cash and cash equivalents at the end of the year** | **9.3** | **16.6** | **18.3** |

*Net cash flow from operating activities*

Net cash from operating activities decreased by €10 million, or 1.8%, from €558.4 million in the year ended December 31, 2016 to €548.4 million in the year ended December 31, 2017. The principal factors contributing to this decrease were a decline in USG, increased commodity prices and a negative exchange rate impact.

Net cash from operating activities decreased by €35.5 million, or 6.0%, from €593.9 million in the year ended December 31, 2015 to €558.4 million in the year ended December 31, 2016 reflecting the decrease in operating profit during the period.

*Net cash used in investing activities*

Net cash used in investing activities decreased by €20.5 million, or 42.3%, from €48.5 million in the year ended December 31, 2016 to €28.0 million in the year ended December 31, 2017. This decrease was driven by a significant decrease in the purchase of property, plant and equipment to what we believe is a more normalized level going forward.

Net cash used in investing activities decreased by €30.9 million, or 38.9%, from €79.4 million in the year ended December 31, 2015 to €48.5 million in the year ended December 31, 2016. This decrease was driven by lower levels of investment in property, plant and equipment in 2016 compared to 2015 following the completion of the significant consolidation project at FFG's North American manufacturing operations.

*Net cash used in financing activities*

Net cash used in financing activities decreased by €12.7 million, or 2.5%, from €514.1 million in the year ended December 31, 2016 to €501.4 million in the year ended December 31, 2017. This decrease was mainly due to a decrease in repayments to Unilever of related party loans.

Net cash used in financing activities increased by €17.0 million, or 3.4%, from €497.1 million in the year ended December 31, 2015 to €514.1 million in the year ended December 31, 2016. This increase was mainly due to an increase in repayments to Unilever of related party loans.

***Changes in working capital***

FFG benefits from a negative net working capital cycle as its trade payable days (114 in the year ended December 31, 2017) are significantly longer than its inventory days (25 in the year ended December 31, 2017) and receivable days (20 in the year ended December 31, 2017). This largely is a structural feature of the payment terms customarily available in the raw material and finished product markets in which FFG operates, and while there are some risks to FFG's ability to maintain its working capital cycle on precisely these terms going forward (such as those associated with its reduced scale following the separation from Unilever, and the potential ending of certain supplier financing arrangements previously sponsored by Unilever), this cycle is not expected to shift fundamentally upon the separation from Unilever. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—Changes to FFG's payment terms with customers or suppliers may adversely affect its working capital position and operating cash flows.*" This cycle is also a result of FFG's operational efficiency with respect to its inventory management, in which management believes there is scope for improvement upon the separation from Unilever.

FFG's working capital is comprised of inventory, trade payables and trade receivables. Movements in FFG's working capital historically have been driven by changes in sales volumes which impact levels of receivables. These movements are calculated based on Unilever's allocations of movements in trade payables and trade receivables to FFG, and these results may be different from those FFG would have presented had it been a stand-alone business during the periods presented. Over the periods presented, FFG has maintained relatively stable days outstanding on receivables as well as inventory days while trade payable days outstanding have increased.

The change in working capital in the year ended December 31, 2016 was an inflow of €12.1 million, compared to an inflow of €54.6 million in the year ended December 31, 2015. The higher inflow in 2015 was driven by higher levels of trade payables.

The change in working capital in the year ended December 31, 2017 was an inflow of €28.0 million, compared to an inflow of €12.1 million in the year ended 31 December 2016. The higher inflow in 2015 was driven by a large fall in receivables (-10%) with only a small fall in payables (-2%).

**Capital Expenditure**

Historically, a significant proportion of FFG's capital expenditure was attributable to its manufacturing operations in North America, most recently with respect to the rationalization of those facilities and their consolidation at the New Century, Kansas, plant, which was completed in the year ended December 31, 2015 (although the majority of the expenditure for this rationalization occurred in prior periods). In addition, a new manufacturing plant was opened in Nigeria in 2017. Apart from these two new plants, capital expenditure has largely been devoted to maintenance. The table below sets out FFG's capital expenditure by region for the years ended December 31, 2015, 2016 and 2017.

| | Year ended 31 December | | |
|---|---|---|---|
| | 2015 | 2016 | 2017 |
| | | (€ million) | |
| Europe | 22.6 | 20.8 | 16.9 |
| North America | 58.4 | 17.5 | 5.5 |
| Latin America | 0.9 | 2.5 | 2.5 |
| Africa & Middle East | 3.5 | 9.2 | 3.8 |
| Asia | 0.9 | 1.9 | 0.4 |
| **Total** | **86.3** | **51.8** | **29.1** |

Apart from the planned capital expenditures included in the €165 million in transitional IT and manufacturing IT costs that we expect FFG to incur as it transitions from a shared IT environment within Unilever to a wholly independent IT platform, and the €15 million in one-off real-estate costs related to setting up new head offices around the world, FFG does not anticipate significant capital expenditure needs in the short to medium term.

### Financial Liabilities and Contractual Obligations

#### *Contractual Obligations*

In addition to FFG's indebtedness, the business has major contractual relationships with its customers and in respect of its supply chain. FFG enters into "joint business plans" with its major retailer customers which are year-long contractual frameworks governing the supply of products to such retailers and the participation in joint promotional and periodic discount activities with such major retailers. Precise volumes and prices of products supplied are not typically locked into these contracts in advance. With respect to its supply chain, FFG enters into cash-settled hedging arrangements with counterparties in the commodity markets to hedge pricing risks. FFG also enters into physical forwards and spot or near-spot supply contracts with a range of reputable, high-quality suppliers of edible oils and other essential inputs. FFG has a small number of long-term supply contracts with raw materials suppliers, typically in situations where a long-term contract helps such supplier mitigate startup risks or ramp-up / ramp-down costs, thus improving the pricing terms available to us. Finally, FFG is party to collective bargaining arrangements in respect of certain of its production facilities.

The maturity profile of our loans and borrowings as at December 31, 2017, as adjusted to give effect to the Transactions, is as follows:

| Facility | 1 year or less | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|
| | | Contractual maturity in (€ million) | | |
| Senior Term Facilities(1) | — | — | 3,953.8 | 3,953.8 |
| Notes offered hereby(2) | — | — | 1,098.0 | 1,098.0 |
| Revolving Credit Facility(3) | — | — | — | — |
| Overdrafts | 8.7 | — | — | 8.7 |
| **Total** | **8.7** | **—** | **5,051.8** | **5,060.5** |

1) Reflects term loan borrowings under the Senior Term Facilities that we expect will be drawn on or around the Completion Date, including borrowings under: (i) a euro tranche in aggregate principal amount of €2,000 million; (ii) a U.S. dollar tranche in aggregate principal amount of $875 million; (iii) a Polish złoty tranche in aggregate principal amount of €475 million (equivalent); and (iv) a pound sterling tranche in aggregate principal amount of £445 million plus €300 million (equivalent). Indebtedness in respect of our Senior Term Facilities is presented based on its principal amount rather than the carrying value it would have on our balance sheet. The euro equivalent presented here takes into account the U.S. dollar and pound sterling forward currency arrangements which we have concluded in order to ensure the availability of the required amount of euros on the Completion Date, under which we would be able to convert the proceeds of the U.S. dollar tranche to euros at a rate no worse than $1.2712 per €1.00 and the proceeds of the £445 million portion of the pound sterling tranche to euros at a rate no worse than £0.9072 per €1.00; foreign currency amounts presented in this footnote as euro equivalents (namely, the Polish złoty tranche and the €300 million (equivalent) portion of the pound sterling tranche) are committed in euros as of the date of this Offering Memorandum and will be converted to their final local currency amounts when drawn. For a description of the terms of the Senior Term Facilities, see "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Senior Term Facilities.*"
2) Represents €685.0 million principal amount of Euro Notes and $525.0 million principal amount of Dollar Notes, translated at an exchange rate of $1.2712 = €1.00.
3) On or about the Completion Date, we expect to draw on the Revolving Credit Facility temporarily to make a working capital payment to Unilever. In connection with the separation from Unilever, we have agreed to leave behind in Unilever (i) receivables associated with sales of FFG's products prior to the Completion Date and (ii) payables associated with raw

materials received by FFG prior to the Completion Date. We have therefore agreed to pay Unilever an amount representing the average net negative working capital position of FFG, as adjusted for the value of any inventories of raw materials and finished products conveyed with the business on the Completion Date. This payment to Unilever will eliminate temporarily our net negative working capital position. This negative net working capital position fluctuates over time as volumes and pricing in FFG's markets evolve. Accordingly, while the amount of the payment to Unilever cannot be known with precision as of the date of this Offering Memorandum, we estimate that the aggregate amount we will pay to Unilever on account of the net value of FFG's negative working capital position will be in the range of €350 million to €450 million and that this amount will be paid on or about the time the Acquisition is consummated. This is subject to change prior to the Completion Date. Given the expected temporary and one-time nature of the drawing, driven by the mechanics of FFG's separation from Unilever, this drawing is not reflected in this table. We expect our net working capital position to return to a net negative position and largely normalize within 120 days after such payment is made and we expect to repay the Revolving Credit Facility drawing as our working capital position normalizes. See "*Risk Factors—Risks Related to FFG's Separation from Unilever—Following the separation, we will experience a temporary increase in our working capital needs*" and "*—Liquidity and Capital Resources*." For a description of the terms of the Revolving Credit Facility, see "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Revolving Credit Facility*."

### *Provisions*

Restructuring provisions primarily include people costs such as redundancy costs and cost of compensation where manufacturing, distribution or selling agreements are to be terminated. As at December 31, 2017, FFG had €5 million provisioned for in relation to restructuring costs. These restructuring provisions are an allocation of Unilever provisions. The remaining other provisions of €9 million were a number of items allocated to us from Unilever.

### *Contingent Liabilities*

Contingent liabilities are either possible obligations that will probably not require a transfer of economic benefits, or present obligations that may, but probably will not, require a transfer of economic benefits. It is not appropriate to make provisions for contingent liabilities, but there is a chance that they will result in an obligation in the future. Contingent liabilities are disclosed at the risk adjusted best estimate of the amount that would be required to settle the liability as at the balance sheet date. Where a risk weighting is not available, the maximum exposure is reported.

In connections with the Transactions, Unilever gave us an indemnity in respect of certain historic claims, which management expects will mitigate the cost of potential contingent liabilities.

During 2016, one of Unilever's subsidiaries in Israel became the subject of an application for certification of a class action claim based on allegations of unfair pricing in the margarine market. The claim, which has not been certified by the court, would, if so certified, be for approximately €33 million. Unilever intends to robustly defend this claim and believe that the likelihood that the plaintiff will ultimately prevail is low, however there can be no guarantee of success in court. Therefore the matter has not been provided for and is considered to be a contingent liability. Additionally, in March 2018, a Unilever subsidiary in Greece received a Statement of Objections from the Hellenic Competition Commission for alleged violations of competition law in the margarine sector from 1996 until today. Unilever is still assessing the implications from this complex case and is unable to assess the level of any potential fine. Should the allegations be upheld, the maximum fine which could be levied under Greek law is 10% of turnover, which would be approximately €40 million. Unilever intends to defend these allegations robustly, although there is no guarantee of success, and therefore the matter has not been provided for and is considered to be a contingent liability. Finally, in 2015 a class action lawsuit was filed against one of Unilever's subsidiaries in California based on allegations of deceptive labelling and marketing of the "I Can't Believe It's Not Butter!" brand. The case had been stayed since 2015 pending rulings in another appellate matter, but the stay was lifted in 2017 and class certification discovery is now ongoing. A decision on class certification is expected in 2019. Unilever intends to robustly defend this claim and has not reserved any amounts in connection with this litigation.

### Quantitative and Qualitative Disclosures about Market Risk

The Unilever treasury department has historically provided central deposit taking, funding and foreign exchange management services for Unilever's group operations, including FFG. Upon separation from Unilever, our stand-alone treasury department will assume the majority of these functions, however hedging services will be provided by Unilever under a TSA until FFG develops the requisite capacity. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of activity.

These treasury department activities are designed to:

- protect FFG's financial results and position from the financial risks discussed below;
- maintain market risks within acceptable parameters, while optimizing returns; and
- provide adequate and sufficient funding to FFG.

FFG's capital requirements have previously been centrally managed by Unilever, who has provided funding so as to safeguard FFG's ability to continue as a going concern and to optimize returns to Unilever. Upon consummation of the Transactions, we will be required to maintain our own capital on a stand-alone basis. In addition, upon consummation of the Transactions we will be subject to the financial covenants set forth in the Indenture and the Senior Credit Facilities Agreement.

***Liquidity Risk***

Liquidity risk is the risk that FFG will face in meeting its obligations associated with its financial liabilities. FFG's approach to managing liquidity is to ensure that it has sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The financial liabilities of FFG as of December 31, 2017 are mainly loans payable to Unilever and trade payables which are mostly short term in nature. The financial assets of FFG as of December 31, 2017 are mainly trade receivables from reputable customers which are short term in nature. FFG has maintained a positive cash balance throughout 2015, 2016 and 2017. This was the result of cash delivery from the business, coupled with the proceeds from loans provided by Unilever. Upon consummation of the Transactions, we expect the loans payable to Unilever to be extinguished; however, we expect our financial liabilities at that time to comprise principally the Notes, the amounts drawn under the Senior Term Facilities and the drawing on the Revolving Credit Facility in respect of the working capital payment to Unilever described above under "*—Liquidity and Capital Resources.*"

***Credit Risk***

Credit risk is the risk of financial loss to FFG if a customer or counter-party fails to meet its contractual obligations. FFG's trade receivables are short term in nature and largely comprise amounts receivable from reputable customers. These risks are generally managed by local controllers.

Credit risk related to the use of treasury instruments has historically been managed on a total Unilever basis. This risk arises from transactions with financial institutions involving cash and cash equivalents, deposits and derivative financial instruments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. After consummation of the Acquisition, this will be managed on a stand-alone basis.

***Market Risk***

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

FFG's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Commodity price risk: The key commodities used by FFG are rapeseed oil, soybean oil, sunflower oil, palm oil, palm stearin and palm kernel oil. Management aims to minimise the impact of commodity market volatility on (gross) margin and allow time to take corrective pricing action. Commodity hedging is undertaken based on 100% of the volume exposure around the pricing horizon, although hedging can be undertaken up to 52 weeks with approval and within limits.
- Currency risk: FFG's reporting currency is the euro. Its turnover is generally denominated in the functional currencies of the markets in which FFG sells its products; the most significant of these are the euro, the U.S. dollar and the pound sterling. FFG's operating costs (apart from commodity inputs) are generally denominated in the functional currencies of the jurisdictions in which its operations (including manufacturing plants and

distribution hubs) are located, which in most cases correlate to the markets and currencies in which its sales are made. However, FFG is exposed to movements in the underlying currency of transacted commodity prices that are mainly denominated in U.S. dollars. A layered hedging approach of up to 12 months is used to hedge this foreign currency transaction exposure. FFG does not hedge against translation risks that arise from the translation of local currency income statement or balance sheet results into euros. Following the Transactions, we will also be exposed to currency risk related to indebtedness denominated in various currencies, principally the euro, the U.S. dollar and the pound sterling. We are managing this risk by implementing the natural hedge of incurring different tranches of our indebtedness under our Senior Term Facilities in the various principal currencies in which FFG's turnover is denominated.

- Interest rate risk: Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. Historically, since we did not have long-term borrowings with floating interest rates, we did not use derivative instruments to hedge interest risk. In connection with the proceeds from the bond and the Senior Credit Facilities Agreement we may enter into derivative hedging to hedge interest risk.

The table below demonstrates the sensitivity to a specified change in interest rates, with all other variables held constant:

| Market Interest Rate | Increase/(decrease) in interest expense assuming 1% change in applicable interest rate |
|---|---|
| | (€ in millions) |
| EURIBOR | 20.0 |
| GBP LIBOR | 7.9 |
| USD LIBOR | 6.9 |
| WIBOR | 4.8 |

The above risks may affect FFG's income and expenses, the measure value of its assets and liabilities, or the value of its financial instruments. FFG's objective in managing market risk is to maintain it within acceptable parameters, while optimizing returns. Generally, FFG applies hedge accounting to manage the volatility in profit and loss arising from market risk.

### Critical Accounting Policies

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

- Operating costs and non-underlying items:
  - Brand and marketing investment: Brand and Marketing investment includes costs incurred for the purpose of building and maintaining brand equity and awareness. These include media, advertising production, promotional materials and engagement with consumers. These costs are charged to the income statement as incurred;
  - Research and development: Expenditure on research and development includes staff costs, material costs, depreciation of property, plant and equipment and other costs directly attributable to research and product development activities. These costs are charged to the income statement as incurred;
  - Non-underlying items: Non-underlying items include restructuring costs and other one-off items within operating profit, and other significant and unusual items within net profit but outside of operating profit, which Unilever's spreads business collectively terms

non-underlying items due to their nature and/or frequency of occurrence. These items are significant in terms of nature and/or amount and are relevant to an understanding of the spreads business' financial performance. Restructuring costs are charges associated with activities planned by management that significantly change either the scope of the business or the manner in which it is conducted;

- Taxation:
  - Income tax: Unilever's spreads business is subject to taxation in the many countries in which it operates. The tax legislation of these countries differs, is often complex and is subject to interpretation by management and the government authorities. These matters of judgment give rise to the need to create provisions for tax payments that may arise in future years. Provisions are made against individual exposures and take into account the specific circumstances of each case, including the strength of technical arguments, recent case law decisions or rulings on similar issues and relevant external advice.
- Provisions:
  - Provisions are recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable.
- Commitments and contingent liabilities:
  - Lease payments under operating leases are charged to the income statement on a straight-line basis over the term of the lease.
  - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.
  - Assets held under finance leases are initially recognized at the lower of fair value at the date of commencement of the lease and the present value of the minimum lease payments. Subsequent to initial recognition, these assets are accounted for in accordance with the accounting policy relating to that specific asset. The corresponding liability is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the income statement and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.
  - Contingent liabilities are either possible obligations that will probably not require a transfer of economic benefits, or present obligations that may, but probably will not, require a transfer of economic benefits. It is not appropriate to make provisions for contingent liabilities, but there is a chance that they will result in an obligation in the future. Contingent liabilities are disclosed at the risk adjusted best estimate of the amount that would be required to settle the liability as at the balance sheet date. Where a risk weighting is not available, the maximum exposure is reported.

Because of the nature of combined financial statements, there are additional critical assumptions and estimates made in preparing the combined financial statements, as explained in "*Presentation of Financial and Other Information,*" "*—Explanation of Certain Income Statement Items*" and "*—Explanation of Certain Balance Sheet Items*".

# INDUSTRY

*Certain of the projections and other information set out in this section have been derived from external sources, including data by the Industry Data Providers and work undertaken by external advisors. When information in this Offering Memorandum is attributed to multiple external sources, including one or more Industry Data Providers, FFG has consolidated such information. Industry publications, surveys and forecasts generally state that the information contained therein were obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness. In particular, no responsibility or liability can be accepted by any Industry Data Provider or any of its affiliates, nor any of its directors nor employees for any errors or omissions in any data from the Industry Data Providers included in this Offering Memorandum nor for any loss arising from reliance placed on such data. When we use the term "leading", we mean by volume. See "Industry and market data."*

*The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk factors" and "Forward-looking statements."*

## Overview

FFG is primarily active in global B&M, creams, vegetable oils and some adjacent markets. It sells its products through retail and foodservice channels in 69 markets, either directly to retailers and wholesalers or via third party distributors. FFG's customer base consists of global leaders in retail and foodservice.

## Retail channel

### *Butter and Margarine*

B&M is a large, global category of packaged food products with a total retail volume of approximately six million tonnes in 2016, according to FFG's estimates. According to Euromonitor International (Source: Euromonitor International, Packaged Food 2018 edition, data extracted February 2018), the global retail sales value of the category, which encompasses B&M only since Euromonitor International does not separate mélanges into a distinct category, was €29 billion in 2016. This puts B&M above categories such as breakfast cereals (estimated at €25 billion), savory biscuits (€22 billion) and pasta (€21 billion). The category's products have been mostly associated with spreading, baking and cooking occasions, with other markets such as leavened bread (used for spreading) and foodservice (which shifts emphasis away from home cooking and baking) influencing the dynamic of volume development. On the value side, pricing in the category is influenced by the commodity cycle for dairy (butter) and vegetable oils (margarine).

FFG is the leader in the global B&M market. According to Euromonitor International, in 2016 it had a 17.7% market share (by value) in the markets in which it was present, making it the leading player in both developed and emerging markets, with 18.2% and 15.6% of these markets, respectively, on a retail sales value basis. The markets in which FFG is present are set forth in the table entitled "FFG's Key Markets" below. FFG's value market share was four times larger than its next largest competitor, Arla (source: Euromonitor International, 2016). FFG estimates that, by volume, it had a market share of 23.0% globally (23.6% in developed markets and 20.6% in emerging markets), with the highest volume share, based on retail margarine volume ranking, in 44 markets, representing 89% of its turnover in 2016. Aside from Arla, FFG's key branded competitors include Land O'Lakes, Lactalis, Bunge, Ornua and Conagra. For most of its global competitors, butter and margarine is a minor part of their portfolio. FFG considers private label margarine producers to be its key competitors in the markets in which it is present. According to Euromonitor International (Source: Euromonitor International, Packaged Food 2018 edition, data extracted February 2018), the market share (in total retail sales value) of private label margarine producers in the markets where we are present was 18.9% in 2016.

**B&M Retail Volume Trend, FFG's Markets Present**

| *(000s Tonnes)* | 2013 | 2014 | 2015 | 2016 | 2017E | 2018E | 2019E | 2020E | 2021E | 2022E | 13-16 CAGR | 17E-22E CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DM | 4,058 | 4,026 | 3,953 | 3,888 | 3,835 | 3,792 | 3,755 | 3,723 | 3,696 | 3,666 | (1.4%) | (0.9%) |
| *Growth %* | | (0.8%) | (1.8%) | (1.7%) | (1.4%) | (1.1%) | (1.0%) | (0.8%) | (0.7%) | (0.8%) | — | — |
| Margarine | 2,272 | 2,188 | 2,075 | 1,981 | 1,906 | 1,837 | 1,774 | 1,716 | 1,663 | 1,608 | (4.5%) | (3.3%) |
| *Growth %* | | (3.7%) | (5.1%) | (4.5%) | (3.8%) | (3.6%) | (3.5%) | (3.3%) | (3.1%) | (3.3%) | | |
| *Share %* | *56.0%* | *54.3%* | *52.5%* | *51.0%* | *49.7%* | *48.5%* | *47.2%* | *46.1%* | *45.0%* | *43.9%* | — | — |
| EM | 1,033 | 1,059 | 1,064 | 1,076 | 1,094 | 1,110 | 1,128 | 1,149 | 1,175 | 1,200 | 1.4% | 1.9% |
| *Growth %* | | 2.5% | 0.5% | 1.0% | 1.7% | 1.5% | 1.6% | 1.8% | 2.3% | 2.1% | — | — |
| Margarine | 792 | 794 | 785 | 784 | 779 | 777 | 776 | 777 | 781 | 783 | (0.3%) | 0.1% |
| *Growth %* | | 0.3% | (1.2%) | (0.1%) | (0.7%) | (0.2%) | (0.2%) | 0.2% | 0.5% | 0.2% | | |
| *Share %* | *76.6%* | *75.0%* | *73.7%* | *72.9%* | *71.2%* | *70.0%* | *68.7%* | *67.6%* | *66.4%* | *65.2%* | — | — |
| Global | 5,091 | 5,085 | 5,018 | 4,963 | 4,929 | 4,902 | 4,883 | 4,872 | 4,872 | 4,866 | (0.8%) | (0.3%) |
| *Growth %* | | (0.1%) | (1.3%) | (1.1%) | (0.7%) | (0.5%) | (0.4%) | (0.2%) | (0.0%) | (0.1%) | — | — |
| Margarine | 3,064 | 2,982 | 2,860 | 2,765 | 2,685 | 2,614 | 2,550 | 2,493 | 2,443 | 2,391 | (3.4%) | (2.3%) |
| *Growth %* | | (2.7%) | (4.1%) | (3.3%) | (2.9%) | (2.6%) | (2.5%) | (2.2%) | (2.0%) | (2.1%) | | |
| *Share %* | *60.2%* | *58.6%* | *57.0%* | *55.7%* | *54.5%* | *53.3%* | *52.2%* | *51.2%* | *50.2%* | *49.1%* | — | — |

*Source: Source: Euromonitor International, Packaged Food 2018 edition, data extracted February 2018, Nielsen, Kantar Worldpanel, GlobalData Plc., Wholesale sell-out data, Expert interviews*

FFG estimates that the global B&M market volume declined at a rate of 0.8% per annum from 2013 to 2016, driven by decreasing volume consumption in its developed markets. FFG believes that the key contributing factor was the decreasing number of occasions for baking, cooking and spreading. According to Euromonitor International, in FFG's key markets (being the U.S.A., Germany, U.K. and Netherlands), leavened bread retail volume consumption decreased at a rate of 1% per annum during 2013 to 2016, thereby decreasing the number of spreading occasions. The decline in bread consumption has been amplified by a move from carbohydrate-based to protein-based diets. Consumers have also been switching to alternative spreads, such as chocolate spreads, mayonnaise and vegetable-based dips. According to data from Euromonitor International and GlobalData Plc., the consumption of alternative spreads has grown at a rate of 1% per annum from 2013 to 2016 across the U.S.A., Germany, U.K. and the Netherlands. Channel-wise, retail consumption has been slowing due to an overall shift towards foodservice and a corresponding decrease in cooking and baking occasions. According to Euromonitor International (Source: Euromonitor International, Retailing 2017 edition, Consumer Foodservice 2017 edition, data extracted June 2017), from 2012 to 2016, the average market value of foodservice spend (across the U.S.A., Germany, U.K. and Netherlands) grew at 3.8% per annum, faster than grocery retail sales, which grew 2.6% per annum during the same period.

**B&M Market Decline by Use Case, 2013–16**

| *% CAGR/Share of 2016 Volume* | U.S.A. | Germany | U.K. | Netherlands |
|---|---|---|---|---|
| Spreading | (1.5%) | (0.8%) | (3.6%) | (0.9%) |
| *Volume %* | *25.3%* | *62.8%* | *51.5%* | *55.9%* |
| Cooking | (2.5%) | (3.7%) | (6.2%) | (7.1%) |
| *Volume %* | *35.9%* | *20.2%* | *22.1%* | *36.3%* |
| Baking | (2.5%) | (3.7%) | (3.5%) | 2.1% |
| *Volume %* | *38.8%* | *17.0%* | *26.4%* | *7.7%* |
| Overall Butter and Margarine Market | (2.2%) | (1.9%) | (4.2%) | (3.1%) |

*Source: Company estimates based on Management Survey, Nielsen, Euromonitor International*

The trend in margarine consumption has also been exacerbated by the fact that butter has been perceived as more natural and functional, and has performed better than margarine in taste tests, due to its higher fat content. Until early January 2016, the declining butter price (in part driven by the removal of production quotas in the EU and the ban on milk and dairy imports in Russia, a significant dairy importer) had decreased butter's price differential against margarine. These factors, together with emergence of spreadable butters (such as mélanges), has led to a decrease in the volume share of margarine within the butter and margarine market from 60.2% in 2013 to 55.7% in 2016, according to our estimates. This price trend, however, has since reversed due to a severe cut in dairy supply, driving up prices for butter in Europe.

**Net Reasons for Switching to Butter[1], 2013–16**

| % of Respondents | U.S.A. | Netherlands | Germany | U.K. |
|---|---|---|---|---|
| Function | 7% | 10% | 8% | 4% |
| Price | 7% | 5% | 6% | 10% |
| Health | 26% | 29% | 20% | 13% |
| Naturalness | 36% | 33% | 26% | 32% |
| Taste | 24% | 23% | 39% | 41% |

*Source: Management survey*
(1) Net reason for switching (i.e. accounts for both people switching from margarine to butter and vice versa)

Despite the historical mild decline in developed markets, B&M remain everyday staples with high penetration and usage, and as such are a key category for retailers. Consumption per capita is the highest in Continental Europe, and has significant room for further growth in emerging markets.

**B&M Consumption per Capita by Market, 2016**

| Kg Consumption per Annum per Capita | Margarine | Butter | Total |
|---|---|---|---|
| **Key Developed Markets** | | | |
| U.S.A. | 1.2 | 1.1 | **2.3** |
| Germany | 3.0 | 4.5 | **7.5** |
| U.K. | 2.6 | 2.4 | **5.0** |
| Netherlands | 5.9 | 1.3 | **7.1** |
| **Key Emerging Markets** | | | |
| Mexico | 0.4 | 0.1 | **0.4** |
| Indonesia | 0.2 | 0.0 | **0.2** |

*Source: Company estimates based on Euromonitor International, Nielsen, Kantar Worldpanel, GlobalData Plc., Wholesale sell-out data, Expert interviews*

The vast majority of households in FFG's key developed markets are B&M users, and a significant proportion of the population consume margarine in particular on a weekly, and even daily, basis. This contrasts with some emerging markets, such as Indonesia, where the category has substantial potential for growth.

**B&M Penetration [1] by Market, 2016**

| % | Butter and Margarine Penetration | Margarine Penetration |
|---|---|---|
| **Key Developed Markets** | | |
| U.S.A. | 93% | 59% |
| Germany | 83% | 71% |
| U.K. | 98% | 83% |
| Netherlands | 97% | 92% |
| **Key Emerging Markets** | | |
| Mexico | 91% | 89% |
| Indonesia | 56% | 56% |

*Source: Company estimates based on Nielsen (for U.S.A.), Kantar Worldpanel (for other markets)*

**Usage Frequency, Margarine[2]**

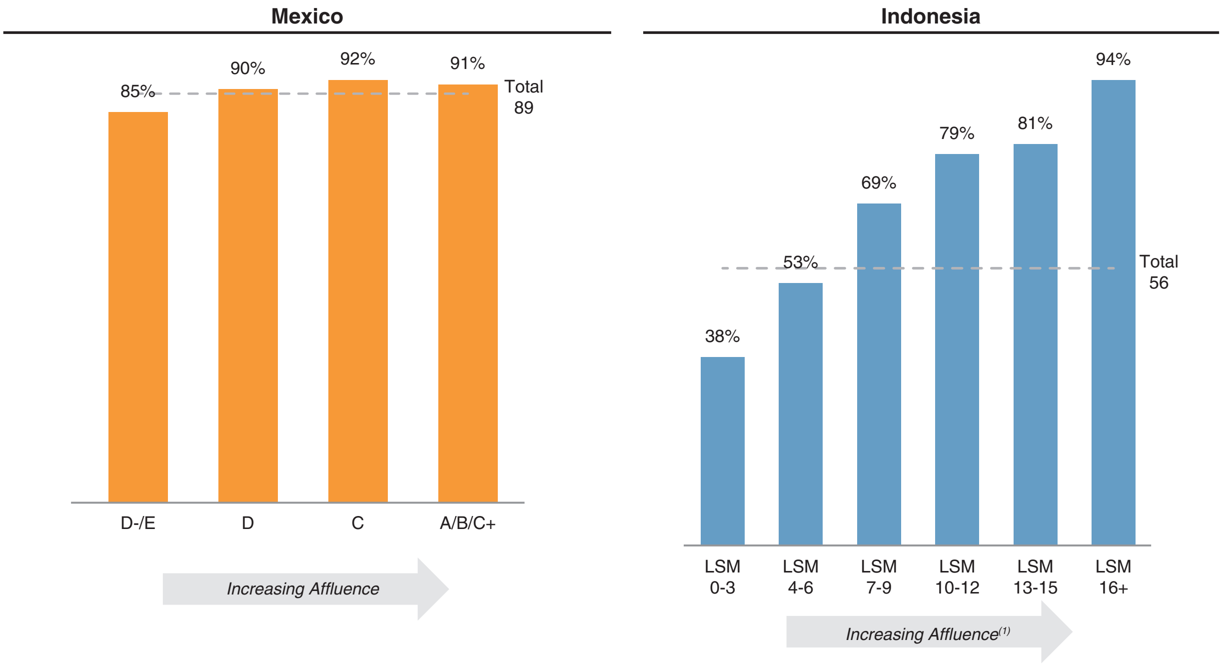
| % | Every Day | 3-4 times a week | 1-2 times a week | 1-2 times a month | Less than monthly |
|---|---|---|---|---|---|
| DM[3] | 47% | 22% | 18% | 7% | 6% |
| Mexico | 11% | 33% | 38% | 13% | 5% |
| Indonesia | 35% | 19% | 24% | 16% | 6% |

*Source: Management Survey*

(1) Percentage of households buying either margarine or butter in a year
(2) "Thinking about your total consumption of butter and spread (eg sunflower or vegetable oil spread) products, how often do you use products for the following purposes?" Margarine users only
(3) Weighted average of U.S.A., Germany, U.K., Netherlands

FFG estimates that B&M experienced sustained volume growth in emerging markets of 1.4% per annum from 2013 to 2016. This growth was facilitated by traditionally lower B&M consumption compared to developed markets, which FFG believes was due to limited leavened bread consumption (14kg and 1kg per capita in Mexico and Indonesia in 2016, compared to 30kg per capita in U.K. during the same period, per FFG's estimates), lower frequency of usage compared to developed markets, the correlation between consumption volumes and affluence and limited distribution in emerging markets.

**Penetration of Margarine, % of Households by Affluence Category, 2016**




*Source: Kantar Worldpanel*

(1) LSM = Living Standards Measure, where 1 is low and 10 / 16 is high

FFG believes that the distribution of B&M in emerging markets is limited by the continued prevalence of traditional trade. For instance, FFG estimates that traditional trade constituted up to 61% of margarine retail value in Mexico in 2016, and 76% in Indonesia during the same period. Traditional trade is typically highly fragmented and often lacks chilled infrastructure, imposing structural constraints on B&M availability for products lacking shelf stability, resulting in lower weighted distribution for the category compared to developed markets such as the U.K.

**Margarine Maximum Achieved Weighted Distribution (% of retail outlets where margarine is sold weighted by sales contribution)**

| % | 2016 |
|---|---|
| U.K. | 98% |
| Indonesia | 71% |
| Mexico | 79% |

*Source: Company estimates based on Nielsen*

The availability of infrastructure, together with a lack of dairy tradition and the high price sensitivity of consumers, has led to generally lower penetration of dairy products and butter in a number of emerging markets. For instance, in East Asia lactose intolerance is a common factor limiting the use of butter. According to the U.S. National Library of Medicine, in some East Asian Communities, up to 90% of adults are lactose-intolerant. Beyond that, FFG believes that in many African and Asian markets, margarine's nutritional and health benefits (especially vitamin and Omega 3 and 6 content) have been a key consideration for consumers. According to the UNICEF/WHO/World Bank 2017 report "Levels and trends in Child Malnutrition", malnutrition remains a key challenge for many children in emerging markets, creating substantial demand for affordable nutritious foods. Overall, FFG believes that the perception of margarine has been significantly more positive in emerging markets compared to developed markets, as evidenced by continued volume growth. According to the Management survey conducted in June 2017, in FFG's key emerging markets, such as Indonesia and Mexico, its margarine products have experienced better or a very narrow gap in perception in relation to butter products.

We believe that emerging markets offer ample headroom for growth, given significantly lower consumption rates, even where penetration is on par with developed markets. In our view, the driving factors of this growth are the continued increase in population, growth in leavened bread consumption (and concomitant increase in spreading occasions), growth in affluence, widening distribution capability and the adoption of localized approaches to foster margarine use cases (to be promoted, to a large extent, by FFG itself given its key position within the margarine category). Margarine, in particular, is well-positioned to exploit high price elasticity in relation to butter and a more positive consumer perception.

**Indonesia and Mexico Macro Trends**

| %, | 2013-2016 CAGR | 2017E-2021E CAGR |
|---|---|---|
| **Indonesia** | | |
| Population | 1.2% | 1.0% |
| GDP at PPP per Capita | 4.5% | 6.7% |
| Leavened Bread Consumption | 5.6% | 4.9% |
| **Mexico** | | |
| Population | 1.3% | 1.2% |
| GDP at PPP per Capita | 1.8% | 3.3% |
| Leavened Bread Consumption | 1.9% | 1.3% |

*Source: Company estimates based on BMI, Euromonitor International*

**Indonesia, Mexico and Kenya B&M Trends**

| %, | 2013-2016 CAGR of retail B&M RSV |
|---|---|
| Indonesia | 4.1% |
| Mexico | 5.5% |
| Kenya | 8.3% |

*Source: Euromonitor International*

*Key FFG Markets Overview*

In its key markets, FFG is the leading B&M player in value terms. In the Netherlands, where margarine consumption is among the highest in Europe, FFG is a clear leader in the wider B&M space, outpacing the entire private label segment. Aside from private label players, its key competitors in developed markets include Conagra and Pinnacle in the U.S.A.; Bunge, Arla and Friesland Campina in Germany; Dairy Crest and Arla in the U.K.; and Friesland Campina in the Netherlands. While margarine market shares have been generally stable or growing, in the wider butter and margarine space, FFG has seen a loss of market share to butter players over recent years for the reasons discussed above.

In FFG's key emerging markets, it commands an even greater market share in B&M categories when compared to developed markets. FFG's branded product competition includes primarily local players, such as Indofood in Indonesia and Sigma Alimentos in Mexico, as well as sometimes including "copycat" brand manufacturers, as seen in some African countries. FFG's market shares in the margarine category have generally been stable, though local competition has been intensifying in recent years.

### FFG Market Position and Evolution in Key Markets

| % market share / p.p. change | B&M Volume share 2016 / 2014-2016 | B&M RSV share 2016 / 2014-2016 | Margarine Volume share 2016 / 2014-2016 | Margarine RSV share 2016 / 2014-2016 | Margarine RSV share of key competitor 2016 |
|---|---|---|---|---|---|
| **Key DM Markets** | | | | | |
| U.S.A. | 33.2% / (6.3) p.p. | 18.3% / (3.2) p.p. | 63.6% / (5.4) p.p. | 59.0% / 0.4 p.p. | 18.7% |
| Germany | 20.3% / (2.0) p.p. | 15.7% / (2.0) p.p. | 50.0% / 0.5 p.p. | 63.3% / 0.3 p.p. | 6.9% |
| U.K. | 28.2% / (5.3) p.p. | 21.7% / (3.9) p.p. | 54.8% / (3.0) p.p. | 56.9% / (3.0) p.p. | 25.0% |
| Netherlands | 51.7% / (1.1) p.p. | 51.2% / (1.2) p.p. | 63.0% / (1.3) p.p. | 73.5% / 0.3 p.p. | 2.7% |
| **Key EM Markets** | | | | | |
| Kenya | 86.0% / (0.4) p.p | 84.4% / (0.6) p.p. | 87.6% / (0.4) p.p | 89.9% / (0.8) p.p | — |
| Indonesia | 62.0% / 1.0 p.p. | 59.9% / 1.0 p.p. | 64.4% / 1.0 p.p. | 63.4% / 1.2 p.p.(1) | 21.8% |
| Mexico | 54.4% / (1.2) p.p. | 68.9% / (1.3) p.p. | 65.0% / (0.4) p.p. | 68.9% /(1.3) p.p. | 16.1% |

*Source: Company estimates based on Nielsen*

(1) 2014 RSV based on the period from February to December.

### *Creams*

Creams constitute a sizeable category of packaged food with €13.6 billion in global retail sales value in 2016 (Source: Euromonitor International, Packaged Food 2018 edition, data extracted December 2017), including all types of cream (e.g. single, double, clotted, whipped, sour, crème fraiche and soy-based). According to the same source, the top 10 countries by value account for 65% of the global market, with the top three markets being the U.S.A., Russia and Germany. FFG is present in retail creams across a number of European markets, namely: Germany, the U.K., Sweden and Poland (which account for 4 out of the 10 largest global creams markets, according to Euromonitor International), as well as Switzerland, Finland, Denmark, Austria, Netherlands and Ireland. FFG also has a smaller presence in the Czech Republic and Belgium.

According to company estimates based on Euromonitor International, the top 10 cream markets grew at 4.4% CAGR from 2011 to 2016 and growth is expected to decelerate slightly to +3.8% CAGR during 2017 to 2022, with Germany the best growing current FFG market at 4.1% CAGR.

### Key Cream Markets, € billion

| Country | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | CAGR 2011-2016 | CAGR 2016-2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S.A. | 2.5 | 2.4 | 2.4 | 2.7 | 2.8 | 3.0 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.7 | 3.5% | 3.4% |
| Russia | 0.7 | 0.8 | 0.9 | 1.0 | 1.2 | 1.3 | 1.3 | 1.4 | 1.5 | 1.5 | 1.6 | 1.7 | 12.1% | 4.9% |
| Germany | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 | 0.7% | 4.1% |
| France | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 2.1% | 0.9% |
| Canada | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.8 | 6.3% | 5.4% |
| Brazil | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 8.1% | 7.2% |
| Sweden | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 4.9% | 3.3% |
| Mexico | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 3.8% | 5.2% |
| U.K. | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 3.6% | 0.1% |
| Poland | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 2.2% | 2.9% |
| **Top-10** | **7.0** | **7.2** | **7.5** | **8.0** | **8.5** | **8.7** | **9.1** | **9.5** | **9.9** | **10.3** | **10.6** | **11.0** | **4.4%** | **3.9%** |

*Source: Euromonitor International, Packaged Food 2018 edition, data extracted December 2017*

Overall, FFG believes that the creams market has been more stable than the butter and margarine market in most developed countries due to the majority of use cases being in baking and cooking, which were less vulnerable to changes in consumer preferences. DCAs are a fast growing sub-segment of the creams market, driven by increased consumer focus on dietary requirements.

FFG believes that the top key product characteristics in creams are performance and functionality (i.e. ease-of-use of the package, product variety, whipping functionality, "binding and shifting" properties). Functionality is then followed by taste, price and brand.

*Key FFG Markets Overview*

Creams accounted for 4% (€125.0 million) of FFG's 2016 retail turnover. FFG's largest creams markets in 2016 were Germany, the U.K. and Netherlands, with retail turnover of €41.3 million, €34.3 million and €10.6 million, respectively.

FFG's market shares in creams are significantly smaller than those in B&M, given less focus on this segment historically. We believe that FFG has significant scope to increase its market share as part of its current strategy, as well as the potential to roll out its offering to other markets.

FFG believes that its DCA products offer significant performance benefits over competitors: creams do not curdle, are more stable to whipping, can be allergen free and have a longer shelf life. However, FFG recognizes that some competitors have more functional packaging and a wider range of stock keeping units, which therefore offers us a potential for even further improvement.

*Germany*

The total sales value of the German creams market amounted to €815 million in 2016, after slight declines in the past (1.0% per annum from 2011 to 2016) driven by a decreasing number of cooking and baking occasions. According to Nielsen, the largest sub-segment of the German creams market in 2016 was whipping cream, which accounted for approximately 42% of the market, followed by ambient whipping cream and sour cream, accounting for 17% and 18%, respectively.

In 2016, FFG had a market share of 4.2% of the total creams market in Germany (per FFG's estimates), with approximately 73% of the cooking cream segment, and less than 5% market share in the whipping cream, crème fraiche, sour cream and other segments (source: Nielsen). While FFG does not currently offer ambient whipping cream and vegan creams, we believe there is significant upside to be gained through entering the ambient creams market and increasing FFG's share in whipping creams. FFG is most active in the German creams market through its Rama Cremefine brand, which is positioned as an alternative to dairy creams and competes at a similar price point, but with added-value flavorings and functional benefits.

*U.K.*

According to Company's estimates based on Euromonitor International, the creams market in the U.K. accounted for €0.3 billion in total sales value in 2016. The market is estimated to have grown by 3.6% per annum from 2011 to 2016 and is expected to slow to 0.1% from 2016-2022. FFG estimates that it accounted for 11% of the market in 2016, including with its Elmlea brand, positioned as a lower cost DCA.

*Netherlands*

According to Company's estimates based on Euromonitor International, the Dutch creams market accounted for €0.1 billion in total sales value in 2016. The market is estimated to have grown by approximately 1.6% per annum from 2011 to 2016, with the market expected to decline at 0.1% per annum until 2022. FFG believes that it accounted for no more than 11% of the market in 2016 with its Blue Band and Becel brands. Blue Band creams occupy a similar positioning to Rama Cremefine as a DCA, while Becel currently offers a range of non-core coffee creams.

**Distribution**

FFG's route to market is structured differently depending on the geography and channel. In line with the total retail market structure, almost all sales in the retail channel in developed markets are via modern retail supermarket chains. Apart from a few exceptions, distribution is completed by the retailer, with FFG only responsible for delivering the products to their distribution centers. In emerging markets, FFG tends to work with modern retailers directly, while traditional trade outlets are reached largely via different intermediaries, including cash and carries, wholesalers (who carry out distribution themselves), and other distribution partners.

**Foodservice channel**

FFG's foodservice same year portfolio focuses more on creams and liquids than its retail portfolio. 85% of FFG's retail turnover in 2016 was generated by plant-based spreads, with 4% generated by creams, while 54% of its foodservice turnover in the same year was generated by plant-based spreads, with creams generating 25%.

According to Company estimates, in 2016, the global B&M foodservice market accounted for 2.4 billion kilograms of butter and margarine in developed markets (in countries where FFG is present), 1.0 billion kilograms in emerging markets where it is present and 1.4 billion kilograms in non-FFG markets. Foodservice accounts for 43% of global B&M market volumes, which varies by region from 34% in Africa and the Middle East to 71% in Asia.

**Foodservice Volumes (000s) and % of Total B&M Market By Region, 2016**

| Region | m tonnes | % of Total Butter and Margarine Market |
|---|---|---|
| Developed Markets | 2,511 | 38% |
| Latin America | 633 | 45% |
| Africa & Middle East | 337 | 34% |
| Asia | 1,403 | 71% |
| **Global Market** | **4,884** | **44%** |

*Source: Company estimates based on Euromonitor International, Nielsen, Kantar Worldpanel, GlobalData Plc., Wholesale sell-out data, Expert interviews*

Foodservice has grown faster than retail due to a shift towards out-of-home eating within developed markets. For example, the company estimates margarine volumes in the social and commercial channel decreased at 2% per annum during 2013 to 2016 in the U.S.A., U.K., Germany and the Netherlands, compared to a decrease of 7% per annum in the retail channel during the same period. Out-of-home dining spend grew by approximately 3% per annum from 2013 to 2016 according to Euromonitor International.

The foodservice segment has less exposure to consumer factors. Foodservice products are typically used for cooking and baking, and therefore declining bread consumption has little impact on volumes. The trend towards natural products has less effect in back-of-house uses where functionality and reliability benefits are more important (for example, margarine makes spongier cakes and performs better than butter within quiches). The taste impact on final dishes is often limited, meaning less substitution towards butter.

The company believes that social and commercial foodservice spend will continue to grow and is expected to outperform retail as a channel by 1% from 2016 to 2020 within the U.S.A., U.K., Germany and the Netherlands, with lower exposure to consumer factors providing a further 5% uplift for margarine volumes.

Overall, the company expects B&M in foodservice (including industrial and artisanal volumes) will continue to grow at 1.7% per annum from 2016 to 2022, and creams in foodservice are expected to grow at 1.1% per annum during the same period, based on market data from Euromonitor International, GlobalData Plc. and wholesale sales data.

The foodservice market consists of three sub-segments: social and commercial, artisanal and industrial. The social and commercial sub-segment accounts for 34% of total estimated foodservice market volumes for B&M and includes servicing cafes, restaurants, canteens, hotels. The industrial sub-segment includes industrial baking and deep frying, as well as sandwich manufacturing. Management have only sized the industrial baking portion of this, which makes up 49% of the estimated market. There is therefore a further opportunity beyond the sized market, for example in deep frying which is currently dominated by oil products but can be served by margarine. The remaining 16% of the estimated foodservice market is in the artisanal sub-segment, which serves small-scale bakeries.

FFG currently only operates in the social and commercial sub-segment, with upside potential for penetrating into other sub-segments of the foodservice market. FFG believes that key consumer criteria in the social sub-segment are low price (due to the need to offer affordable dishes) and ease of use (particularly for inexperienced and lower-skilled chefs). In the commercial sub-segment, key product characteristics are quality, taste and price, as well as functionality (ease and efficiency of use) and reliability.

### Historical Market Volume Evolution, 2013-2016

| Butter and Margarine Market, 2013-2016 CAGR (%) | Retail | Foodservice[(1)] | Industrial | Margarine Market, 2013-2016 CAGR (%) | Retail | Foodservice | Industrial |
|---|---|---|---|---|---|---|---|
| DM | (1.7)% | (0.5)% | 0.9% | DM | (4.6)% | (0.6)% | 0.8% |
| EM | 1.4% | 0.8% | 2.9% | EM | 0.1% | 1.7% | 2.8% |
| **Total FFG Markets** | **(0.8%)** | **0.2%** | **1.0%** | **Total FFG Markets** | **(3.4)%** | **0.4%** | **0.9%** |
| **Non-FFG Markets** | **(0.3)%** | **(0.3)%** | **3.3%** | **Non-FFG Markets** | **(0.9)%** | **1.0%** | **3.3%** |

*Source: Company analysis based on Euromonitor International, Nielsen, Wholesaler sell-out data, GlobalData Plc., Expert interviews*

(1) Includes social & commercial and artisanal channels

*FFG Market Positioning*

FFG's sales via the foodservice channel accounted for 9% of its overall business in 2016. Within this channel, FFG's products are sold in 50 countries, with Indonesia, the U.K. and Switzerland being the largest markets (representing €35 million, €31 million and €21 million in turnover, respectively).

The overall foodservice market across FFG's product categories is highly fragmented, and it competes against multiple regional and national players. FFG believes that the only other global player in branded margarine is Bunge, but also believes that Vandemoortele is a major competitor, with approximately 30% market share in margarine in the Netherlands and approximately 20% in Germany. However, Vandemoortele is only active within Europe, with its primary focus on the artisanal sub-segment. Major regional players in branded margarine tend to have significant foodservice divisions. For instance, over 20% of ConAgra's revenue is derived from foodservice.

Based on chef and foodservice sales team interviews, FFG's foodservice customers rate FFG particularly highly when compared to alternatives on dimensions of functionality and reliability, as well as underlying brand strength. FFG has historically positioned its products at a premium to those of its competitors. FFG believes that its combination of well-known brands and value-added services provided to foodservice operators (including organized staff training and product instruction, sharing recipes, etc.) justifies such positioning and pricing levels.

Based on management data, FFG holds significant market shares in several key markets, in the channels in which it operates (44% in Indonesia, 45% in the U.K. and 50% in Germany). Historically, Unilever considered foodservice to be dilutive to margins, and therefore had limited focus on the channel. This has manifested in a number of ways, including limited outlet selection (e.g. fewer bakers), lower brand and marketing investment, lack of focus of sales teams and limited research and development investments. Therefore, management believes there is significant potential to grow within FFG's existing markets, as well as to expand into new markets.

### 2016 Market Volumes (000s tonnes) and FFG Market Share in Social and Commercial Channel (excl. Artisanal Bakery), %

| | Margarine | | | Creams | | |
|---|---|---|---|---|---|---|
| Country | FFG Volume (000s tonnes) | Total Market Volume (000s tonnes) | FFG Market Share (%) | FFG Volume (000s tonnes) | Total Market Volume (000s tonnes) | FFG Market Share (%) |
| U.S.A. | 3 | 225 | 1% | — | 764 | — |
| Indonesia | 28 | 63 | 44% | — | 0.1 | — |
| U.K. | 15 | 33 | 45% | 4 | 46 | 9% |
| Germany | 7 | 15 | 50% | 2 | 110 | 2% |
| Netherlands | 2 | 12 | 16% | 1 | 15 | 7% |
| Other FFG Markets[(1)] | 47 | 459 | 10% | 28 | 1,047 | 3% |
| Non-FFG Markets | — | 178 | — | — | 116 | — |

*Source: Company estimates based on Euromonitor International, GlobalData Plc., Expert interviews, Wholesaler sell-out data*

(1) Markets where FFG is active regardless of whether they are active within FS

### Distribution

The overall global market of foodservice outlets is large, and includes approximately 20 million outlets globally based on a management exercise in 2014. This is comprised of various channels, including social (23%), restaurants (50%), cafes, pubs and bars (18%) and hotels and other (the remaining 9%). 72% of foodservice sales occur in independent outlets and 28% in chains. Within the chains, a large proportion of the outlets are franchises. Given that the majority of global outlets are independent, wholesalers and distributors play an important role in route-to-market and influencing end consumers. According to a management exercise conducted in 2014, direct sales to outlet chains only represented 13% of FFG's foodservice turnover during that year, while the rest of its sales were effected through wholesalers.

**FFG's Key Markets Present**

| Developed Markets (DM) | Emerging Markets (EM) | | |
|---|---|---|---|
| | Latin America | Africa & Middle East (1) | Asia (2) |
| Australia | Brazil | Côte d'Ivoire | Cambodia |
| Austria | Chile | Ghana | Hong Kong |
| Belgium | Colombia | Gulf (incl. exports) | Indonesia |
| Bulgaria | Costa Rica | Bahrain | Malaysia |
| Canada | Dominican Republic | Oman | Pakistan |
| Czech Republic | Ecuador | Qatar | Singapore |
| Denmark | El Salvador | Kuwait | Sri Lanka |
| Finland | Guatemala | UAE | Thailand |
| France | Mexico | Israel | Korea |
| Germany | Nicaragua | Kenya | |
| Greece & Cyprus | Panama | Malawi | |
| Hungary | Paraguay | Mozambique | |
| Ireland | Peru | Nigeria | |
| Italy | Puerto Rico | Saudi Arabia | |
| Netherlands | Trinidad & Tobago | Tanzania | |
| New Zealand | Uruguay | Turkey | |
| Norway | | Turkmenistan | |
| Poland & Baltics | | Uganda | |
| Poland | | West Africa (via distributor, considered as a single market present) | |
| Latvia | | Zambia | |
| Lithuania | | Zimbabwe | |
| Estonia | | | |
| Portugal | | | |
| Romania | | | |
| Russia | | | |
| Serbia | | | |
| Slovakia | | | |
| Spain | | | |
| Sweden | | | |
| Switzerland | | | |
| U.K. | | | |
| U.S.A. | | | |

*Source: Company information*

(1) Excluding Southern Africa (South Africa, Botswana, Namibia, Lesotho and Swaziland)

(2) Excluding export units Unilever International (UI)—Singapore, UI—France, UI—UK

# BUSINESS

## Overview

FFG is the world's leading producer of plant-based and other blended spreads, with leading market positions in both developed and emerging markets and products sold in over 69 countries. A historic part of Unilever, FFG will, through the Transactions, become a stand-alone leader in its industry, four times larger than its nearest global-branded competitor, boasting a global portfolio of iconic consumer brands, with seven of its key brands each generating at least €175 million in turnover in the year ended December 31, 2017. FFG has 17 manufacturing facilities located throughout the developed and emerging markets in which it operates, as well as world-class research and development capabilities that have put it at the forefront of the plant-based spreads industry.

FFG's principal product line is Plant-Based Spreads, which accounted for 83% of its turnover in the year ended December 31, 2017. This is complemented by its line of dairy cream alternatives, which represented 6% of turnover for the same period, Liquids products (including liquid margarine, vegetable cooking oils and olive oil), which represented 7% of turnover for the same period, and other products which represented 4% of turnover for the same period.

FFG is a market leader in North America and Western Europe and has a strong presence across emerging markets in Latin America, Africa, the Middle East and Asia with number one positions in 44 of its 69 markets. In each of these countries, FFG sells its products predominantly to retail outlets, including to many of the world's largest retailers and their chains of supermarkets, hypermarkets, convenience stores and e-commerce platforms, as well as to wholesalers. FFG also supplies the foodservice channel, including restaurants, hotels, workplace and educational canteens and healthcare facilities.

In the years ended December 31, 2015, 2016 and 2017, FFG had turnover of €3,294.9 million, €3,031.7 million and €2,904.9 million, respectively, net profit of €453.6 million, €422.5 million and €565.1 million, respectively, and Normalized EBITDA of €723.0 million, €686.3 million and €674.0 million, respectively. *Pro Forma* Normalized EBITDA was €819.8 million for the year ended December 31, 2017.

## History

The FFG business traces its origin to the first days of what is now Unilever, in the early 20$^{th}$ century. The FFG business was one of the earliest large-scale producers of margarine and many of its current brands, including Blue Band in the Netherlands and Rama in Germany enjoy heritage spanning almost a century. FFG's Becel margarine was introduced in response to some of the first studies showing the impact of polyunsaturated fats on lowering cholesterol levels. The FFG business continued to develop technology to reduce the levels of saturated fats and improve the nutritional profile of its products throughout the 1960s and 1970s. In the 2000s, the FFG business was one of the first major food producers to eliminate all trans fatty acids from its products. The FFG business has continued its track record of innovation through the invention of its fast blending and cool blending processes which have helped to consolidate its current market leading position.

## Separation from Unilever

While the FFG business had historically been fully integrated into Unilever's operations, the separation process which has culminated in the Acquisition began in 2015 with the reorganization of Unilever's Baking, Cooking and Spreads business in Europe and North America into the BCS entities, which accounted for 70% of FFG's turnover in the year ended December 31, 2017. Since then, a rigorous process has been undertaken to develop a separation blueprint to facilitate FFG becoming a fully stand-alone entity. Going forward, we will be a single category business benefitting from a simplified operating model and including dedicated single-category customer development, marketing and research and development teams allowing greater focus on top-line performance.

Our markets will be organized into six business units, North America, Northwest Europe, Southwest Europe, Central and Eastern Europe, Middle and Latin America and Asia and Africa, each with integrated retail and foodservice businesses. Each business unit has a lead country which oversees the other jurisdictions in the unit. Each lead country contains at least one manufacturing site and has additional back office support capabilities to service the needs of the other countries in the business unit, including with respect to human resources and IT. Lead countries will also take greater responsibility for customer development and marketing strategy within the business units. In addition to the lead country, business units will be made up of direct sales countries, which will be led by a country manager. Where appropriate, direct sales countries will also have their own customer development teams, local marketing capability and back office support. In several of our smaller markets (currently projected at 32), we will shift to a distributor model, with third-party distributor partners undertaking all sales, marketing, logistics, cash collection and back office functions in those markets. These markets will be managed out of the business unit lead country or a satellite country, with no significant FFG operations on the ground.

In addition to FFG's 17 manufacturing facilities, production will be supported by longer term co-packing arrangements with eight Unilever manufacturing sites. A number of other services, including IT, will be provided pursuant to transitional services arrangements with Unilever, on time horizons ranging from six to 18 months from the date of separation.

### Strengths

We believe that FFG benefits from the following key strengths:

#### *Number one player globally with a leading portfolio of iconic brands*

FFG has a strong portfolio of diversified, iconic brands that are well represented across both developed and emerging markets. In the year ended December 31, 2016, FFG had an approximately 32% share of the global margarine market and, within the global B&M category, was more than four times larger than the number two player. Across its core developed markets, FFG has very strong market positioning, with a share of the margarine segment greater than 50% in the U.S.A (59%), Germany (63%), the U.K. (57%) and the Netherlands (74%) in the year ended December 31, 2016, based on retail sales value. With a history of manufacturing and distributing category-leading products for nearly 150 years, FFG has an established global position with demonstrable brand recognition and customer loyalty.

FFG has seven brands with a turnover of at least €175 million. These brands are Becel (2017 turnover: €327 million), Rama (2017 turnover: €321 million), Blue Band (2017 turnover: €254 million), Country Crock (2017 turnover: €242 million), Flora (2017 turnover: €208 million), I Can't Believe It's Not Butter! (2017 turnover: €197 million) and ProActiv (2017 turnover: €175 million). FFG's portfolio benefits from strong brand equity, enjoying an average aided brand awareness of approximately 89% (in 2016), according to Millward Brown, making them some of the most recognizable packaged food brands in their respective markets.

FFG's brand range targets specific and distinct sub-categories within the B&M segment, such as family nutrition, heart health, cholesterol lowering, taste, cooking & baking, and value. The comprehensive range offered means that FFG caters for specific consumption across all main use occasions (spreading, cooking and baking), formats (wrappers, tubs and liquids) and storing conditions (chilled, ambient and tropical ambient products).

The table below illustrates FFG's largest brands by share of 2017 turnover:

| Brand | Brand Turnover (€ millions) | % of FFG Turnover | # of Countries where Brand is Top 3 (1) | Key Country | % of Retail Margarine in Key Country (2) | Aided Brand Awareness in Key Country (3) |
|---|---|---|---|---|---|---|
| Becel | 326.8 | 11% | 13 | Netherlands | 25% | 90% |
| Rama | 321.4 | 11% | 13 | Germany | 22% | 89% |
| Blue Band | 253.9 | 9% | 6 | Indonesia | 60% | 97% |
| Country Crock | 241.5 | 8% | 2 | U.S.A. | 29% | 93% |
| Flora | 208.2 | 7% | 13 | U.K. | 22% | 91% |
| I can't believe it's not Butter! | 196.9 | 7% | 3 | U.S.A. | 19% | 91% |
| Flora ProActiv | 174.9 | 6% | Sold under Becel / Flora umbrella | U.K. | 10% | 79% |
| Lätta | 96.6 | 3% | 2 | Germany | 20% | 85% |
| Imperial | 87.9 | 3% | 1 | U.S.A. | 8% | 76% |
| Bertolli | 57.8 | 2% | 2 | U.K. | 9% | 74% |

(1) In the developed and emerging markets in which FFG operates. Source: As per Euromonitor International's 'Margarine and Spreads' category, Packaged Food 2018 edition, data extracted September 2017.
(2) As of 2016. Source: Nielsen. Based on retail sales value, excluding discounter channels.
(3) As of December 2016 to February 2017. Source: Millward Brown.

***Diversified across geographies with leading country shares in both developed markets and emerging markets***

FFG is present in 69 countries globally with a number one position in the B&M category in 44 of these countries, based on retail margarine volume ranking. These 44 markets represented 89% of FFG's turnover in 2016.

FFG is number one in 10 of its largest 11 countries by turnover. In its largest markets by turnover—U.S.A., Germany and the U.K.—FFG has an approximately 60% share in the margarine segment and was respectively three times, nine times and twice as large as the number two branded player in each such country in the year ended December 31, 2016, measured by retail sales value. Of these 11 markets, only in France was FFG the number two branded player in margarine, with a market share of 35% (one percentage point behind the number one player by market share) in the year ended December 31, 2016, based on retail sales value.

FFG generated €2,302.0 million of turnover from its developed markets in the year ended December 31, 2017, representing 79% of total sales. In developed markets, the business is present in 28 countries and number one in 22 of those countries, with key countries including the U.S.A., Germany, the U.K. and the Netherlands.

FFG also benefits from significant scale in emerging markets, with €602.9 million of turnover attributed to emerging markets in the year ended December 31, 2017, making it one of the largest emerging markets food businesses globally. Emerging market countries represented 21% of total sales for the year ended December 31, 2017, with the business present in 41 countries and number one in 24 of these, with key countries including Kenya, Mexico and Indonesia. FFG maintains a strong position across its growing emerging markets, as demonstrated by its share of the margarine segment in Kenya (90%), Indonesia (63%) and Mexico (69%) in the year ended December 31, 2016, based on retail sales value.

With its significant research and development capabilities supporting a comprehensive procurement, production and distribution chain, FFG is well placed to expand into new geographies and consolidate existing local market share. FFG is also well positioned to leverage its proprietary fast-blending technology to enter new markets with lower upfront capital expenditure.

***Strong and sustainable profitability and cash flow conversion***

FFG has a demonstrated track record of strong profitability, with net profit of €422.5 million in the year ended December 31, 2016 and €565.1 million in the year ended December 31, 2017. Normalized EBITDA margin was 22.6% in the year ended December 31, 2016 and 23.2% in the year ended December 31, 2017. Normalized EBITDA margin for the year ended December 31, 2017 was 23.6% in FFG's developed markets and 21.9% in its emerging markets, reflecting the strength of FFG's truly global business. *Pro Forma* Normalized EBITDA was €819.8 million for the year ended December 31, 2017.

FFG benefits from strong cash generation and generated a net cash flow from operating activities of €558.4 million in the year ended December 31, 2016 and €548.4 million in the year ended December 31, 2017, with an underlying free cash flow conversion ratio of 94.2% in the year ended December 31, 2016 and 99.8% in the year ended December 31, 2017. This compares favorably with peers and is supported by the following:

- Variable Cost Structure. Approximately 75% of FFG's cost base is variable, allowing for a sustainable gross margin. FFG has clear, consistent and well-established supply chain and hedging policies with respect to its major commodity inputs and foreign exchange exposures, which has allowed it to maintain strong levels of profitability after direct costs in changing cost environments.
- High profitability with separation upside. FFG has demonstrably high and sustained profitability, with an Normalized EBITDA margin of greater than 20% in each of the financial years ended December 31, 2015, 2016 and 2017, largely attributable to FFG's flexible cost structure and recent track record of operational cost savings. We believe there is significant scope for further improvement, as described below under "*—Strategy—Realize significant cost savings opportunity.*"
- Well-invested manufacturing base and supply chain. FFG has a comprehensive manufacturing network with a well-invested supply chain and significant spare capacity, including in its emerging markets. This allows for increased sales volumes without incremental capital expenditure resulting in strong cash generation.
- Efficient working capital position. FFG's cash flow conversion is additionally supported by a favorable working capital position. A normalized negative working capital position is the result of effectively managed inventory, structurally low receivable days due to attractive payment terms on customer rebates, and attractive standard payment terms for FFG's key raw materials (primarily edible oils). With beneficial relationships with its core suppliers, FFG is able to leverage payment terms of up to 120 days to mitigate the risk that cash is underutilized within the business. This is compared with average inventory days of 25 and average receivable days from customers of 20, in each case for the year ended December 31, 2017.

### *A well-invested global manufacturing network with significant spare capacity*

FFG's approach to maintaining leading facilities and its strong historic cash flow generation has enabled it to invest significantly in its global operations. FFG's ten developed market and seven emerging market facilities are fully invested, and have significant excess capacity, with unconstrained utilization of 49% on average in the year ended December 31, 2016. This well-invested asset base allowed for a low level of capital expenditure of 1.0% of turnover in the year ending December 31, 2017. Raw materials represented 45% of total supply chain costs and production costs represented 30% of total supply chain costs in the year ending December 31, 2017. In addition, in recent years, FFG has invested significant capital in two new facilities. FFG invested over €200 million in 2014 and 2015 into its U.S. supply chain infrastructure, in particular the development of the New Century plant in Kansas in the U.S.A., one of the biggest margarine facilities in the world. A new facility was also constructed in Nigeria during 2016 and 2017, enabling access to high-growth West African markets. Through these investments, FFG has also ensured it has the latest manufacturing innovations at its disposal, including utilization of its proprietary cool blending and fast blending technologies (as detailed further below).

### *Efficient supply chain infrastructure*

FFG's market leading products benefit from its sophisticated procurement, production and distribution functions. FFG's procurement process focuses on a simple portfolio of materials (primarily various oils and blends) that it is able to source at competitive prices by leveraging its scale and flexibility. In the year ended December 31, 2017, approximately 68% of FFG's raw material costs were attributable to six materials and approximately 45% of material value was procured through suppliers for which FFG represented more than 75% of total Unilever spend.

FFG employs an asset-light distribution strategy, with most warehouses and all transport outsourced to third parties. This allows forward-looking and market-driven inventory management with an average of 25 inventory days in the year ended December 31, 2017. Distribution costs accounted for 10% of FFG's total supply chain costs in the year ending December 31, 2017. In addition, there is expected to be limited loss of distribution scale following the separation from Unilever, as over 81% of current distribution spend within the business is on infrastructure and providers dedicated to FFG's product range, given the lack of other chilled food categories within Unilever.

### *Leading product knowledge and capability and proprietory processes*

FFG has a leading research and development platform which has benefitted from consistent investment throughout the cycle. Its strong capabilities allow FFG to turn technological breakthroughs into commercial successes in a short turnaround period. FFG continually enhances consumer experience by developing flavors in-house, leveraging in-depth know-how of melting behavior and flavor release and by mapping flavor preferences in key segments and geographies. In collaboration with governments and opinion formers, FFG has developed category leading products with nutritious and stable characteristics, such as the only spreads product containing Omega 3 and Omega 6 fatty acids that is stable in ambient tropical conditions (such as those in Africa and Southeast Asia) and products containing cholesterol-lowering ingredients. FFG has also partnered with local governments in its emerging markets to launch public healthy eating campaigns, capitalizing on the perception of margarine as a healthy and aspirational product in the region.

FFG also has a strong track record in process innovation. FFG has realized considerable cost benefits from recipe formulation and raw material optimization, underpinning its cost leadership. In particular, it has the ability to manage fluctuations in raw material costs while maintaining the optimal designed performance and a rapid and pro-active development process allowing quick roll out across all business units. FFG has been at the forefront of developing proprietary technologies and holds over 75 patents globally. In particular, FFG has developed several proprietary manufacturing processes, including cool blending, which has given FFG a means of producing low fat margarine without compromising taste and with clean-label capability, and fast blending, which provides lower production costs and fast capacity expansion for emerging markets by using smaller scale and easily transportable modular units.

FFG has developed a more agile research and development process, enabling turnaround of new products from initial concept to product in three to six months. With digital modelling techniques, FFG is able to predict the structure and melting properties of its spreads formulas, allowing acceleration in innovation and superior product performance.

With a focus on plant-based innovation, FFG has relaunched several of its core brands with a repositioning toward attractive and compelling value propositions: 100% plant-based offerings, premium butter flavored mélanges with enhanced dairy content, adjacent products under common branding and clean-label offerings. Notable successes have been achieved in FFG's developed markets in 2017 with the launch of innovative products, such as the Becel chocolate spread in the Netherlands and the "with butter" Rama range in Germany, which has had a significant impact on retail sales in the country. For example, the underlying sales growth or USG for the retail business in the year ended December 31, 2017 for Fruit d'Or tubs in France, Rama tubs in Poland, Becel tubs in the Nordics and Becel tubs in the Netherlands was +2.3%, +4.7%, +2.8% and +0.7%, respectively.

### *Experienced management team, already delivering on transformational strategy*

FFG benefits from a management team with significant experience in the consumer packaged goods industry. The senior management team has been part of FFG's transition from a part of Unilever to a stand-alone business and has been heavily involved in developing and preparing for the execution of our business transformation plans. Management believes that it leads a strong organization with talented individuals that fosters a market-driven, entrepreneurial culture.

Key accomplishments of FFG's management team to date include: (i) delivery of underlying sales growth improvement in developed markets in 2017, and robust growth across FFG's emerging markets through strategy execution and a significant increase in the number and impact of on-trend innovations; (ii) strong, consistent profitability and cash generation across 2015-2017 through managing FFG's flexible cost structure and achieving significant cost savings; (iii) increased share of the margarine segment in key geographies; and (iv) reorganization of FFG into a more agile and consumer-centric business. Management's plans to take the business to its next phase of transformational development are very much under way, with demonstrable evidence of successful implementation of its strategy since the reorganization of the Developed Markets spreads business into the BCS entities in 2015. FFG's management team is also expected to be incentivized by a typical private equity incentive scheme tied to the overall performance of KKR's investment in the business.

KKR has also moved to reinforce the team in its new existence as a stand-alone company by announcing the appointment, effective as of closing of the Acquisition, of David Haines as Executive Chairman and Jesper Andersen as our new Chief Financial Officer. Mr Haines and Mr Andersen will bring experience and a track record of success in managing stand-alone businesses in the consumer sector. See *"Recent Developments—Executive Chairman, Chief Financial Officer and Management Transition*."

## Strategy

FFG intends to capitalize on the foregoing strengths by implementing the following clear and compelling strategy:

### *Accelerate clearly defined initiatives to stabilize Developed Markets*

The factors which have resulted in historical underperformance in FFG's developed markets have been clearly identified, relating partly to external factors that have impacted the performance of the overall margarine category and partly to internal constraints resulting from the business' historical ownership by Unilever.

External factors

External factors which have contributed to developed market underperformance include:

- a moderate reduction in consumption occasions (e.g. bread consumption) in some developed markets;

- consumer misconception around the healthiness of margarine relative to butter (in particular due to legacy concerns around partially hydrogenated vegetable oils, which have not been included in any of FFG's products since 2012); and
- a period of depressed European butter prices from the second half of 2014 through the first half of 2017 due to the removal of dairy quotas in Europe and the imposition of the Russian trade embargo on some European dairy products, resulting in a reduction in the differential between margarine and butter prices, which has since reversed by the end of 2017.

Internal factors

As part of Unilever, FFG was constrained in its ability to develop an independent growth strategy. The spreads category was not a core strategic priority for Unilever. As a result, until the internal reorganization of the Developed Markets spreads business into the BCS entities and the creation of the current dedicated management structure in 2015, the business had not been given sufficient management focus and was run primarily to maintain margin and generate cash flows to enable investment in other areas of Unilever's business. These internal constraints included:

- a limited response to changing consumer preferences toward naturalness and taste;
- a lack of response to category shifts and insufficient investment through marketing and new product launches; and
- absence of a dedicated sales function and category leadership, with a limited focus on the business as part of the ongoing dialogue with retailers despite Unilever's significant market shares in each of its core geographies, which resulted in lack of retailer engagement and investment in growing the category.

Since the internal reorganization of the Developed Markets spreads business into the BCS entities 2015, FFG's management have developed and commenced implementation of a comprehensive strategy to stabilize the developed markets business and support a return to moderate growth. This strategy is clearly centered on the importance of restoring the naturalness and health perception of FFG's key products, clearly defining the specific strategy for each brand, and improving the taste profile of FFG products. In order to deliver these initiatives, FFG intends to make a one-time brand and marketing investment of €175 million in total over the short to medium term.

In order to "revitalize the core" of its business, FFG management believes there are a number of key areas that can be readily addressed with increased focus and attention:

*Naturalness and Health*

Management intends to re-align the consumer perception of margarine on the grounds of relative health benefits to butter and the product's overall naturalness. Margarine is fundamentally a natural, plant-based product, and this message will be at the core of FFG's marketing campaign aiming to educate the public on margarine's advantages over butter.

A key component of FFG's strategy is to communicate more clearly the natural and healthy credentials of margarine to consumers, enabled by more effectively leveraging key influencers such as social media personalities and environmental and animal welfare groups to capture the growing plant-based nutrition trend and transitioning to clean labels on key product ranges. FFG plans to advance innovation focused on improving natural credentials in its core range and to redesign packaging of these products to increase naturalness cues, with the potential to move to paper wrap and biodegradable or transparent packaging that align more closely with the interests of modern consumers. Notably, five out of FFG's six key products do not currently have a clean-label offering (Country Crock in the U.S.A. moved to clean label in 2015). This represents a significant opportunity for FFG to invest in ensuring that its core family focused product offering contains no artificial ingredients, thereby enhancing consumer perceptions of naturalness.

*Brand*

Management intends to focus on developing FFG's brand portfolio to clarify the use occasion positioning and price architecture of its key brands. Management believes these measures will enable more effective targeting of key consumer groups looking for specific features from their products, such as plant-based nutrition or dairy-like taste, and clarity around use occasions, such as spreading, cooking or baking. For example, FFG has begun to reposition the Country Crock brand in the U.S.A. around the focused attributes of “plant-based” and naturalness through the introduction of a clean-label product recipe, as well as marketing and packaging initiatives that have demonstrated positive traction with consumers.

*Taste*

Under Unilever ownership, a strong focus on heart health imposed by internal corporate guidelines led to significant reductions in fat content, which impacted overall taste and “mouth-feel”. Going forward, FFG will refocus on taste through improving formulations, as well as selectively increasing fat levels in certain products. In this way, the taste profile of FFG’s Plant-Based Spreads will be improved without changing the overall ingredient composition and, through rollout of upgraded recipes and additional variants, FFG intends to target specific groups of consumers looking for different flavor profiles (for example, mélanges for butter consumers).

Management has started to implement this strategy in certain brands over the last 12-24 months with positive initial results. The Rama brand, for example, has undergone significant repositioning and product variation with a 100% plant-based core brand and the introduction of a distinct “with butter” range. Relaunched in December 2016, the brand has seen an underlying sales growth increase of 5.8% by the quarter ended December 31, 2017 when compared to the same period in 2016.

Based on these strategies for the developed markets, and with the aid of a dedicated and focused sales force, FFG, as the largest player, expects to both drive stabilization of the margarine category overall as well as win share from its key competitors.

***Continue to drive and enhance strong performance in emerging markets***

The following table demonstrates FFG’s market share in the B&M market as compared to the next leading branded players in selected emerging markets:

| Country | FFG market share | #2 branded player market share | FFG relative share (expressed as a multiple) |
|---|---|---|---|
| Kenya | 84% | 8% | 10.3x |
| Mexico | 69% | 16% | 4.3x |
| Indonesia | 60% | 21% | 2.9x |

Indonesia and Mexico as of and for the year ended December 31, 2016. (Kenya as of and for the twelve months ended August 31, 2016). Source: Company estimates based on Nielsen.

Emerging markets are a core part of FFG’s strategy, where FFG is able to leverage its strong brand and superior technology to offer high value, healthy and nutritious products to families around the world. In addition, FFG is the only manufacturer offering high levels of nutritious fats, including a margarine product containing Omega 3 and Omega 6 fatty acids that is stable in tropical ambient conditions.

The growth in opportunity in emerging market countries is supported by the favorable macroeconomic trends of strong population growth and rising real household incomes. There is also a notable opportunity to drive consumption among consumers in these countries, with the average consumption of B&M products per capita in FFG’s emerging markets being approximately one sixth of consumers in developed markets.

Demand drivers in emerging markets are fundamentally different than in developed markets, with breakfast and baking occasions, especially during the holiday periods, the primary consumption occasions in the emerging markets. Bread consumption is also increasing in selected FFG emerging markets, which typically has a positive impact on the demand for B&M products. This trend offers an opportunity for FFG to drive further penetration and create new consumption occasions to drive volumes. Further, price elasticity is higher in emerging markets than in developed markets, which further incentivizes consumers to choose margarine as an alternative to butter given its lower price. Importantly, consumer perception of margarine in emerging markets is also fundamentally different: customers typically see margarine as an aspirational product with strong taste and health attributes. In particular, Blue Band, the leading FFG brand across emerging markets, is seen as an aspirational product by consumers when compared to traditional cooking oils or private label spreads products. This gives an incentive for consumers to "trade up" to FFG products on the back of higher purchasing power due to strengthening macroeconomic conditions. The lack of chilled infrastructure also provides a notable advantage for margarine (over butter) as margarine can be formulated to remain stable at tropical ambient temperatures without refrigeration.

Management's strategy for enhancing growth in emerging markets is based on the following core drivers:

*Drive performance through operation as a standalone organization*

Operating as a standalone entity, FFG will be able to pursue opportunities that were not previously considered when integrated within the wider Unilever business and quickly exploit new opportunities by deploying the resources required. Management is focused on growing FFG's share and penetration in key emerging markets countries, which will be facilitated through operation as a standalone business.

*Focus on key health benefits in less-developed emerging markets countries*

Management intends to capitalize on the current perception of margarine in emerging markets as a healthy, aspirational product by leveraging local partnerships with public stakeholders. Notably, FFG recently launched a "Good Breakfast" program in partnership with governments in several African countries to encourage healthy eating initiatives, which has reached millions of Africans to date. Management believes that FFG can reproduce the same approach in other emerging markets countries going forward to encourage healthy eating and additional use occasions for FFG's natural product range.

*Drive distribution*

There are a number of opportunities related to distribution strategies in emerging markets that FFG can pursue in order to improve the effectiveness of its operations and allow for faster growth. As an independent organization, FFG will be able to establish new relationships and enter underpenetrated countries where management sees significant opportunities. FFG believes it will be able to drive distribution in this way at limited incremental cost, given the current average unconstrained utilization rate (49% in the year ended December 30, 2016) across its facilities, which will allow for significant scope to grow volumes. FFG recently invested in a new manufacturing plant in Nigeria which provides the potential for growth opportunities across West Africa, allowing for increased regional distribution in countries like Nigeria and Ghana.

Finally, beyond the geographies in which FFG is currently present, there are potential opportunities in emerging markets not included in management's current business plan, which represent a significant source of additional upside.

***Realize significant cost savings opportunity***

In addition to revenue improvement and stabilization initiatives, FFG's strategy also has a strong focus on delivering cost savings and unlocking margin improvement potential. KKR, management and third-party diligence providers have conducted a comprehensive and granular review of FFG's operating model. We believe that as a stand-alone business, FFG will be able to realize significant cost savings through the implementation of its business transformation strategy based on its track record of delivering efficiencies. Through this process, a number of cost efficiency levers have been clearly identified relating to the five following areas: (i) procurement; (ii) manufacturing; (iii) supply chain; (iv) brand, marketing and investment ("BMI") and (v) SG&A optimization. The Issuer estimates that these represent, in the aggregate, an annual run-rate cost savings of approximately €200 million, which the Issuer believes can be achieved over the medium term with the incurrence of approximately €45 million to €50 million of non-recurring restructuring and related costs. The five areas of cost optimization are outlined further below:

*Procurement and design to value*

Procurement within Unilever has been largely centralized and was outside of the control of FFG management, thereby providing significant scope to transition to best practices within the procurement function. The key raw materials (palm, rapeseed, soybean, sunflower and canola oils) are primarily sourced from six large suppliers with purchases covering requirements for the next 12 to 24 weeks. The current procurement policies lack focus on volume consolidation and strategic sourcing partnerships and do not fully exploit potential discount opportunities. Management believes that FFG's major suppliers are keen to secure volumes due to their relatively low margins and the large costs associated with having to scale production up or down and there is therefore a significant cost saving opportunity for FFG through volume bundling, entering into longer-term contracts and tendering competitively across major suppliers.

Packaging-related cost savings entail the application of design-to-value principles and best-practice procurement principles. Through design-to-value, FFG will be able to identify product features that consumers value most in order to optimize the cost structure while still addressing key demand drivers. Examples include simplifying the packaging of key products (s.a. moving away from aluminum foil to lighter materials and reducing the lid thickness), which would enable FFG to save costs without impacting customer perception and product appeal. Separately, FFG intends to adopt best-practice procurement principles via entering into competitive tender processes and global consolidation with scaled suppliers in order to optimize packaging input costs.

We believe that the largest cost efficiency opportunity of the five identified above will be in procurement.

*Manufacturing cost optimization*

Post carve-out cost efficiencies are anticipated across the manufacturing network. On a carve-out basis, FFG operated in Europe with an average unconstrained utilization rate of 49% in the year ended December 31, 2016, with production costs varying significantly throughout the European manufacturing base from €76/ton to €270/ton. Other identified areas for manufacturing-related cost savings include (i) enhanced planning and staffing especially since multiple machines are running at low capacity, (ii) technology upgrades and use of more energy-efficient machinery/processes, (iii) launch of preventive maintenance programs and (iv) reduction of scrap and waste levels.

We believe that the second largest cost efficiency opportunity of the five identified above will be in manufacturing.

*Supply chain cost optimization*

Following the Acquisition, FFG's European distribution network will comprise 18 distribution centers. FFG currently serves almost every European country from local warehouses with limited cross-border or direct shipments to customers. As a result, we believe that there are significant distribution structure overlaps/duplications in certain countries. Separately, management believes that the supply chain costs could be further optimized via competitive tendering of transport lanes, re-designing routes based on FFG's streamlined distribution network and increasing the share of direct shipments to customers.

*BMI optimization*

FFG's BMI spend for the financial year ended December 31, 2017 was 7.3% of revenue, above the range among peers in the wider consumer sector of between 2.3% to 5.8%. Within Unilever, current BMI spend is generally split across countries by their respective share of FFG's total revenue, and essentially supports the entire portfolio of brands.

The Issuer and its third-party commercial advisers have reviewed current spend practices in BMI on a bottom-up basis and identified opportunities to optimize marketing spend practices. We intend to reduce BMI spend as a percent of turnover through several key initiatives, including: (i) reallocation of budget to more effective marketing channels including digital, (ii) better execution across all channels by exploring tactical media planning levers and (iii) optimization of spend through working with more agile, smaller agencies. In order to deliver these initiatives, we intend to make an incremental one-time brand and marketing investment of up to €175 million in total, over the short to medium term.

*SG&A optimization*

KKR has performed a top down benchmarking exercise of SG&A overhead costs (which excludes BMI), which accounted for 10.9% of our revenue in 2017, and a bottom-up review of organizational design. As part of the Acquisition, FFG will set up central standalone operations for Finance, IT, Marketing, HR, Procurement and Legal functions. This exercise would entail hiring in excess of 500 staff across key support functions. Levers to optimize the cost structure include (i) right-sizing G&A support organization to peer efficiency benchmark level, (ii) strengthening of Customer Development during transition and optimizing to peer efficiency level and (iii) streamlining of research and development portfolio and local organization, including focusing on key cross-country innovation and adding skills such as value packaging engineering.

***Exploit positive trends in Foodservice***

While FFG is a key player in the global retail channel with an approximately 32% share of the global margarine & spreads category, FFG has a limited presence in the foodservice channel, as pursuing this route-to-market channel was not previously a key focus under Unilever ownership. Operating as a standalone business, FFG is well positioned to take advantage of the significant growth opportunities in the global foodservice channel. Foodservice has grown faster than retail due to two main reasons. The first is the shift towards out-of-house eating within developed markets; “eating out” grew at a compound annual growth rate of 3% per annum between 2014 and 2016. The second is the structurally lower exposure to changing consumer factors – consumer perceptions regarding the “naturalness” of margarine have less of an impact on the purchasing decisions made by foodservice operators. As typical use cases for margarine in foodservice relate to cooking and baking, where the presence of margarine in the final product is not apparent, factors such as declining use occasions for spreading due to declining bread consumption, misinformed perception of margarine’s health benefits and taste issues have not impacted the foodservice channel, which has shown its resilience. There is significant potential for FFG to increase its presence within the foodservice channel, using its retail platform to fast-track its expansion into this segment.

FFG currently participates only in the social and commercial channel within the foodservice channel (e.g. hotels, restaurants and institutional canteens) which is primarily a branded sub-category that accounted for approximately 34% of the non-retail B&M category globally in 2016. The unbranded artisanal and industrial channels, which together represented approximately 65% of the total non-retail category globally in 2016, provide a significant and under-explored opportunity. Management believes there is a significant opportunity to expand penetration of the foodservice channel through FFG’s existing business infrastructure. The capacity available across FFG’s current manufacturing and supply chain network will enable FFG to complement its retail footprint with an expanded foodservice offering, particularly by concentrating on direct sales to the largest end users and by pursuing relationships with selected wholesalers that have a foodservice focus. The demonstrable functional and cost benefits of FFG’s products, including DCA’s longer shelf life and value compared with dairy products, and ability to withstand high temperatures and acidity levels without splitting, as well as FFG’s ability to produce allergen-free products and the products’ favorable cost comparison to butter, position the business strongly to take advantage of this growing channel.

***Leverage iconic brand portfolio, expertise and market position to expand into growing adjacent categories***

Diet and health issues are at the forefront of the global packaged foods industry. In recent years, consumers have become increasingly conscious of what they eat, conditions such as gluten and dairy intolerance have become more widely recognized and more people are following “flexitarian”, vegetarian and vegan diets. There is an increasingly strong awareness of the benefits of plant-based diets, which FFG is well placed to exploit.

Leveraging its product expertise, research and development capability and manufacturing capacity to further expand into plant-based products and adjacent categories is a key component of FFG’s strategy. FFG plans to build on the "free-from" diet and health trend by extending its strongest brands into dairy-free milk and yogurt alternatives. Further expansion into alternative and sweet spread adjacencies (including chocolate spreads), as well as plant-based dips, to appeal to higher income and health-conscious millennial demographics, also forms a central part of FFG's strategy and is supported by underlying consumer consciousness of the benefits of a plant-based diet. FFG also intends to accelerate the DCA offering, particularly in Central and Eastern Europe, emphasizing the advantages of these products over traditional dairy cream, including longer shelf life, lower cost of production, resistance to curdling, greater stability in whipping, the potential to be allergen free, as well as other health benefits. In addition to the expansion of FFG's current ranges, there are opportunities in high fat variants, ambient products and vegan products.

Target countries for adjacencies are large, growing and profitable with an easy-to-penetrate competitive landscape and positive consumer and retailer trends. A good example is non-dairy milk, which has been growing at around 11% per annum between 2014 and 2017 and is expected to continue growing at a strong pace due to underlying positive demand dynamics (consumers increasingly viewing non-dairy as a more "mainstream" proposition). Chilled dips and other adjacent categories have demonstrated similar strong growth potential. Due to its research and development capabilities, FFG is well positioned to take advantage of consumer appetite for alternative products in the packaged food and non-dairy space.

To tap into the adjacencies segments, FFG will both leverage its existing brand portfolio and develop new brands. For example, Flora Pro Activ is already seen as a functional health-focused brand, which offers significant brand expansion opportunities—the brand is already present in the Netherlands in the non-dairy yogurt adjacent category, hence this provides a platform for growth. Other brands such as Brummel and Brown are active in products based on dairy yogurt, hence expanding into non-dairy yogurts, creams and drinks would also be achievable.

**Products**

FFG's principal products are Plant-Based Spreads, complemented by dairy cream alternatives, Liquids and other associated products. These products are marketed under a family of historic and iconic brands with strong recognition in their target markets.

***Brands***

FFG has a portfolio of over 100 brands distributed in 69 developed and emerging markets in a variety of formats, covering a full range of price points across these markets. FFG's principal spreads brands include I Can't Believe It's Not Butter! and Country Crock in the United States, Flora and ProActiv in the United Kingdom, Becel and Blue Band in the Netherlands, Rama and Lätta in Germany and Blue Band in Indonesia. FFG's principal DCA brands include Elmlea in the United Kingdom and Rama in Germany. In the year ended December 31, 2017, 44 of those brands held the number one position in their principal markets. FFG's top seven brands each generated at least €175 million of turnover in the year ended December 31, 2017 (including turnover associated with adjacent non-spreads products marketed under those brand names), representing over 59% of FFG's total turnover during 2017.

***Spreads***

FFG is the world's leading producer of Plant-Based Spreads, including margarine and mélanges. Margarine and other spreads, like butter, consist of a water-in-fat emulsion, with droplets of water dispersed uniformly throughout a stable crystalline fat phase. FFG's spreads are primarily made of plant and seed oils, water, salt and protein and, in most of FFG's markets, is the principal product alternative to butter. Mélanges, which have been increasing in popularity, are Plant-Based Spreads with butter added for improved taste or texture perception. Plant-Based Spreads have a number of health and environmental advantages over butter, including higher Omega 3 and 6 fatty acid concentrations and lower trans- and saturated fat content. Plant-Based Spreads also have a production lifecycle which requires fewer resources and a lower overall carbon footprint than that of butter and comparable dairy products. These spreads can be used in a variety of cooking, baking and spreading applications.

FFG's Plant-Based Spreads cover a wide range of formats, including chilled products, ambient products which are solid at room temperature, and tropical ambient products which remain solid at the higher temperatures typically experienced in tropical climates. They come in a number of formats and can be used for a variety of occasions, including wrappers and tubs for spreading, cooking and baking, sachets for spreading, liquid products for cooking and baking, and large format tubs, bottles and portion packs for the foodservice industry.

In the year ended December 31, 2017, FFG's turnover attributable to spreads products was €2,418.6 million, amounting to 83% of FFG's total turnover during 2017. In the year ended December 31, 2017, Developed and Emerging Markets accounted for 77% and 23%, respectively, of FFG's turnover attributable to spreads products.

### *DCA*

Dairy cream alternatives ("DCA") are fully or partially plant-based alternatives to traditional dairy creams and can be used in the same way for cooking, baking, whipping and topping. These products are typically made by emulsifying a combination of buttermilk and vegetable oils, although dairy-free and vegan formulas are available as well. Dairy cream alternatives have a number of advantages over traditional dairy cream, including longer shelf life, lower cost of production, resistance to curdling, greater stability in whipping, the potential to be allergen free, as well as other health benefits.

FFG's DCA portfolio includes cooking creams, whipping creams, sour creams and spreads. These products are made from both vegetable fats and buttermilk, which have cost and health advantages over traditional dairy creams. DCA products are packaged in a variety of formats including pots, bottles, pouches and tetra packs for both the retail and foodservice channels.

In the year ended December 31, 2017, FFG's turnover attributable to DCA products was €189.9 million, amounting to 7% of FFG's total turnover during 2017. In the year ended December 31, 2017, Developed and Emerging markets accounted for 97% and 3%, respectively, of FFG's turnover attributable to DCA products. Germany and the United Kingdom were the largest markets for DCA products, with Germany accounting for 24% of FFG's turnover attributable to DCA products and the United Kingdom accounting for 22% of FFG's turnover attributable to DCA products.

### *Other products*

In the year ended December 31, 2017, FFG's turnover attributable to other product categories was €296.5 million, amounting to 10% of FFG's total turnover during 2017. The largest of these product categories was liquids, including liquid margarine and vegetable oils, with turnover of €173 million in the year ended December 31, 2017. Other categories include olive oil (€31 million), white fats (€24 million), industrial margarine (€17 million) and cream cheese (€16 million) (in each case for the year ended December 31, 2017). In the year ended December 31, 2017, Developed and Emerging Markets accounted for 88% and 12%, respectively, of FFG's turnover attributable to other products.

As part of our growth strategy, we are targeting expansion into adjacent product categories including non-dairy milk, sweet spreads and other vegetable-based spreads.

## Markets

In the developed and emerging markets in which it operates, FFG sells its products primarily through retail channels, such as supermarkets, hypermarkets, convenience stores and other outlets, with foodservice channels, such as workplace and educational canteens, cafes and restaurants representing 9% of FFG's total turnover in the year ended December 31, 2017.

### *Developed Markets*

Developed Markets, including North America, Europe, Australia, New Zealand and Russia, accounted for more than half of the global B&M market, and FFG was present in 30 Developed Markets in 2017. In the year ended December 31, 2017, FFG's operations in Developed Markets accounted for €2,302 million in turnover, representing 79% of FFG's total turnover. Of FFG's turnover attributable to Developed Markets during 2017, the United States accounted for 20%, Germany accounted for 13%, the United Kingdom accounted for 9%, the Netherlands accounted for 8% and Canada accounted for 5%.

*Retail*

FFG's retail operations in Developed Markets accounted for €2,004 million in turnover, representing 87% of FFG's turnover attributable to Developed Markets and 69% of its total turnover in the year ended December 31, 2017. These operations are underpinned by FFG's strong brand portfolio and longstanding relationships with leading retailers across its Developed Markets.

FFG is the market leader in retail spreads sales volume in 22 of the 28 Developed Markets in which it operates, including the United States, Germany, United Kingdom, Netherlands and Canada (based on FFG data and data for retail market volumes of margarine sourced from Euromonitor International and Nielsen). Those five countries together accounted for 62% of FFG's turnover from retail Plant-Based Spreads sales in all Developed Markets in the year ended December 31, 2017.

These leading positions in key Developed Markets are supported by FFG's high degrees of brand awareness and strong relationships with large and well-known retailers. At various points in time in 2016 and 2017, Country Crock, Rama, Flora and Blue Band scored the highest among B&M brands in the United States, Germany, United Kingdom and Netherlands, respectively, according to Millward Brown. In addition, FFG distributes its products directly to some of the world's largest retailers, including Walmart, Lidl, Rewe, Tesco, Kroger, Carrefour, Jumbo, Superunie, Ahold and Edeka, which FFG believes strengthens its brand awareness and market positioning. The top ten retailers of FFG products in developed markets account for 46% of all of FFG's retail sales, with most of these relationships spanning over a decade. Even before the separation, FFG has been strategically repositioning its brands. This is shown in the evolution of the Becel tubs brand in the Netherlands. In the first quarter of 2017, Becel tubs was re-launched in the Netherlands market to emphasize its plant-based origins. In the twelve months ended March 31, 2017, Becel tubs in the Netherlands had a USG decline of -1.7% compared to the prior twelve months. Following the re-launch, in the six months ended September 30, 2017, Becel tubs in the Netherlands had a USG increase of 1.4%, compared to the same period in the prior year. Similarly, new initiatives have recently been launched which have enhanced taste and emphasized the plant-based nature of the Rama brand in Germany and the Country Crock brand in the U.S, and both brands have subsequently had improved USG. In the three months ended December 31, 2016, Rama's USG declined by -15.7%. In the three months ended June 30, 2017, the USG decline of Rama in Germany had slowed to -5.2%, and by the three months ended December 31, 2017, USG increased by 13.0% compared to the same period in the prior year. For Country Crock in the U.S., in the three months ended December 31, 2016, USG declined by -7.9%. In the three months ended June 30, 2017, the USG decline of Country Crock had slowed to -3.2%, and by the three months ended December 31, 2017, USG declined slowed still further to -2.3% compared to the same period in the prior year.

After the separation from Unilever, FFG will provide a dedicated sales force post-distribution and operate as the supplier of choice and/or "category captain" for certain strategic retailers, providing in-depth knowledge and consumer insight for particular product categories to its retailer customers. As is typical in the food industry, FFG does not have long-term contractual commitments with its key customers. Instead, FFG enters into bespoke joint business plans with customers, which are typically renewed on an annual basis, and cover prices charged by FFG to its customers, discounts and other investments. In some markets the level of investment is included in these joint business plans while in other countries promotions are more flexible and vary during the year. Consequently, FFG generally does not have fixed-duration, long-term contracts with its retailers, instead taking a flexible approach to product distribution that harnesses its research and development capabilities and is responsive to specific retailer needs and other market opportunities. FFG has also developed relationships with various online retailers and e-commerce platforms, such as Ocado, Tesco and Carrefour online, which have seen an increase in retail market share in recent years and which we believe represent a significant growth opportunity in the developed markets in which we operate.

Although end consumers of FFG products in developed markets generally comprise families and higher income individuals from the "Generation X" and "Millennial" demographics, who tend to be more health-conscious in their dietary choices, FFG's offering spans the entire price spectrum from value to premium. In its main markets, FFG maintains brands with distinct value propositions spanning family nutrition, heart health, cholesterol improving, superior taste, cooking & baking, and value champion. A key element of our strategy going forward is to expand upon and strengthen our coverage of the price spectrum and enhance our appeal to distinct niches and functional needs in each market in which we operate by repositioning existing brands, and launching new offerings, as needed.

*Foodservice*

In the year ended December 31, 2017, FFG's foodservice operations in Developed Markets accounted for €298.4 million in turnover, representing 12% of FFG's turnover attributable to Developed Markets and 10% of its total turnover.

In 2017, FFG's foodservice operations had a turnover of greater than €1 million in 23 Developed Markets and a small but growing market share in the social and commercial foodservice segment. FFG's current foodservice customers include Aramark, Sodexo and Hilton. We believe that we can build on our current foodservice capabilities, including by expanding into the artisanal and industrial foodservice segments, due to the steady growth in out-of-home dining in recent years and the demonstrable advantages of Plant-Based Spreads products over butter in large-scale cooking and baking.

***Emerging markets***

FFG's Emerging Markets include numerous countries in Latin America, Africa and the Middle East and Asia. FFG is present in 16 markets in Latin America, 16 markets in Africa and the Middle East and nine markets in Asia. In the year ended December 31, 2017, FFG's operations in Emerging Markets accounted for €602.9 million in turnover, representing 21% of FFG's total turnover. Of FFG's turnover attributable to Emerging Markets during 2017, Latin America accounted for 45%, Africa and the Middle East accounted for 29% and Asia accounted for 26%.

*Retail*

FFG's retail operations in Emerging Markets accounted for €533 million in turnover, representing 88% of FFG's turnover attributable to Emerging Markets and 18% of its total turnover in the year ended December 31, 2017. FFG maintains a network of distributors with direct relationships with key retailers in emerging markets, including Alfamart, Indomaret, Metro, Matahari, Ahold Delhaize and SHV. FFG brands hold the number one position in seven of its Latin American markets and 11 of its markets in Africa and the Middle East. End consumers of FFG's products in emerging markets typically comprise middle class families. There is considerable upside potential in Emerging Markets arising from per capita levels of consumption, which are considerably lower than in Developed Markets, as well as household penetration of B&M products, which in some Emerging Markets is considerably lower than in Developed Markets. There is also opportunity in expanding into countries in which FFG does not currently operate.

*Foodservice*

FFG's foodservice operations in Emerging Markets accounted for €70 million in turnover, representing 12% of FFG's turnover attributable to Emerging Markets and 2% of its total turnover in the year ended December 31, 2017.

In 2017, FFG's foodservice operations had a turnover of greater than €1 million in nine Emerging Markets. We believe that there is a significant opportunity in foodservice in our emerging markets, particularly in Latin America, where industrial baking is widespread given low levels of oven penetration among consumers.

**Sales and Marketing**

FFG aims to solidify and enhance its market-leading brand awareness by leveraging its products' strong emotional cues that resonate with end consumers with respect to family nutrition, heart health, taste, cooking and baking, and value. FFG's sales and marketing operations seek to accomplish this through its advertising, promotional and point of sale functions.

FFG's advertising function works with global and local media agencies, such as Mindshare, Initiative and Omnicom, to execute its media strategy through local specialists at the country or business unit level. The purchase and management of media at the local level enables FFG's advertising to accommodate to each of the various markets in which it operates. This includes, for example, promotional campaigns to capitalize on baking occasions for major holidays, such as Christmas and Easter in North America, Latin America and Europe, and Ramadan in Asia and the Middle East. FFG's promotional function manages the creation and distribution of promotional packs and samples, partnership programs, in-store displays and other communication materials, and its point of sale function manages FFG's relationships with retailers and the coordination of point of sale materials. In particular, as part of its point of sale function, FFG provides certain retailers with a dedicated sales force that assists the retailer with the stocking and in-store marketing of the relevant FFG products in order to increase traffic and sales. In emerging markets, FFG's point of sale function maintains relationships with traditional retail channels, such as small-scale shops and street vendors, as well as modern retail channels including supermarkets and hypermarkets.

### Competition

While there are other local and regional produces of Plant-Based spreads, FFG is the largest global producer of Plant-Based Spreads by a large margin. See "*Industry.*" FFG's Plant-Based Spreads also face competition from alternative products such as butter, cooking oils, cream cheese and sweet spreads. Principal competitors to FFG's DCA products are traditional dairy creams. The competitive dynamics in FFG's industry are also driven by changes in dietary and taste trends. In particular, the decline in consumption of bread in developed markets over the past decade has presented a competitive challenge for FFG and others in its industry.

### Research and Development

FFG has an industry leading research and development function that underpins its ability to produce new and innovative products using technically sophisticated equipment and processes across its product lines and markets. FFG's research and development platform has eight principal capabilities:

- Chefmanship—The research and development platform incorporates insight into real world cooking practices with ongoing feedback from food professionals to remain on culinary trend and provide optimal taste and functionality for each market, with these metrics being continually reviewed and improved upon.
- Consumer technical insight—The research and development platform seeks to translate consumer expectations into technical requirements, enabling product and packaging design to be optimized. This includes capitalizing on FFG's in-house, world-leading flavor development resource, in depth know-how of melting behavior and flavor release and advanced flavor mapping in key markets to give insights to maximize market share. For example, we are developing the only spreads product with Omega 3 and 6 to be stable in tropical conditions.
- Digital—The research and development platform uses digital tools to capture ingredient and process knowledge, supporting the delivery of product development through precision modelling. The ready access to these resources via FFG's digital tools gives it the ability to launch new on-trend products within three to six months. Digital modelling also supports cost efficient product development, with functions like the ability to digitally predict structure and melting of recipes allowing new product innovation to be accelerated with minimal associated costs.
- Nutrition—The strength of FFG's brands is supported by its ability to translate nutrition science into product claims, communications and endorsements. Its portfolio of cholesterol lowering spreads have been at the forefront of the development of products with demonstrable health benefits that do not compromise on taste.
- Flavors—Taste is the primary criterion that drives the purchase of FFG's products. Its research and development platform has invested heavily in developing proprietary flavors that enhance consumer experience and allow FFG's products to achieve parity with butter.
- Packaging development—In addition to the products themselves, the design of attractive and robust packaging that is easy to produce and convenient to transport and use contributes to the success of FFG's business.
- Regulatory—Food safety is a paramount issue in FFG's business. A key part of the research and development function is ensuring that FFG's products are fully compliant with local requirements. This is accomplished through strong and ongoing engagement with governments, regulators and other opinion formers with impact on diet and health guidelines.
- Technological capabilities—FFG's pioneering technologies, many of which are proprietary, together with deep institutional knowledge of the production process have made it a leader in the industry. For example, FFG's fast blending process is a new simpler and safer production process capable of delivering a wide range of products for both emerging and developed markets. It can be implemented in a modular production set up requiring lower capital expenditure than traditional production methods and enabling fast capacity expansion for

emerging markets. FFG has over 75 patents for industry-leading manufacturing processes and other proprietary technology.

These capabilities will be supported by strategically located facilities worldwide. The global research and development center will be located in Rotterdam, with smaller regional research facilities in New Jersey, Mexico and Indonesia. In addition, there will be 16 local research and development teams in close proximity to the diverse markets served by FFG, allowing for the development of differentiated products optimized for local conditions.

### Procurement

The primary raw materials used in the production of FFG's products are commodities, primarily comprising liquid oils and tropical oils, such as rapeseed, soybean, palm and sunflower oil, as well as blended oils, water and cardboard and plastic packaging materials. With the exception of palm oil, FFG sources most of its food ingredients and packaging materials directly from local suppliers, and its supply chain is aligned with its geographic footprint, enabling it to optimize its supply arrangements and minimise distribution costs. FFG operates a centralized procurement function designed to leverage its purchasing expertise and maximize scale efficiencies across both developed and emerging markets. FFG's procurement function has a deep understanding of commodity cycles and risk management, and many years of experience in the oils market. To optimize pricing, FFG uses its blend flex process to identify and purchase the cheapest oil blends on the market based on dynamic price analysis in order to manufacture its products to consistent standards of taste and quality. FFG's risk management mechanisms include the use of physical stocks, contracts, derivatives and other financial hedging transactions to insulate the business from short term price volatility across a majority of its input commodities, with initiatives underway to expand the scope of such measures to cover packaging material costs as well. Because many commodity prices worldwide are set in U.S. dollars, while FFG's turnover is generated in the local currencies in the markets in which it operates, a layered hedging approach of up to 12 months duration is used to hedge this foreign currency transaction exposure.

FFG has developed strong, long-standing relationships with its major suppliers of key raw materials, many of which have been in place for over a decade. FFG also benefits from favorable payment terms with a large number of suppliers enabling advantageous working capital management. To some extent, these favorable payment terms may be attributable to the supplier finance program sponsored by Unilever, which allows suppliers to factor their FFG receivables at selected banks at rates these suppliers find attractive and serves as an inducement to make payment terms more favorable than they otherwise would be. In the event this program ends after the separation from Unilever, our payment terms with participating suppliers may become less favorable; however, management believes that the standard market terms to which such suppliers might revert in the commodity markets in which FFG purchases its key inputs are more than sufficient to allow FFG to maintain a strong structural net negative working capital position. Key suppliers of commodities include ArcherDanielsMidland, Wilmar, C Thywissen, Bunge, Sime Darby, Cargill and Olenex. Key suppliers of packaging include Amcor, RPC and Smurfit Kappa.

In the year ended December 31, 2017, FFG spent €812.3 million on raw materials and €281.7 million on packaging materials, representing 45% and 15%, respectively, of FFG's total supply chain costs.

### Manufacturing

After the separation from Unilever, FFG will own and operate a total of 17 production facilities, comprising ten factories in developed markets and seven factories in emerging markets. These facilities, together with certain equipment that is being moved to FFG from facilities still owned by Unilever, produced approximately 1,311 kilotons of product in the year ended December 31, 2016 representing approximately 88% of FFG's total production volume. FFG will also have co-packing arrangements in place at eight further facilities that will remain owned by Unilever, these facilities produced 3% of FFG total production volume in the year ended December 31, 2016. In addition, FFG has strategic relationships with numerous third party manufacturers, which produced approximately 128 kilotons of product in the year ended December 31, 2016, representing approximately 9% of FFG's total production volume. FFG believes that its global network of production facilities provides it with exceptional outreach to local markets while maintaining quality and efficiency through scale.

The following table sets out the key attributes of FFG's production facilities during the year ended December 31, 2016.

| | Output (kilotons)[1] | Unconstrained utilization rate[2] | Product categories |
|---|---|---|---|
| Purfleet, U.K. | 113 | 52% | B&M, DCA, pro-activ, other[3] |
| Nassaukade, Netherlands | 129 | 51% | B&M, pro-activ |
| Kleve, Germany | 57 | 51% | DCA |
| Helsingborg, Sweden | 63 | 40% | B&M, DCA, other |
| Pratau, Germany | 122 | 47% | B&M |
| Katowice, Poland | 201 | 56% | B&M |
| Çorlu, Turkey | 109 | 44% | B&M |
| Pireaus, Greece | 26 | 21% | B&M, other |
| Cikarang, Indonesia | 58 | 52% | B&M |
| Nairobi, Kenya | 21 | 48% | B&M |
| Tema, Ghana | 12 | 49% | B&M |
| Vridi, Côte d'Ivoire | 5 | 20% | B&M |
| Santa Iria, Portugal | 52 | 41% | B&M, other |
| Tultitlan, Mexico | 41 | 59% | B&M |
| New Century, U.S.A. | 253 | 58% | B&M |
| Rexdale, Canada | 50 | 57% | B&M, pro-activ |
| Agbara, Nigeria[4] | N/A | N/A | B&M |
| **Total** | **1,311** | **49%** | — |

Notes:

(1) Output is pro forma the consolidation of lines that are being moved to FFG from certain facilities still owned by Unilever.

(2) Unconstrained utilization rate refers to the volume of production achieved divided by the maximum production volume possible assuming constant operation.

(3) "Other" includes specific site capabilities, *e.g.* cream cheese in Sweden, cooking fat in Portugal and olive oil and seed oil in Greece.

(4) Agbara facility opened in 2017.

FFG's production facilities are focused on in-house manufacturing of a wide range of FFG's product offering along with multiple packaging options. These facilities are equipped with the latest proprietary technologies, including cool blending and fast blending, and because there is sufficient capacity in the network to support much larger volumes, FFG's capital expenditure requirements are relatively small, even in light of its growth initiatives.

Although capacity differs by product category and facility, as shown in the table above, almost all of FFG's facilities have significant spare capacity available to accommodate rapid future growth in all key product categories, including planned expansion in the private label and foodservice segments, as well as to respond to seasonal fluctuations. In addition, FFG's relationships with its third-party manufacturers provide FFG with added manufacturing flexibility, and also allow it to speed up innovation delivery and enter adjacent product categories with minimal investment.

In the year ended December 31, 2017, FFG spent €537.6 million on production costs, excluding raw materials and packaging costs, which represented 30% of FFG's total supply chain costs.

### Distribution

FFG operates an asset-light distribution model that carefully manages its outbound supply chain and allocates products manufactured in its production facilities to its distribution centres (primary distribution) and subsequently to its retailers and foodservice customers (secondary distribution). In addition, FFG's distribution network is well-consolidated and aligned with its manufacturing footprint in the markets in which it operates. In the year ended December 31, 2016, approximately 79% of its distribution centres (measured by costs) and all of its transport fleet were outsourced to third parties. FFG believes that this heavily-outsourced distribution model allows it to minimise costs and maintain operational flexibility.

In the year ended December 31, 2017, FFG spent €191.4 million on distribution costs, which represented 10% of FFG's total supply chain costs.

## Employees

As at December 31, 2017, FFG's cost of staff was €155.7 million in Developed Markets and €70.2 million in Emerging Markets. On a standalone post-separation basis, we expect that FFG will have approximately 3,500 full-time employees.

## Sustainability

As part of Unilever, sustainability was at the heart of FFG's business and it has made substantial investments to reach some of the industry's highest levels of sustainable sourcing, and FFG intends to continue Unilever's sustainable palm oil practices. FFG's supply base consists of a select group of low-risk, high-standard raw material producers. In addition, FFG has invested heavily to improve its production efficiency, including its levels of energy and water consumption and volumes of waste and carbon dioxide generated by its production facilities. FFG has also invested to improve its packaging efficiency, for example moving away from aluminum foil to lighter materials and reducing the lid thickness.

## Health and safety

FFG has established environmental, health and safety protocols to support its manufacturing and other operations. Information relating to compliance with environment, health and safety measures is collected by responsible employees at each site. Each of FFG's main production sites has an employee dedicated to environment, health and safety matters.

## Intellectual property

Maintaining adequate brand protection is of significant importance to FFG's business as it relies on its brands to implement its business strategy. FFG has an extensive trademark portfolio with approximately 3,900 trademarks (including trademarks to be assigned from Unilever upon completion of the Acquisition) across all of its markets. FFG also holds over 1,200 patents and design registrations (including pending patents, and patents and design registrations to be assigned upon completion of the Acquisition). FFG's intellectual property is managed centrally, and it works closely with a third party agency in respect of filings, renewals, recordings and the prosecution and enforcement of intellectual property matters internationally.

## Insurance

FFG carries insurance that it believes to be common in its industry and sufficient to cover the principal risks of damage to its business. FFG maintains, where appropriate, insurance with respect to liability of our directors and officers, property damage, business interruption, cold storage facilities, public liability, products liability, product recall, damage to vehicles, personal accident and travel. FFG undertakes periodic risk reviews to assess whether its insurance is in line with its business risks and whether the developments in insurance policies are reflective of the changes in its business.

## Litigation

From time to time, in the ordinary course of business, FFG is subject to litigation. Except as set forth in this Offering Memorandum, there were no proceedings ongoing, pending or to the knowledge of FFG, threatened, that would have a material adverse impact on FFG as a whole.

During 2016, one of Unilever's subsidiaries in Israel became the subject of an application for certification of a class action claim based on allegations of unfair pricing in the margarine market. The claim, which has not been certified by the court, would, if so certified, be for approximately €33 million. Unilever intends to robustly defend this claim and believe that the likelihood that it will ultimately prevail is low, however there can be no guarantee of success in court. Any liability resulting from this claim would be the responsibility of Unilever, and Unilever have given an indemnity to Bidco for any fines resulting from historic claims. Unilever believes its position is strong and so the matter has not been provided for and is considered to be a contingent liability. Additionally, in March 2018, a Unilever subsidiary in Greece received a Statement of Objections from the Hellenic Competition Commission for alleged violations of competition law in the margarine sector from 1996 until today. Unilever is still assessing the implications from this complex case and is unable to assess the level of any potential fine. Should the allegations be upheld, the maximum fine which could be levied would be approximately €40 million. Unilever intends to defend these allegations robustly, although there is no guarantee of success, and therefore the matter has not been provided for and is considered to be a contingent liability. Finally, in 2015 a class action lawsuit was filed against one of Unilever's subsidiaries in California based on allegations of deceptive labelling and marketing of the "I Can't Believe It's Not Butter!" brand. The case had been stayed since 2015 pending rulings in another appellate matter, but the stay was lifted in 2017 and class certification discovery is now ongoing. A decision on class certification is expected in 2019. Unilever intends to robustly defend this claim and has not reserved any amounts in connection with this litigation. See "*Risk Factors—Risks Related to FFG's Business and Industry—Potential liabilities and costs from litigation could adversely affect FFG's business.*"

**Transitional Service Arrangements with Unilever**

We have a number of transitional service arrangements in place with Unilever to help ensure business continuity during the separation process. These arrangements cover marketing, distribution, IT, shared services, human resources, workplace and travel services, research and development and logistics. Their terms range from six to 18 months, with early termination rights on a regional basis upon advance written notice. The TSAs are an essential part of the implementation of our strategy, allowing us to construct business infrastructure that is appropriate to our needs as a stand-alone business without disrupting our operations during the separation process. We are responsible for the development and implementation of migration plans to transition from the TSAs to stand-alone business functions or alternative third party suppliers. The services provided pursuant to the TSAs are bespoke and, in some cases, interdependent.

The TSAs cover marketing services, including handling consumer concerns, enquiries and complaints via telephone and email in accordance with current Unilever practices including social media enquiries, providing monthly reports summarising all claims and enquiries and managing consumer complaints, as well as providing media buying, media activation and website maintenance. This arrangement will remain in place for 12 months from separation for annual consideration of €1.7 million.

The TSAs cover distribution services, including providing sales, marketing and distribution support in countries being transferred from the Unilever distribution model to our new distributor model. Pursuant to these arrangements, Unilever will conduct all brand and marketing investment and local country activities. This arrangement will remain in place for 12 months from separation for annual consideration of €9.8 million.

The TSAs cover IT services, including application support and maintenance provided in relation to global and regional applications (e.g. SAP, main packages, licenses including maintenance and IT service desk); application development provided in relation to global and regional initiated projects and pre-planned changes; maintenance of IT systems, including system operation and maintenance of hardware, servers and global networks, current incident management and problem management processes; end-user computing environments, including all global and regional infrastructure, such as certified PCs, mobile devices and licenses which will be managed and supported by Unilever, including replacement of equipment and performance of support maintenance; email and collaboration services using our own domain; network connectivity services and managed security services; and call out separation support to enable us to establish our own stand-alone IT environment. These arrangements have terms of 12 months from the date of separation with respect to Europe, and 18 months from the date of separation with respect to North America and the rest of the world. Annual consideration for these services will be €31.2 million for Europe, and €18.7 million with respect to North America and the rest of the world.

The TSAs cover shared service support for key transactional processes. Order to cash services include accepting orders from customers and ensure they are correctly entered into the system, invoicing customers and collecting and processing receivables from customers, credit management including using credit terms and limits, monitoring available customer credit and taking appropriate preventative and corrective actions as well as maintaining sales history records with customers. Purchase to pay services include credit management and the maintenance of purchase history with suppliers. Record to report services include the recording of all financial data within the enterprise resource planning system, the maintenance of accurate ledgers and the provision of timely and accurate financial data to facilitate reporting and performance management. The shared services TSA also includes master data management. Unilever will also include management and financial reporting information based on its internal reporting calendar, accounting policies, operating framework and existing business practices. It will also perform general accounting functions, including processing journal entries, allocations and period end adjustments, analysis and reconciliation of general ledger accounts, preparation and posting of management adjustments as well as recording standard product cost accounting. The shared services TSAs have terms of 12 months from the date of separation with respect to Europe, and 18 months from the date of separation with respect to North America and the rest of the world. Annual consideration for these services will be €2.9 million for Europe, and €3.3 million with respect to North America and the rest of the world.

The TSAs cover payroll services and workplace and travel services, including access to offices and research and development facilities. These services have a term of six months from the date of separation and an annual cost of €13.3 million.

The TSAs also cover logistics, including warehousing services in locations where warehouses are currently operated by Unilever. These services have a term of 12 months from the date of separation and an annual cost of €9.0 million.

# MANAGEMENT

The following presents the governance of the Issuer, Midco and FFG as of March 31, 2018. After the Acquisition, we expect certain changes to the governance of FFG. In particular, we expect that a new main operating board will be implemented at the level of Sigma Midco B.V. ("Midco"), a wholly-owned subsidiary of the Issuer. It is anticipated that the board will be composed of certain representatives from KKR and potentially also other members designated by major investors. The main operating board will be controlled by KKR. The main operating board will be responsible for supervising the general course of affairs of FFG.

## The Issuer

The Issuer is a private company with limited liability incorporated under the laws of the Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) on December 12, 2017, for the purpose of facilitating the Acquisition and issuing the Notes, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its office at Overschiestraat 61-5 hoog, 1062 XD Amsterdam, the Netherlands. The Issuer is registered with the Dutch Trade Register of the Chamber of Commerce under number the number 70282900.

The Issuer currently has a board of managing directors composed of 4 managing directors. The board is responsible for managing the Issuer in accordance with applicable laws, constitutional documents and resolutions of the shareholders' meeting. The principal functions of the board are to carry out the day-to-day business of the Issuer and to legally represent the Issuer in its dealings with third parties.

Set forth below are the names and ages of the Issuer's managing directors as of March 31, 2018.

| Name | Age | Position |
|---|---|---|
| William J. Janetschek | 56 | Managing Director |
| Justin Hays Lewis-Oakes | 33 | Managing Director |
| Augustinus Gabriels | 57 | Managing Director |
| Murat Yasar | 38 | Managing Director |

*William J. Janetschek—Managing Director.* William Janetschek joined KKR in 1997 and is KKR's Chief Financial Officer, based in New York. Mr. Janetschek is also a member of KKR's Valuation Committee and the Firm's Risk and Operating Committee. Prior to joining KKR, he was a Tax Partner at Deloitte & Touche LLP. He holds a B.S. from St. John's University and an M.S. from Pace University. Mr. Janetschek is actively involved in the community, serving as a sponsor and member of a variety of non-profit organizations including Student Sponsor Partners and St. John's University.

*Justin Hays Lewis-Oakes—Managing Director.* Justin Lewis-Oakes joined KKR in 2011 where he is a member of the Consumer and U.K. coverage teams in London and has been involved in KKR's investments in Pets at Home, Fotolia and Cognita. Prior to joining KKR, he spent four years in the U.K. mergers and acquisitions team at Goldman Sachs in London. He holds a B.A. (Hons) in Classics from Balliol College, Oxford.

*Augustinus Gabriels—Managing Director.* Augustinus Gabriels joined Avega Netherlands B.V. in 2015 and is a managing director, responsible for risk management and general matters. Prior to joining Avega, he was the business unit manager for finance at ATC Corporate Services (Netherlands) B.V. Mr. Gabriels has over 30 years of experience in financial roles, and has held a variety of positions, including chief financial officer and chief operational officer of Goffin Bank and chief operational officer of Blue Dolphin Financial Services. Mr. Gabriels holds a Bachelor's degree in business administration and an MBA, both from college Markus Verbeek Praehep.

*Murat Yasar—Managing Director.* Murat Yasar joined Avega Netherlands B.V. in 2015 and is managing director, responsible for financial administration. Prior to joining Avega, he was a senior account manager at ATC Corporate Services (Netherlands) B.V. and then Athos Family & Business Services (Liechtenstein) AG. Mr. Yasar holds a Bachelor's degree in economics from Hogeschool voor Economische Studies (HES), Amsterdam and a Master's degree in economics from Vrije Universiteit in Amsterdam.

## Midco

As of the date of this Offering Memorandum, Midco is governed by a Managing Board composed of 4 individuals. The Managing Board conducts the business of Midco in accordance with the applicable laws and regulations, Midco's Articles of Association and the Managing Board rules of procedure. Upon consummation of the Acquisition, we expect that the main operating board of FFG will be at the level of Midco and will be composed of certain representatives from KKR and potentially also other members designated by major investors. The board will be controlled by KKR. KKR is in discussions with potential nominees and expects that board composition will be finalized by the date of the consummation of the Acquisition.

Set forth below are the names and ages of Midco's managing directors as of March 31, 2018.

| Name | Age | Position |
| --- | --- | --- |
| William J. Janetschek | 56 | Managing Director |
| Justin Hays Lewis-Oakes | 33 | Managing Director |
| Augustinus Johannes Antoine Gabriels | 57 | Managing Director |
| Murat Yasar | 38 | Managing Director |

## Senior Management of FFG

### *Executive Chairman, Chief Financial Officer and Management Transition*

On April 11, 2018, KKR announced that it intends to appoint David Haines as Executive Chairman of the Global Spreads Business, subject to and effective from the successful completion of the Acquisition.

Mr Haines was previously Chairman and CEO of Grohe Group, and subsequently CEO of Lixil Water Technology Group. At Grohe, Mr. Haines led the complete transformation of the business over a 10 year period. He joined Grohe from Vodafone, where he served as the company's first Global Marketing Director, building Vodafone into a successful, top ten global brand within three years and across multiple markets. Prior to this Mr. Haines was Deputy Division President of The Coca Cola Company in Germany, and for 10 years a General Manager for Mars across different European markets. He began his career in Germany at Lever Sunlicht, and holds a first class Honours degree from the University of Greenwich in London.

We have also agreed with Jesper Andersen to take over the role of Chief Financial Officer upon completion of the Acquisition. Mr. Andersen is currently the Chief Financial Officer of Beiersdorf AG, the maker of Nivea and other skin care products. Prior to joining Beiersdorf, Mr. Andersen held a number of roles including more than two decades of consumer experience at Colgate-Palmolive in a number of roles in Europe, Asia and North America. Mr. Andersen holds a Masters Degree in Economics and Business Administration from Aarhus school of Business in Denmark. We intend that our current group CFO, Javier Tena, will continue with FFG in a senior finance role working with Mr. Andersen, although this has not yet been finalized.

Separately, Nicolas Liabeuf, the Chief Executive Officer of FFG, has informed us that he intends to step down as CEO upon completion of the Acquisition. It is anticipated that Mr Liabeuf will assist Mr Haines in assuming leadership of FFG, and remain available for a period of several months after completion of the Acquisition to assist in a smooth transition.

Javier Huerta, our Chief Supply Officer, has notified us of his resignation from this role, and we intend to commence a search for a suitably qualified replacement.

FFG's current senior management team is composed of 10 individuals. The following table sets forth information regarding FFG's senior management members and their responsibilities as of March 31, 2018.

| Name | Age | Position |
|---|---|---|
| Nicolas Liabeuf | 51 | Chief Executive Officer |
| Javier Tena Unna | 43 | Chief Financial Officer |
| Michael J. Faherty | 53 | General Manager—North America |
| Nyikolaj Geller | 51 | General Manager—Northern Europe |
| Rogier Smeets | 37 | General Manager—South West Europe |
| Tim Verbeek | 42 | General Manager—Africa and Asia |
| Javier Huerta | 46 | Chief Supply Chain Officer |
| John Verbakel | 59 | Chief R&D Officer |
| Eve Baldwin | 40 | Chief HR Officer |
| Alastair McKerrow | 36 | Director Operations and Strategy |

*Nicolas Liabeuf—Chief Executive Officer.* Mr. Liabeuf has spent over 18 years at Unilever and has held several senior marketing positions in Europe, Asia and North America, and across the food, home and personal care divisions of Unilever. Before becoming the Chief Executive Officer of BCS and the Executive Vice President of Global Spreads in 2016, Mr. Liabeuf was a member of the Unilever Europe board as Senior Vice President Marketing. Mr. Liabeuf holds a bachelor's degree in agronomic engineering from INA Paris Grignon and a master's degree in marketing from HEC Paris.

*Javier Tena Unna—Chief Financial Officer.* Mr. Tena Unna has spent over 17 years at Unilever and has held several positions in both Developed and Emerging Markets. He became Chief Financial Officer of BCS in September 2017. Mr. Tena Unna has worked across the finance division of Unilever, including as Chief Financial Officer of the Middle East business, and in the investor relations and audit divisions. Mr. Tena Unna holds a Bachelor's Degree in Accounting from Tecnológico de Monterrey.

*Michael J. Faherty—General Manager—North America.* Mr. Faherty has been with Unilever for over 12 years and has held several marketing and general management positions across North America. Mr. Faherty currently oversees the North American business of FFG. Mr. Faherty previously worked at Kraft Foods U.S.A. in both the Kraft Beverage division and in Kraft's Nabisco unit. Mr. Faherty holds master's of business administration from the University of Pennsylvania, The Wharton School, and a Bachelor of Arts degree from the University of Virginia.

*Nyikolaj Geller—General Manager—Northern Europe.* Mr. Geller has been the General Manager of FFG Northern Europe since 2016. Mr. Geller has over 20 years of experience in fast-moving consumer goods, and has held a variety of positions both in and out of Unilever, including as co-founder of general management, marketing and sales. Mr. Geller holds a degree in medicine from Urals State Medical Academy and TRIUM executive master's of business administration from Stern School of Business, London School of Economics and Political Science, and HEC School of Management.

*Rogier Smeets—General Manager—South West Europe.* Mr. Smeets has been the General Manager of FFG South West Europe since 2016. Mr. Smeets has over 13 years of both local and regional experience within Unilever food, including in Knorr Europe, Frozen Foods U.S.A., and Foods South-East Asia. Mr. Smeets holds a master's of business administration from Erasmus University, Rotterdam.

*Tim Verbeek—General Manager—Africa and Asia.* Mr. Verbeek joined the management team in 2017. He has close to 15 years of experience in fast-moving consumer goods, retail and foodservice, and has held several positions at global, regional and local levels across both the Developed and Emerging Markets. Mr. Verbeek holds a Bachelor's degree from the University of Applied Sciences Hogeschool Holland Amsterdam and a Master's degree from the Vrije Universiteit Amsterdam.

*Javier Huerta—Chief Supply Chain Officer.* Mr. Huerta joined Unilever in 2009 as Vice President in Global Supply Chain Strategies, Planning, Customer Services and Sustainability. He has been Chief Supply Chain Officer of FFG since 2016. Prior to joining Unilever, Mr. Huerta worked at Nestle. He has over 20 years of experience across supply chain, production management and industrial performance. Mr. Huerta is an industrial engineer and holds a bachelor's degree from Tecnológico de Monterrey.

*John Verbakel—Chief R&D Officer.* Mr. Verbakel has served as Chief R&D Officer of FFG since 2016. Mr. Verbakel joined Unilever 30 years ago and has over 30 years of experience in research and development and supply chain in the food sector. He has held various positions at Unilever including developing savory and dressings categories, integrating the Bestfoods acquisition, establishing the Unilever foodservice business and transforming Unilever R&D in Europe. Mr. Verbakel holds a bachelor's degree in biology and chemistry and a PhD in molecular biotechnology, both from Universiteit Utrecht.

*Eve Baldwin—Chief HR Officer.* Ms. Baldwin has been Chief HR Officer of FFG since 2015. She has over 20 years of experience leading business turnarounds through engaged and aligned business teams. Ms. Baldwin has been at Unilever since 2003, and her previous experience includes leading the HR team for the partnership of Unilever's home care and personal care businesses. Ms. Baldwin holds a bachelor's degree in psychology and management from Aston University.

*Alastair McKerrow—Director Operations and Strategy.* Mr. McKerrow has been Director of Operations and Strategy at FFG since 2016. He has over 14 years of experience at Unilever, both in the Spreads and laundry businesses. Mr. McKerrow has held several senior marketing positions at Unilever, including Project Lead for the Laundry Water innovation program in Mumbai, Brand Manager for Flora U.K. in London, and Brand Manager for Persil and Dirt is Good in London and Sydney. Mr. McKerrow holds a master's degree in chemical and process engineering from the University of Newcastle.

## Director and Executive Officer Compensation

### *Compensation Paid*

The aggregate compensation paid and accrued in the year ended December 31, 2017 for the members of the senior management named in this section amounted to €2.7 million in total, consisting of a fixed salary and performance-related components.

### *Management Incentive Plan*

Following the Acquisition, we plan to implement a management participation program pursuant to which preference and ordinary shares in Sigma Topco B.V. will be held, either directly or indirectly through a pooling entity, by certain members of our current or future management. We expect that the terms of the program will be included in a shareholders' agreement and in the articles of association of Sigma Topco B.V. Certain of the key provisions of the relationship agreement are expected to include:

- customary tag along and drag along rights, guarantees, participation and cooperation obligations of the managers;
- "good" and "bad" leaver provisions;
- subscription rights and anti-dilution rights; and
- restrictions on transfers of shares.

## PRINCIPAL SHAREHOLDERS

Entities advised by affiliates of Kohlberg Kravis Roberts & Co. L.P. indirectly hold 100% of the shareholding of the Issuer.

Kohlberg Kravis Roberts & Co. L.P. is a leading global investment firm with a long history of investing in Europe. Founded in 1976 and led by Henry Kravis and George Roberts, it had $168 billion in assets under management as of December 31, 2017. With offices around the world, Kohlberg Kravis Roberts & Co. L.P. manages assets through a variety of investment funds and accounts covering multiple asset classes. Kohlberg Kravis Roberts & Co. L.P. seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. It complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. Kohlberg Kravis Roberts & Co. L.P. has in depth experience in the consumer industry, with a strong track record demonstrated through its current and former investments including Oriental Brewery Company, The Hut Company, Pets at Home, Afri Flora, US Foods, Dollar General, Del Monte Foods, Sundrop Farms and Travelopedia. Kohlberg Kravis Roberts & Co. L.P. has also demonstrated its experience in complex carve-out processes, including through its successful acquisition of Hensoldt from Airbus Defence & Space in 2016.

# CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

## Material Agreements Between Bidco and Unilever

Bidco will enter into the Acquisition Agreement and a number of other agreements with Unilever for the purpose of accomplishing the Acquisition by Bidco of the FFG business described in this Offering Memorandum and of establishing the terms of Unilever's other relationships with Bidco. These agreements will govern the relationship between Unilever and Bidco subsequent to FFG's separation from Unilever.

### *Acquisition Agreement*

On December 15, 2017, Bidco issued the Offer Letter to Unilever N.V. and Unilever PLC providing for the Acquisition. The Offer Letter will remain irrevocable and open for acceptance until the earlier of (i) June 15, 2018 (or such date, up to September 15, 2018, as agreed between Bidco and Unilever N.V. and Unilever PLC); and (ii) the date 5 business days after completion of certain works council consultation processes (unless otherwise agreed by the parties). Once the final, binding, irrevocable and fully financed offer has been accepted by Unilever N.V. and Unilever PLC, the parties will then execute the Acquisition Agreement.

The Acquisition Agreement sets forth the agreements between Bidco, Unilever N.V. and Unilever PLC with respect to the principal corporate transactions required to consummate the Acquisition and a number of other agreements governing Bidco's relationship with Unilever following the Acquisition.

Pursuant to the terms of the Acquisition Agreement and local transfer documents, Bidco will agree to acquire all of the issued and outstanding share capital of the entities comprising FFG and the acquisition of certain assets (and the assumption of related liabilities) associated with FFG's business. Bidco will be transferred intellectual property related to FFG and certain intellectual property will be licensed back to Unilever for non-FFG use, as well as acquiring designated personnel, plant and equipment and other rights, properties and assets of the FFG business, and certain facilities, services and contractual rights to carry on the business of FFG after completion in the places and substantially in the manner in which it is carried on as at the Completion Date. Bidco will assume the liabilities primarily relating to, arising out of or resulting from the FFG business, subject to certain exceptions.

Under the terms of the Acquisition Agreement, the purchase price payable for the FFG business will be €6,825 million, subject to customary completion accounts adjustments and payments in respect of cash balances, intra-group financing receivables, third party indebtedness, intra-group financing payables and working capital. We will only consummate the Acquisition if specified conditions are satisfied, including the receipt of certain required anti-trust approvals. Even if these conditions are satisfied, other events or circumstances could occur that could impact the timing of or terms of the separation or our ability or plans to consummate the Acquisition.

The Acquisition Agreement contains representations and warranties of Unilever N.V., Unilever PLC and Bidco, and covenants and other agreements between Unilever N.V., Unilever PLC and Bidco.

The Acquisition Agreement provides for indemnification for losses relating to specified events, circumstances and matters. Subject to specified limitations, Unilever N.V. and Unilever PLC will agree to indemnify Bidco from certain liabilities from specific matters, including any losses arising from any liabilities that should not be transferred to by Bidco pursuant to the Acquisition Agreement.

Subject to specified limitations, Bidco will also be required to indemnify Unilever N.V. and Unilever PLC following the consummation of the Acquisition from certain liabilities arising from specified matters, including the liabilities Bidco should have assumed pursuant to the Acquisition Agreement.

Subject to certain exceptions, Unilever N.V. and Unilever PLC have also agreed not to compete with the FFG business for a period of three years from the Completion Date.

FFG may engage in delayed closings with respect to assets or employees in certain foreign countries in which the necessary regulatory and other approvals cannot be obtained at the time of the consummation of the Acquisition.

### *Transition Services*

We have a number of transitional service arrangements in place with Unilever to help ensure business continuity during the separation process. These arrangements cover marketing, distribution, IT, shared services, human resources, workplace and travel services, research and development and logistics. See *"Business—Transitional Service Arrangements with Unilever."*

### *Related Agreements*

In addition to the Acquisition Agreement, on or prior to the Completion Date, Unilever N.V., Unilever PLC and Bidco will enter into agreements governing certain relationships between and among them after the consummation of the Acquisition. It is currently contemplated that these agreements will include long term agreements, reverse long term agreements, co-packing and reverse co-packing agreements, local asset transfer agreements, real estate leases and related agreements, transferred business intellectual property rights agreements, license agreements, assignment and other such agreements as may reasonably be required to effect the purchase of the FFG business.

## Agreements Between Bidco and Kohlberg Kravis Roberts & Co. L.P.

It is expected that Bidco will enter into a transaction fee agreement with Kohlberg Kravis Roberts & Co. L.P. (the "Manager") in which Bidco agrees to pay a transaction fee for the services rendered by the Manager in connection with the Acquisition. Bidco may also engage the Manager under the transaction fee agreement should Bidco require additional financial advisory or consulting services. It is also expected that Bidco will enter into a monitoring services and fee agreement with the Manager in which the Manager will provide management, consulting and financial services to Bidco and its direct and indirect divisions, subsidiaries, parent entities and controlled affiliates and Bidco agrees to pay a management fee for such services.

## DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of certain provisions of our indebtedness and certain financial arrangements to which the Issuer and certain of its subsidiaries are or will be a party. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

### Senior Credit Facilities Agreement

#### *Definitions*

The following capitalized terms are used in this summary of the Senior Credit Facilities Agreement have the meaning given to them below:

"Allocation Date" means the date on which final allocations in respect of the Senior Credit Facilities (as defined below) are formally notified to syndicate members and free to trade in accordance with the syndication strategy as agreed in writing between the arrangers under the Senior Credit Facilities Agreement (as defined below) and the Company.

"Company" means the Issuer.

"Group" means the Issuer and each of its subsidiaries from time to time, but excluding certain unrestricted subsidiaries (if any).

#### *Overview and Structure*

On January 24, 2018, the Company, Sigma Midco B.V. ("Midco"), Sigma Bidco B.V. ("Bidco") and Sigma US Corp ("US Bidco") entered into a senior facilities agreement with, among others, Credit Suisse International as facility agent (the "Senior Facility Agent") and Security Agent as amended and/ or restated from time to time including by an amendment and restatement agreement dated 23 March 2018 (the "Senior Credit Facilities Agreement").

The Senior Credit Facilities Agreement provides for:

(a) term loan B facilities of approximately €3.95 billion in aggregate which are comprised of:

   i. a term loan B1 facility of €2 billion ("Senior Term Facility B1");

   ii. a term loan B2 facility of US$875 million ("Senior Term Facility B2")

   iii. a term loan B3 facility of €475 million which is intended to be redenominated into Polish Złoty on the date of drawdown ("Senior Term Facility B3"); and

   iv. a term loan B4 facility of an amount equal to the aggregate of £445 million and €300 million (which will be redenominated into pound sterling on the date of drawdown) ("Senior Term Facility B4"); and

(b) a revolving credit facility of €700 million (the "Revolving Credit Facility").

Senior Term Facility B1, Senior Term Facility B2, Senior Term Facility B3 and Senior Term Facility B4 together, the "Senior Term Facilities" and each a "Senior Term Facility". The Senior Term Facilities together with the Revolving Credit Facility, the "Senior Credit Facilities".

The Senior Term Facilities may be used for financing or refinancing any amounts payable under or in connection with the Acquisition, refinancing, purchasing or otherwise discharging any indebtedness of the Group (together with any breakage costs, redemption premium and other costs, fees and expenses incurred or payable in connection with such refinancing or discharge) and financing any costs (including all fees, costs and expenses and stamp, transfer, registration, notarial and other taxes) incurred in connection with the Acquisition.

The Revolving Credit Facility may be utilized by any current or future borrower under the Senior Credit Facilities Agreement in euros, pounds sterling, U.S. dollars or any other readily available or agreed currency by the drawing of cash advances or the issue of letters of credit or ancillary facilities. The

Revolving Credit Facility may be used for financing or refinancing the working capital requirements of the Group and/or for general corporate purposes of the Group (including for any acquisitions or capital expenditure) and/or to provide cash collateral or other credit support for existing ancillary facilities and financing costs relating to such cash collateral, other credit support or the existing ancillary facilities.

In addition, the Company may elect to request additional facilities either as a new facility or as additional tranches of the Senior Credit Facilities Agreement (the "Additional Facilities"). The Company and the lenders in respect of the Additional Facilities may agree to certain terms in relation to the Additional Facilities, including the margin, the termination date (each subject to parameters as set out in the Senior Credit Facilities Agreement) and the availability period thereof. Subject to the parameters set out in the Senior Credit Facilities Agreement, unless the indebtedness incurred is otherwise permitted under the Senior Credit Facilities Agreement, the maximum aggregate principal amount of the indebtedness outstanding under all Additional Facilities (after taking into account the application of proceeds of any relevant indebtedness) may not at any time exceed the aggregate of:

(a) the greater of:

   i. €750,000,000; and

   ii. 100% of (i) consolidated EBITDA as stated in the most recently delivered compliance certificate or (ii) if no compliance certificate has yet been delivered under the Senior Credit Facilities Agreement, consolidated EBITDA as determined by the Company for the most recently ended relevant period for which the Company has sufficient available information so as to be able to determine consolidated EBITDA; plus

(b) the maximum amount such that the Senior Secured Leverage Ratio (as defined below) at the end of the most recently completed relevant period is not greater than 5.00:1.00 calculated on a *pro forma* basis.

The Senior Term Facilities mature on the date falling 84 months after first utilization of the Senior Term Facilities.

The Revolving Credit Facility may be utilized until a month before the maturity date, and matures on the date falling 78 months after first utilization of the Revolving Credit Facility.

### *Interest and Fees*

Loans under the Senior Credit Facilities will initially bear interest at the following rates per annum:

(a) in relation to loans under the Senior Term Facility B1, the aggregate of 3.50% and EURIBOR;

(b) in relation to loans under the Senior Term Facility B2, the aggregate of 3.00% and LIBOR;

(c) in relation to loans under the Senior Term Facility B3, the aggregate of 3.50% and WIBOR;

(d) in relation to loans under the Senior Term Facility B4, the aggregate of 4.00% and LIBOR; and

(e) in relation to loans under the Revolving Credit Facility, the aggregate of 3.00% and LIBOR, EURIBOR and/or WIBOR (as applicable).

After the date falling six (6) months after the Senior Credit Facilities are first utilized, the margin for each loan under the Senior Credit Facilities will be subject to adjustment by reference to the Senior Secured Leverage Ratio (as defined below) as shown in the quarterly financial statements or, as the case may be, the annual financial statements for that relevant period and the related compliance certificate, to equal the rate per annum set out in the following table:

| Senior Secured Leverage Ratio | Senior Term Facility B1 margin (% p.a.) | Senior Term Facility B2 margin (% p.a.) | Senior Term Facility B3 margin (% p.a.) | Senior Term Facility B4 margin (% p.a.) | Revolving Credit Facility margin (% p.a.) |
|---|---|---|---|---|---|
| Greater than 4.50:1.00 | 3.50 | 3.00 | 3.50 | 4.00 | 3.00 |
| Equal to or less than 4.50:1.00 but greater than 4.25:1.00 | 3.25 | 2.75 | 3.25 | 3.75 | 2.75 |
| Equal to or less than 4.25:1.00 but greater than 4.00:1.00 | 3.25 | 2.75 | 3.25 | 3.75 | 2.50 |
| Equal to or less than 4.00:1.00 but greater than 3.75:1.00 | 3.00 | 2.75 | 3.00 | 3.50 | 2.25 |
| Equal to or less than 3.75:1.00 | 3.00 | 2.75 | 3.00 | 3.50 | 2.00 |

The margin on any loans under an Additional Facility will be agreed between the Company and the relevant lenders.

If EURIBOR, LIBOR or WIBOR (as applicable) is less than zero, EURIBOR, LIBOR or WIBOR (as applicable) shall be deemed to be zero in respect of any loan under the Senior Credit Facilities.

Commitment fees are payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility for the relevant periods set out in the Senior Credit Facilities Agreement at a rate of 30% of the applicable Margin of the relevant Revolving Credit Facility (the " RCF Commitment Fee"). Generally, the RCF Commitment Fee is payable quarterly in arrears, on the last day of availability of the relevant Revolving Credit Facility and if cancelled, on the cancelled amount of the relevant lender's commitment under the relevant Revolving Credit Facility at the time such cancellation is effective.

Commitment fees are also payable on the aggregate undrawn and uncancelled amount of Senior Term Facility B1, Senior Term Facility B2 and Senior Term Facility B4 at the following rate:

(a) from the date falling 46 days after the Allocation Date until the date falling 90 days after the Allocation Date, 50% of the applicable Margin on Senior Term Facility B1, Senior Term Facility B2 or, as the case may be, Senior Term Facility B4 from time to time; and

(b) from the date falling 91 days after the Allocation Date, 100% of the then Margin on Senior Term Facility B1, Senior Term Facility B2 or, as the case may be, Senior Term Facility B4 from time to time,

(the "Senior Term Facility Ticking Fee"). The Senior Term Facility Ticking Fee is payable on the date the relevant Senior Term Facility is first utilized and subsequently payable in arrears, on the last day of availability of the relevant Senior Term Facility and if cancelled, on the cancelled amount of the relevant lender's commitment under the relevant Senior Term Facility at the time such cancellation is effective.

Default interest is calculated as an additional 1% per annum on the overdue amount.

The Company is also required to pay (or procure the payment of) customary agency and arrangement fees in connection with the Senior Credit Facilities.

***Repayments***

In relation to Senior Term Facility B2 only, 0.25% of the original principal amount of each Senior Term Facility B2 loan made must be repaid quarterly. All other outstanding amounts under the Senior Term Facilities are required to be repaid on the date falling 84 months after first utilization of the Senior Term Facilities.

Loans under each Revolving Credit Facility must be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against new loans under the Revolving Credit Facility to be drawn on such date.

The termination date in respect of an Additional Facility will be the date agreed between the Company and the relevant lenders.

***Prepayment***

The Senior Credit Facilities Agreement allows for voluntary prepayments (subject to a minimum amount and certain conditions).

The Senior Credit Facilities Agreement also permits each lender to require the mandatory prepayment of all amounts due to that lender upon a change of control of the Company or a sale of the whole or substantially the whole of the business and assets of the Group.

In addition, the Senior Credit Facilities Agreement requires that, in respect of each financial year of the Company, a mandatory prepayment of loans under the Senior Term Facilities is made in an amount equal to a percentage of excess cashflow (net of a minimum threshold amount and the amount of any voluntary prepayments made during such financial year) which percentage decreases as the Group's Senior Secured Leverage Ratio (as defined below) decreases.

The Senior Credit Facilities Agreement contains a prepayment fee provision whereby lenders in respect of the Senior Term Facilities will, subject to customary carve-outs and exceptions, benefit from a prepayment fee of 1% of their participation in the relevant amount of any Senior Term Facility if all or part of that Senior Term Facility is voluntarily prepaid in connection with a refinancing or repricing, or the Senior Credit Facilities Agreement is amended pursuant to a refinancing or repricing transaction, in each case, within six months of the first utilization of any Senior Term Facility, the primary purpose of which is to reduce the effective yield on that Senior Term Facility.

### *Guarantees*

The Senior Credit Facilities Agreement is guaranteed by the Company and the Guarantors. The Senior Credit Facilities Agreement requires that (subject to agreed security principles as set out in the Senior Credit Facilities Agreement (the "Agreed Security Principles")) each member of the Group which:

(a) is incorporated in the Netherlands, Germany, New York, Delaware and England (each a "Security Jurisdiction", together, the "Security Jurisdictions"); and

(b) is a "Material Subsidiary" (which is generally defined under the Senior Credit Facilities Agreement to include, among other things, any member of the Group that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA of the Group),

will be required to become a guarantor under the Senior Credit Facilities Agreement within 60 days of the delivery of the Group's annual audited consolidated financial statements for the relevant year showing that such subsidiary is a Material Company such that the guarantors represent at least 80% of the consolidated EBITDA of the Group (excluding the EBITDA of any member of the Group not required to become a Guarantor in accordance with the Agreed Security Principles).

In addition, any member of the Target Group which is incorporated in a Security Jurisdiction and is a Material Company (subject to the Agreed Security Principles) is required to become a guarantor under the Senior Credit Facilities Agreement within 120 days of first utilization of the Senior Credit Facilities such that the guarantors represent at least 80% of the consolidated EBITDA of the Target Group (excluding the EBITDA of any member of the Group not required to become a Guarantor in accordance with the Agreed Security Principles).

No member of the Group incorporated in Asia, South America, Africa or Russia shall be required to provide any guarantee or security interests.

### *Security*

Subject to the Agreed Security Principles, the Guarantors have granted or will grant security interests on a first priority basis (to the extent legally possible) in favour of the Security Agent over certain assets as described below:

(a) in the case of each borrower and/or guarantor incorporated in The Netherlands or Germany:

    i. security over any shares held by it in another borrower and/or guarantor;

    ii. any material operating bank accounts held by it; and

    iii. any material structural intercompany loans made by it to another borrower and/or guarantor;

(b) in the case of each borrower and/or guarantor incorporated in England and Wales, New York or Delaware, security over its material assets; and

(c) in the case of each other borrower and/or guarantor, security over any shares held by it in a borrower and/or guarantor.

### *Representations and Warranties*

The Senior Credit Facilities Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being repeated), including status and incorporation, power and authority, binding obligations, non-conflict with constitutional documents, applicable laws and certain other obligations, consents and filings, litigation, labour disputes, no default, accounts, environmental warranties, intellectual properly, assets, applicable laws, taxation, information, pari passu ranking, security interests, guarantees and indebtedness, pension schemes, group structure chart, insolvency and in relation to Regulations T, U and X and the United States Company Act of 1940.

### *Covenants*

The Senior Credit Facilities Agreement contains certain customary operating and financial covenants (see "—*Financial Covenant*" below), subject to certain exceptions and qualifications, including covenants restricting the ability of certain members of the Group to do the following:

(a) merge with other companies;

(b) incur additional indebtedness;

(c) enter into transactions other than on arm's length basis;

(d) make restricted payments;

(e) create security over its assets;

(f) sell its assets and stock (and any related re-investment rights or prepayment requirements in relation to such sales);

(g) engage in business which is not a similar line of business; and

(h) repay or redeem any Permitted Senior Parent Debt or Permitted Second Lien Financing Debt (such terms as defined in the Intercreditor Agreement).

The Senior Credit Facilities Agreement requires certain members of the Group to observe certain affirmative covenants, including:

(a) maintenance of relevant authorizations and consents;

(b) compliance with laws;

(c) payment of taxes;

(d) maintenance of pari passu ranking of the Senior Credit Facilities;

(e) compliance with obligations relating to pensions;

(f) provision of financial and other information and (in certain circumstances) granting access to books and records to the facility agent and the security agent;

(g) maintenance of intellectual property;

(h) maintenance of insurance; and

(i) maintenance of guarantor and security coverage and further assurances.

The Senior Credit Facilities Agreement also contains an "information covenant" under which, among other things and in the first instance, the Company is required to deliver to the Senior Facility Agent annual financial statements, quarterly financial statements and compliance certificates. Note, however, that the delivery of accounts/financial statements as set out under the caption "*Description of the Notes—Certain Covenants—Reports*" of this Offering Memorandum will satisfy the information covenant.

### *Financial Covenant*

With respect to the Revolving Credit Facility only, the Senior Credit Facilities Agreement requires that the sum of certain outstanding senior secured net indebtedness of the Group to the consolidated EBITDA of the Group as at the last day of each relevant period (the "Senior Secured Leverage Ratio") shall not be greater than 8.50:1.00.

*provided that*:

(a) this financial covenant is only to be tested if on the last day of the applicable relevant period, the amount drawn by way of loan under the Revolving Credit Facility is equal to or greater than 40% of the Revolving Credit Facility; and

(b) with respect to the Senior Term Facilities, failure to satisfy the financial covenant ratio shall not (or be deemed to) constitute or result in a breach of any representation, warranty, undertaking or an event of default.

The Company is permitted to prevent or cure breaches of the net leverage covenant by applying a "cure" amount (generally, amounts received by the Company in cash pursuant to any new equity or permitted subordinated debt) as if consolidated EBITDA had been increased by such amount. There is no requirement to apply any cure amount in prepayment of the Senior Credit Facilities. No more than two different cure amounts may be taken into account in any financial year and no more than five different cure amounts may be taken into account prior to the original termination date of the Senior Credit Facilities Agreement.

***Events of Default***

The Senior Credit Facilities Agreement contains certain events of default, the occurrence of which would allow the requisite majority of lenders (under and as defined in the Senior Credit Facilities Agreement) to, amongst other actions, accelerate all outstanding loans and terminate their commitments, including, among other events (subject in certain cases to agreed grace periods, financial thresholds and other qualifications):

- failure to pay off any amounts when due under the finance documents entered into in connection with the Senior Credit Facilities;
- (with respect to the Revolving Credit Facility only) breach of the financial covenant or (with respect to all Senior Credit Facilities) failure to comply with other obligations under the Senior Credit Facilities finance documents;
- inaccuracy of a representation or statement when made (subject to materiality qualifications);
- cross defaults, including any event of default under the Notes;
- insolvency, insolvency proceedings and commencement of certain creditors' processes, such as expropriation, attachment, sequestration, distress or execution;
- unlawfulness, invalidity rescission and repudiation, or unenforceability of the finance documents entered into in connection with the Senior Credit Facilities; and
- breach of material obligations under the Intercreditor Agreement by any holding company of the Company.

***Governing law***

The Senior Credit Facilities Agreement is governed by English law.

**Intercreditor Agreement**

***General***

To establish the relative rights of certain of our creditors under our financing arrangements, Sigma Holdco B.V. (the "Parent"), Midco, Bidco and US Bidco (together with any other entity which accedes or otherwise becomes a party to the Intercreditor Agreement as a debtor, the "Debtors") entered into an intercreditor agreement (the "Intercreditor Agreement") dated January 24, 2018, with, among others, Credit Suisse International as facility agent and security agent. The Trustee will accede to the Intercreditor Agreement as a Senior Parent Notes Trustee on the Issue Date.

The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the collateral providers, when payments can be made in respect of certain debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

The Intercreditor Agreement additionally provides for Hedge Counterparties and Operating Facility Lenders (each as defined below) to receive guarantees and indemnities from the Debtors on substantially the same terms (including the relevant limitations) as such guarantees and indemnities are provided by the obligors to the finance parties under the Senior Credit Facilities Agreement.

Capitalized terms set forth and used in this section entitled "—*Intercreditor Agreement*" have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum. In particular, in this summary the term "Senior Parent Notes" includes the indebtedness to be incurred under the Indenture in respect of the Notes as defined elsewhere in this Offering Memorandum.

### *Definitions*

The following capitalized terms used in this summary of the Intercreditor Agreement have the meaning given to them below:

"Creditors" means the Senior Secured Creditors, the Senior Parent Creditors, the Hedge Counterparties, the intra-Group lenders and the investors in the Group.

"Enforcement Action" means:

(a) in relation to any liabilities:

   (i) the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Secured Creditor or a Senior Parent Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, any of the debt documents);

   (ii) the making of any declaration that any liabilities are payable on demand;

   (iii) the making of a demand in relation to a liability that is payable on demand;

   (iv) the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;

   (v) the exercise of any right to require any member of the Group to acquire any liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any liability but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Credit Facilities Agreement (or any other similar or equivalent provision of any of the Secured Debt Documents) and/or any other acquisition of liabilities, acquisition or transaction which any member of the Group is not prohibited from entering into by the terms of the Secured Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Notes finance documents or the Senior Parent Notes finance documents (or any other similar or equivalent provision of any of the Secured Debt Documents);

   (vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any liabilities other than the exercise of any such right:

      (A) as close-out netting by a Hedge Counterparty or by a hedging ancillary lender;

      (B) as payment netting by a Hedge Counterparty or by a hedging ancillary lender;

      (C) as inter-hedging agreement netting by a Hedge Counterparty;

      (D) as inter-hedging ancillary document netting by a hedging ancillary lender; and/or

      (E) which is otherwise permitted by the terms of any of the Secured Debt Documents, in each case to the extent that the exercise of that right gives effect to a permitted payment; and

   (vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any liabilities;

(b) the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;

(c) the taking of any steps to enforce or require the enforcement of any transaction security (including the crystallization of any floating charge forming part of the transaction security);

(d) the entry into any composition, compromise, assignment or similar arrangement with any member of the Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any action permitted under the Intercreditor Agreement or any debt buy-back, tender offer, exchange offer or similar or equivalent arrangement not otherwise prohibited by the debt documents); or

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, examiner, administrator or similar officer) in relation to the winding up, dissolution, examinership, administration or reorganization of any member of the Group which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action:

  (i) the taking of any action falling above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or

  (ii) a Senior Secured Creditor or Senior Parent Creditor bringing legal proceedings against any person solely for the purpose of: (a) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (b) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or (c) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages; or

  (iii) bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud; or

  (iv) to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or

  (v) any person consenting to, or the taking of any other action pursuant to or in connection with, any merger, consolidation, reorganization or any other similar or equivalent step or transaction initiated or undertaken by a member of the Group (or any analogous procedure or step in any jurisdiction) that is not prohibited by the terms of the Secured Debt Documents to which it is a party.

"First/Second Lien Discharge Date" means the later to occur of the Senior Discharge Date and the Second Lien Discharge Date.

"Group" means the Parent and its Restricted Subsidiaries (as such term is defined in the Senior Credit Facilities Agreement) for the time being.

"Hedge Counterparty" means any person that executes or accedes to the Intercreditor Agreement as a Hedge Counterparty.

"Hedging Liabilities" means the liabilities owed by any Debtor to hedge counterparties in respect of certain hedging agreements.

"Majority Permitted Parent Financing Creditors" means, in relation to any Permitted Parent Financing Debt, the requisite number or percentage of Permitted Parent Financing Creditors under the Permitted Parent Financing Agreement on whose instructions the Senior Parent Creditor Representative is required to act in relation to the relevant matter.

"Majority Permitted Second Lien Financing Creditors" means, in relation to any Permitted Second Lien Financing Debt, the requisite number or percentage of Permitted Second Lien Financing Creditors under the Permitted Second Lien Financing Agreement on whose instructions the Second Lien Creditor Representative is required to act in relation to the relevant matter.

"Majority Permitted Senior Financing Creditors" means, in relation to any Permitted Senior Financing Debt, the requisite number or percentage of Permitted Senior Financing Creditors under the Permitted Senior Financing Agreement on whose instructions the Senior Creditor Representative is required to act in relation to the relevant matter.

"Majority Second Lien Creditors" means, at any time, those Second Lien Secured Creditors whose Second Lien Secured Credit Participations at that time aggregate more than $66^2/_3$ per cent. of the total Second Lien Secured Credit Participations at that time.

"Majority Second Lien Lenders" has the meaning given to the term "Majority Lenders" in the relevant Second Lien Facility Agreement.

"Majority Senior Creditors" means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than $66^2/_3$ per cent. of the total Senior Credit Participations at that time.

"Majority Senior Lenders" means, at any time, subject to certain provisions of the Senior Credit Facilities Agreement, a Senior Lender or Senior Lenders whose Commitments (as defined in the Senior Credit Facilities Agreement) aggregate at least $66^2/_3$ per cent. of the Total Commitments (as defined in the Senior Credit Facilities Agreement) (or, if the total commitments have been reduced to zero, aggregate at least $66^2/_3$ per cent. of the total commitments immediately prior to that reduction).

"New Debt Financing" means any new, additional or increased Liabilities under any Secured Debt Document and/or in connection with any Debt Refinancing.

"Operating Facility" means any facility or financial accommodation (including, without limitation, any overdraft or other current account facility, any foreign exchange facility, any guarantee, bonding, documentary or standby letter of credit facility, any credit card or automated payments facility, any short term loan facility and any derivatives facility) provided to a member of the Group by an Operating Facility Lender which is notified to the Security Agent by the Parent in writing as a facility or financial accommodation to be treated as an "Operating Facility" for the purposes of the Intercreditor Agreement.

"Operating Facility Document" means, at the election of the Parent, any document relating to or evidencing an Operating Facility.

"Operating Facility Lender" means any person that executes or accedes to the Intercreditor Agreement as an Operating Facility Lender.

"Operating Facility Liabilities" means the liabilities owed by any Debtor to the Operating Facility Lenders under or in connection with the Operating Facility Documents.

"Permitted Parent Financing Agreement" means, in relation to any Permitted Parent Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Parent Financing Debt is made available or, as the case may be, issued.

"Permitted Parent Financing Creditors" means, in relation to any Permitted Parent Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Parent Financing Debt from time to time (including the applicable Senior Parent Creditor Representative).

"Permitted Parent Financing Debt" means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Permitted Parent Financing Debt" for the purposes of the Intercreditor Agreement provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt have agreed to become a party to the Intercreditor Agreement in such capacity, in each case to the extent not already a party in that capacity.

"Permitted Parent Financing Documents" means, in relation to any Permitted Parent Financing Debt, the Permitted Parent Financing Agreement, any fee letter entered into under or in connection with the Permitted Parent Financing Agreement and any other document or instrument relating to that Permitted Parent Financing Debt and designated as such by the Parent and the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt.

"Permitted Parent Financing Liabilities" means all liabilities of any Debtor to any Permitted Parent Financing Creditors under or in connection with the Permitted Parent Financing Documents.

"Permitted Second Lien Financing Agreement" means, in relation to any Permitted Second Lien Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Second Lien Financing Debt is made available or, as the case may be, issued.

"Permitted Second Lien Financing Creditors" means, in relation to any Permitted Second Lien Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Second Lien Financing Debt from time to time (including the applicable Second Lien Creditor Representative).

"Permitted Second Lien Financing Debt" means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Permitted Second Lien Financing Debt" for the purposes of the Intercreditor Agreement provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Second Lien Financing Debt have agreed to become a party to the Intercreditor Agreement in such capacity, in each case to the extent not already a party in that capacity.

"Permitted Second Lien Financing Documents" means, in relation to any Permitted Second Lien Financing Debt, the Permitted Second Lien Financing Agreement, any fee letter entered into under or in connection with the Permitted Second Lien Financing Agreement and any other document or instrument relating to that Permitted Second Lien Financing Debt and designated as such by the Parent and the Second Lien Creditor Representative in respect of that Permitted Second Lien Financing Debt.

"Permitted Second Lien Financing Liabilities" means all liabilities of any Debtor to any Permitted Second Lien Financing Creditors under or in connection with the Permitted Second Lien Financing Documents.

"Permitted Senior Financing Agreement" means, in relation to any Permitted Senior Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Senior Financing Debt is made available or, as the case may be, issued.

"Permitted Senior Financing Creditors" means, in relation to any Permitted Senior Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Senior Financing Debt from time to time (including the applicable Senior Creditor Representative).

"Permitted Senior Financing Debt" means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Permitted Senior Financing Debt" for the purposes of the Intercreditor Agreement provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt have agreed to become a party to the Intercreditor Agreement in such capacity, in each case to the extent not already a party in that capacity.

"Permitted Senior Financing Documents" means, in relation to any Permitted Senior Financing Debt, the Permitted Senior Financing Agreement, any fee letter entered into under or in connection with the Permitted Senior Financing Agreement and any other document or instrument relating to that Permitted Senior Financing Debt and designated as such by the Parent and the Senior Creditor Representative under that Permitted Senior Financing Debt.

“Permitted Senior Financing Liabilities” means all liabilities of any Debtor to any Permitted Senior Financing Creditors under or in connection with the Permitted Senior Financing Documents.

“Primary Creditors” means the Senior Secured Creditors and the Senior Parent Creditors.

“Relevant Original Transaction Security” means any Transaction Security granted by any Debtor over its French assets, other than the Supplemental Security.

“Relevant Original Transaction Security Beneficiaries” means the Secured Parties which are beneficiaries of the Relevant Original Transaction Security.

“Second Lien Arranger Liabilities” means the liabilities owed by the Debtors to any Second Lien Arranger under or in connection with the Second Lien Finance Documents.

“Second Lien Debt” means any indebtedness outstanding under any Second Lien Facility.

“Second Lien Discharge Date” means the date that the Second Lien Lender Liabilities and the Permitted Second Lien Financing Liabilities have been discharged.

“Second Lien Facility” has the meaning given to the term “Facility” in the Second Lien Facility Agreement.

“Second Lien Facility Agreement” means any facility agreement entered into or to be entered into by a member of the Group which is notified to the Security Agent by the Parent in writing as a facility agreement to be treated as the “Second Lien Facility Agreement” for the purposes of the Intercreditor Agreement.

“Second Lien Lenders” means each Lender under and as defined in the Second Lien Facility Agreement.

“Second Lien Liabilities” means the Second Lien Lender Liabilities and any Permitted Second Lien Financing Liabilities.

“Second Lien Lender Liabilities” means the liabilities owed by the Debtors to the Second Lien Lenders under the Second Lien Finance Documents.

“Second Lien Secured Creditors” means the Second Lien Facility Finance Parties and/or the Permitted Second Lien Financing Creditors, as the context requires.

“Secured Debt Documents” means the Senior Facilities finance documents, the Senior Notes finance documents, the Permitted Senior Financing Documents, the hedging agreements regulated by the Intercreditor Agreement, the Operating Facility finance documents, the Second Lien Finance Documents, the Permitted Second Lien Financing Documents, the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents.

“Secured Party” means, to the extent legally possible and subject to the Agreed Security Principles, each of the Security Agent, any receiver or delegate and each of the creditor representatives of the relevant secured creditors, the arrangers under the Senior Credit Facilities Agreement, the Operating Facility Lenders, the Senior Secured Creditors and the Senior Parent Creditors from time to time but, to the extent required by the Intercreditor Agreement, only if it is a party to the Intercreditor Agreement or has acceded to it, in the appropriate capacity, pursuant to its terms.

“Senior Agent Liabilities” means the liabilities owed by the Debtors to the Senior Facility Agent under or in connection with the Senior Facilities Finance Documents.

“Senior Arranger Liabilities” means the liabilities owed by the Debtors to any Senior Arranger under or in connection with the Senior Facilities Finance Documents.

“Senior Creditors” means the Senior Lenders and the Hedge Counterparties.

"Senior Creditor Liabilities" means the Senior Lender Liabilities, the Hedging Liabilities and the Operating Facility Liabilities.

"Senior Creditor Representative" means in relation to any Permitted Senior Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt.

"Senior Discharge Date" means the date that the Senior Lenders Liabilities, the Hedging Liabilities, the Senior Notes Liabilities and the Permitted Senior Financing Liabilities have been discharged.

"Senior Financing Agreement" means the Senior Credit Facilities Agreement, any Second Lien Facility Agreement, any Senior Notes Indenture, any Permitted Senior Financing Agreement and/or any Permitted Second Lien Financing Agreement, as the context requires.

"Senior Lender" means each of the lenders, clearing facility lenders, issuing banks and ancillary lenders under the Senior Credit Facilities Agreement.

"Senior Lender Liabilities" means the liabilities owed by the Debtors to the Senior Lenders under the Senior Facilities finance documents.

"Senior Liabilities" means the Senior Creditor Liabilities, the Second Lien Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities and the Permitted Second Lien Financing Liabilities (as applicable).

"Senior Notes" means high yield notes, exchange notes, debt securities and/or other debt instruments issued or to be issued by any member of the Group which are notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Senior Notes" for the purposes of the Intercreditor Agreement.

"Senior Noteholders" means the registered holders from time to time of the applicable Senior Notes.

"Senior Notes/Permitted Financing Credit Participations" means the aggregate of all the Senior Secured Credit Participations at any time of the Senior Notes Creditors and the Permitted Senior Financing Creditors.

"Senior Notes Creditors" means, on and from the first Senior Notes Issue Date, the Senior Noteholders and each Senior Notes Trustee.

"Senior Notes Trustee" means any entity acting as trustee under any issue of Senior Notes (to the extent it has acceded in such capacity to the Intercreditor Agreement in accordance with its terms) in each case as the context requires.

"Senior Parent Creditors" means, on and from the first Senior Parent Notes Issue Date, the Senior Parent Noteholders, the Senior Parent Notes Trustee and any Permitted Parent Financing Creditors.

"Senior Parent Creditor Representative" means in relation to any Permitted Parent Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt.

"Senior Parent Debt Issuer" means, in relation to any Senior Parent Notes or Permitted Parent Financing Debt, the member of the Group which is the issuer, or, as the case may be, the borrower of those Senior Parent Notes or that Permitted Parent Financing Debt, provided that no member of the Group which is:

(a) an issuer or, as the case may be, a borrower of any outstanding Senior Term Debt, outstanding Senior Notes, outstanding Second Lien Debt, outstanding Permitted Senior Financing Debt or outstanding Permitted Second Lien Financing Debt; or

(b) a subsidiary of a member of the Group falling within (a) above (other than a subsidiary which is a financing vehicle), may be a Senior Parent Debt Issuer.

"Senior Parent Finance Parties" means any Senior Parent Notes Trustee (on behalf of itself and the Senior Parent Noteholders that it represents), any Senior Parent Noteholder, the Security Agent and the Permitted Parent Financing Creditors.

"Senior Parent Liabilities" means the Senior Parent Notes Liabilities and any Permitted Parent Financing Liabilities.

"Senior Parent Notes" means high yield notes, exchange notes, debt securities and/or other debt instruments issued or to be issued by any member of the Group which are notified to the Security Agent by the Parent in writing as indebtedness to be treated as "Senior Parent Notes" for the purposes of the Intercreditor Agreement.

"Senior Parent Noteholders" means the holders of the Senior Parent Notes.

"Senior Parent Notes Finance Documents" means, generally, the Senior Parent Notes, each indenture for Senior Parent Notes, guarantees of the Senior Parent Notes, the Intercreditor Agreement, the relevant security documents securing the liabilities in respect of the Senior Parent Notes and any other document designated as such by the Parent and the applicable Senior Parent Notes Trustee.

"Senior Parent Notes Liabilities" means, generally, the liabilities owed by any Debtor to the Senior Parent Notes Creditors and the Security Agent under the finance documents for the Senior Parent Notes (excluding, generally, certain amounts owed to the relevant Senior Parent Notes Trustee in respect of each issuance of Senior Parent Notes).

"Senior Parent Notes Trustee" means any entity acting as trustee under any issue of Senior Parent Notes (to the extent it has acceded in such capacity to the Intercreditor Agreement in accordance with its terms) in each case as the context requires.

"Senior Secured Creditors" means the Senior Creditors, the Senior Notes Creditors, the Second Lien Lenders, the Permitted Senior Financing Creditors and/or the Permitted Second Lien Financing Creditors, as the context requires.

"Supplemental Security" means any security which is granted by a Debtor pursuant to a Security Document governed by French law:

(a) over any charged property subject to Relevant Original Transaction Security in accordance with the section entitled "—*Debt Refinancing—Supplemental Security*" to secure Hedging Liabilities or Operating Facility Liabilities; and/or

(b) over any charged property subject to Relevant Original Transaction Security to secure any new debt financing,

it being understood that the Secured Parties which are beneficiaries of Supplemental Security will have all the rights of a Secured Party under the Intercreditor Agreement (including under the provisions set out under the caption "—*Application of Proceeds*") regardless of the ranking of the security stated in the Security Document creating the Supplemental Security or the chronological order in which such security is granted.

### *Debt Refinancing*

The Intercreditor Agreement permits any of the liabilities under the debt documents to be refinanced, replaced, increased or otherwise restructured in whole or in part including by way of Permitted Senior Financing Debt, Second Lien Debt, Permitted Second Lien Financing Debt and/or Permitted Parent Financing Debt or the issue of additional Senior Notes and the introduction of a "super senior" credit facility (the "Priority Facility") or the establishment of new or additional Operating Facilities (each a "Debt Refinancing").

Each party to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of the then current Secured Debt Documents and/or take such other action as is required by the Parent in order to facilitate such a Debt Refinancing including changes to, the taking of, or release and retake of any guarantee or security, subject to certain conditions. At the option of the Parent, a Debt Refinancing may be made available on a basis which is senior to, *pari passu* with or junior to any of the other liabilities, shall be entitled to benefit from all or any of the security, may be made available on a secured or unsecured basis (subject to certain restrictions) and may be effected in whole or in part by way of a debt exchange, non-cash rollover or other similar or equivalent transaction, in each case unless otherwise prohibited by the Debt Financing Agreements.

Under the terms of the Intercreditor Agreement each agent, each Secured Party and each Primary Creditor agrees that it shall co-operate with the Parent, each other member of the Group and each agent in order to facilitate any Debt Refinancing (including by way of, at the request and cost of the Parent, executing any document or agreement and/or giving instructions to any person).

In the event of any refinancing or replacement of all or any part of the Senior Lender Liabilities (or any such refinancing or replacement indebtedness from time to time), the Parent shall be entitled to require that the definition of Instructing Group is amended such that the relevant refinancing or replacement indebtedness is treated in the same manner as the Senior Facilities (meaning that for the purpose of calculating the voting entitlement of any person, at the option of the Parent all or any part of the relevant refinancing or replacement indebtedness may be treated as Senior Secured Credit Participations of the Senior Creditors and not Senior Notes/Permitted Financing Credit Participations).

In the event that any Priority Facility becomes subject to the provisions of the Intercreditor Agreement, the Parent shall be entitled to require that all or any part of the liabilities in relation to Hedging Liabilities and/or the Operating Facility Liabilities shall rank in right and priority of payment *pari passu* with that Priority Facility (which, for the avoidance of doubt, may result in such Hedging Liabilities and/or, as the case may be, Operating Facility Liabilities ranking ahead of the Senior Notes liabilities, the Permitted Senior Financing liabilities, the Senior Parent Notes Liabilities and/or the Permitted Parent Financing Liabilities) in each case unless otherwise prohibited by the Debt Financing Agreements.

Any Priority Facility implemented pursuant to a Debt Refinancing shall comply with, among others, the following limitations:

*Ranking of a Priority Facility*

No liabilities or obligations in respect of any Priority Facility may rank in right and priority of payment ahead of the Senior Lender Liabilities (other than amounts of the type set out in paragraphs (i) and (ii) under the caption "*—Application of Proceeds*."

Subject to the paragraph above and to the extent not otherwise prohibited by the Debt Financing Agreements, any Priority Facility shall rank in right and priority of payment as determined by the Parent.

*Enforcement: Priority Facility*

The right of the lenders or other creditors in respect of a Priority Facility to:

(a) instruct the Security Agent to enforce the security;

(b) give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the security as they see fit; and/or

(c) otherwise provide instructions as, or as part of, an Instructing Group,

shall be generally consistent with, or otherwise not materially less favorable to the other Secured Parties than, those customary for facilities of a similar nature to that Priority Facility (if any), in each case as at the date such Priority Facility is contractually committed by the relevant member(s) of the Group and as determined by the Parent (with any such determination to be conclusive).

*Option to Purchase*

(a) The Senior Notes Creditors and the Permitted Senior Financing Creditors shall be provided with an 'option to purchase' right in relation to any liabilities in respect of a Priority Facility consistent in all material respects with the 'option to purchase' right provided in relation to the Senior Lender Liabilities as set out under the caption "*—Restrictions Relating to Senior Secured Liabilities—Option to Purchase: Senior Secured Creditors*."

(b) The Senior Parent Notes Trustee and any Senior Parent Creditor Representative(s) shall be provided with an 'option to purchase' right in relation to any liabilities in respect of a Priority Facility consistent in all material respects with the 'option to purchase' right as set out under the paragraph captioned "*—Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities—Option to Purchase: Senior Parent Creditors*."

*Supplemental Security*

Without prejudice to the provisions set out under the caption "*—Ranking and Priority"* and "*—Application of Proceeds"* and the other rights of the Debtors under the Intercreditor Agreement and the debt documents, if any member of the Group enters into any hedging agreement or Operating Facility Document at any time after the date of the Intercreditor Agreement (which is not already secured by the Original Transaction Security), any Debtor may, subject to the terms of the Intercreditor Agreement, at any time grant to the relevant Hedge Counterparty or, as the case may be, Operating Facility Lender Supplemental Security securing all or any Hedging Liabilities arising under the relevant hedging agreement or, as the case may be, all or any Operating Facility Liabilities arising under the relevant Operating Facility Document. A Debtor may grant Supplemental Security to any secured creditor in connection with all or any part of any New Debt Financing.

The Relevant Original Transaction Security Beneficiaries agree that Supplemental Security may be granted by any Debtor in order to secure all or any part of any Hedging Liabilities, any Operating Facility Liabilities and/or any New Debt Financing.

For the avoidance of doubt, nothing set out this caption shall:

(a) restrict the rights of the Relevant Original Transaction Security Beneficiaries to enforce and/or to release all or any part of the Relevant Original Transaction Security in accordance with the terms of the Intercreditor Agreement and the other Debt Documents; or

(b) restrict, limit or prejudice the rights and other benefits of the Debtors or any member of the Group under the Intercreditor Agreement or any other Debt Document.

Each of the Secured Parties agrees not to take any action to challenge the validity or enforceability of the Supplemental Security by reason of it being expressed to be second ranking (or any other lower ranking).

***Ranking and Priority***

*Priority of Debts*

Subject to the provisions set out under the caption "*—Senior Parent Liabilities and Security*" below, the Intercreditor Agreement provides that the liabilities owed by the Debtors (other than any Senior Parent Debt Issuer to the extent relating to liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or the borrower) to the Primary Creditors and the Operating Facility Lenders shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(a) **first**, the Senior Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, the Second Lien Lender Liabilities, the Permitted Second Lien Financing Liabilities, the Senior Arranger Liabilities, the Second Lien Arranger Liabilities, the Senior Agent Liabilities, amounts due to the Senior Notes Trustee, the Second Lien Agent Liabilities and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference amongst them; and

(b) **second**, the Senior Parent Notes Liabilities and the Permitted Parent Financing Liabilities *pari passu* and without any preference amongst them,

The liabilities owed by any Senior Parent Debt Issuer (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or the borrower) to the Primary Creditors and the Operating Facility Lenders shall rank pari passu in right and priority of payment without any preference amongst them.

*Priority of Security*

The Intercreditor Agreement provides that the security shall secure the liabilities (but only to the extent that such security is expressed to secure those liabilities) in the following order:

(a) **first**, the Senior Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, the Senior Arranger Liabilities, the Senior Agent Liabilities, amounts due to the Senior Notes Trustee, the Second Lien Agent Liabilities and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference amongst them;

(b) **second**, the Second Lien Lender Liabilities, the Permitted Second Lien Financing Liabilities and the Second Lien Arranger Liabilities *pari passu* and without any preference amongst them; and

(c) **third**, the Senior Parent Notes Liabilities and the Permitted Parent Financing Liabilities *pari passu* and without any preference amongst them.

*Senior Parent Liabilities and Security*

The Senior Parent Liabilities and the Permitted Parent Financing Liabilities owed by a Senior Parent Debt Issuer (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower) are senior obligations of that Senior Parent Debt Issuer. Notwithstanding the preceding sentence, the Senior Parent Notes Creditors and the Permitted Parent Financing Creditors agree that, until the First/Second Lien Discharge Date, they may not take any steps subject to the Security Documents in connection with any Enforcement Action, other than as expressly permitted by the Intercreditor Agreement.

For the avoidance of doubt, the restrictions set out in the preceding paragraph shall not impair the right of the Senior Parent Creditors and/or the Permitted Parent Financing Creditors to institute suit for the recovery of any payment due by a Senior Parent Debt Issuer in respect of the Senior Parent Liabilities and/or the Permitted Parent Financing Liabilities (in each case to the extent relating to liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower).

*Intra-Group Liabilities and Investor Liabilities*

The Intercreditor Agreement provides that the intra-Group liabilities and the liabilities of the Group to an investor are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors and the Operating Facility Lenders, but does not purport to rank any of those liabilities as between themselves.

*Additional and/or Refinancing Debt*

The Creditors and the Operating Facility Lenders acknowledge in the Intercreditor Agreement that the Debtors (or any of them) may wish to incur incremental borrowing liabilities (including guarantees of such liabilities) or refinance or replace borrowing liabilities (including incurring guarantee liabilities in respect of such refinancing or replacement). Such liabilities are intended to rank *pari passu* with any other liabilities and/or share *pari passu* in any security and/or to rank behind any other liabilities and/or to share in any security behind any such other liabilities.

The Creditors and the Operating Facility Lenders undertake in the Intercreditor Agreement (at the cost of the Debtors) to co-operate with the Parent and the Debtors with a view to enabling and facilitating such financing, refinancing or replacement and such sharing in the security (provided it is not prohibited by the terms of the Debt Financing Agreements at such time) to take place in a timely manner. In particular, but without limitation, each of the secured parties authorizes and directs each of its respective agents and the Security Agent to execute any amendment to or replacement of the Intercreditor Agreement and such other debt documents and/or (subject to certain pre-conditions) release and retake of security required by the Parent to reflect, enable and/or facilitate any such arrangements (including, as regards the ranking of any such arrangements).

If a Debtor incurs any new, additional or increased liabilities under any Secured Debt Document and/or in connection with any Debt Refinancing, at the option of the Parent, the relevant Debtor may (but subject to the relevant Debt Financing being elected to be secured in accordance with the applicable terms of the Intercreditor Agreement and subject to the agreed security principles) grant to the relevant Secured Parties in respect of all or any part of such Debt Financing additional security by executing additional security documents which will benefit from the order of priority and ranking set out in the Intercreditor Agreement.

***Restrictions Relating to Senior Secured Liabilities***

The Parent and the Debtors may make payments of the Senior Liabilities at any time.

The Intercreditor Agreement provides that the Senior Secured Creditors, the Operating Facility Lenders, the Parent and the Debtors may at any time amend or waive the terms of the finance documents in relation to the Senior Facilities (the "Senior Facilities Finance Documents"), the Senior Notes, the Permitted Senior Financing Debt, the Second Lien Facility (the "Second Lien Facility Finance Documents"), the Permitted Second Lien Financing Documents and/or any Operating Facility in accordance with their respective terms from time to time (and subject only to any consent required under them).

*Security and Guarantees: Senior Secured Creditors*

The Senior Secured Creditors and the Operating Facility Lenders may take, accept or receive the benefit of:

(a) any security from any member of the Group in respect of any of the Senior Liabilities in addition to the shared security provided that, to the extent legally possible and subject to certain agreed security principles:

  (i) the security provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);

  (ii) all amounts actually received or recovered by any Senior Secured Creditor or Operating Facility Lender with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption "—*Application of Proceeds*;" and

  (iii) any such security may only be enforced in accordance with the provisions set out under the caption "—*Enforcement of Security—Security Held by Other Creditors*."

(b) any guarantee, indemnity or other assurance against loss from any member of the Group regarding any of the Senior Liabilities in addition to those in:

  (i) the Senior Credit Facilities Agreement, any Senior Notes Indenture, any Permitted Senior Financing Document, the Second Lien Facility Agreement, any Permitted Second Lien Financing Document or any Operating Facility Document;

  (ii) the Intercreditor Agreement; or

  (iii) any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to certain agreed security principles, given to, or expressed to be given to, all the senior secured parties in respect of their senior secured liabilities, provided that (except for any guarantee, indemnity or other assurance against loss permitted to be given to any ancillary lender or issuing bank), to the extent legally possible, and subject to certain agreed security principles,

    (A) the guarantee provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity); and

    (B) such guarantee, indemnity or assurance against loss is expressed to be subject to the Intercreditor Agreement.

(c) any security, guarantee, indemnity or other assurance against loss from any member of the Group in connection with:

  (i) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or

(ii) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, Senior Notes liabilities, Permitted Senior Financing Liabilities and/or Second Lien Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

All amounts actually received or recovered by any Senior Secured Creditor or Operating Facility Lender with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption "—*Application of Proceeds*".

Any such Security may only be enforced in accordance with the terms of the Intercreditor Agreement which relate to security held by someone other than the Security Agent.

Any such guarantee, indemnity or assurance against loss is expressed to be subject to the terms of the Intercreditor Agreement.

*Restriction on Enforcement: Senior Lenders, Operating Facility Lenders, Senior Notes Creditors and Permitted Senior Financing Creditors*

The Intercreditor Agreement provides that no Senior Lender, Operating Facility Lender, Senior Notes Creditor or Permitted Senior Financing Creditor may take certain Enforcement Action without the prior written consent of an Instructing Group (as defined below).

Notwithstanding the above restriction or anything to the contrary in the Intercreditor Agreement, after the occurrence of certain specified insolvency events (an "Insolvency Event") in relation to the Parent or a Debtor, each Senior Lender, Operating Facility Lender, Senior Notes Creditor and/or Permitted Senior Financing Creditor may, to the extent it is permitted to do so under the relevant Debt Documents, take certain Enforcement Action and/or claim in the winding up, dissolution, administration, reorganization or similar insolvency event or process in relation to that Debtor for liabilities owing to it (but no Senior Secured Creditor or Operating Facility Lender may direct the Security Agent to enforce the common security in any manner).

*Option to Purchase: Senior Notes Creditors and Permitted Senior Financing Creditors*

Senior Notes Creditors holding at least a simple majority of the Senior Notes liabilities or Permitted Senior Financing Creditors holding at least a simple majority of the Permitted Senior Financing Liabilities (the "Senior Secured Acquiring Creditors") may, after the occurrence of an acceleration event which is continuing, by giving not less than ten (10) days' notice to the Security Agent (with the first notice to prevail in the event that more than one set of Creditors serves such a notice), require the transfer to them (or to a nominee or nominees), in accordance with the applicable transfer provisions of the Intercreditor Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities and the Operating Facility Liabilities (a "Senior Liabilities Transfer") if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Credit Facilities Agreement and the Operating Facility Documents;

(ii) any conditions relating to such a transfer contained in the Senior Credit Facilities Agreement and the Operating Facility Documents are complied with, other than:

(A) any requirement to obtain the consent of, or consult with, a member of the Group in relation to such transfer, which consent or consultation shall not be required; and

(B) to the extent to which all the Senior Secured Acquiring Creditors provide cash cover for any letter of credit, the consent of the relevant letter of credit issuing bank relating to such transfer;

(iii) the Senior Facility Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:

(A) any amounts provided as cash cover by the Senior Secured Acquiring Creditors for any letter of credit (as envisaged in paragraph (ii)(B) above);

(B) all of the Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the Senior Credit Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and

(C) all costs and expenses (including legal fees) incurred by the Senior Facility Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer;

(iv) the Operating Facility Lenders are paid an amount equal to the aggregate of:

(A) all of the Operating Facility Liabilities at that time (whether or not due), including all amounts that would have been payable under the Operating Facility Documents if the Operating Facilities were being prepaid by the relevant Debtors on the date of that payment; and

(B) all costs and expenses (including legal fees) incurred by the Operating Facility Lenders and/or the Security Agent as a consequence of giving effect to that transfer.

(v) as a result of that transfer:

(A) the Senior Lenders have no further actual or contingent liability to a Debtor under the Senior Facilities Finance Documents; and

(B) the Operating Facility Lenders have no further actual or contingent liability to a Debtor under the Operating Facility Documents.

(vi) an indemnity is provided from each of the Senior Secured Acquiring Creditors (other than any Senior Agent) or from another third party acceptable to all the Senior Lenders and the Operating Facility Lenders in a form reasonably satisfactory to each Senior Lender and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender or Operating Facility Lender for any reason;

(vii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders or the Operating Facility Lenders, except that each Senior Lender and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer; and (viii)the Senior Parent Creditors have not exercised their rights to purchase as described under the provisions set out in the paragraph captioned "*—Option to Purchase: Senior Parent Creditors*" or having exercised such rights, have not failed to complete the acquisition of the relevant Senior Secured Liabilities in accordance with such provisions.

Subject to the Intercreditor Agreement, the Senior Secured Acquiring Creditors may only require a Senior Liabilities Transfer if, at the same time, they require a transfer of the Hedging Liabilities in accordance with the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no Senior Liabilities Transfer may be required to be made.

At the request of a Senior Agent (on behalf of the Senior Secured Acquiring Creditors), the Senior Facility Agent and the Operating Facility Lenders shall notify that Senior Agent of the foregoing payable sums in connection with such transfer.

***Instructing Group***

The term "Instructing Group" means at any time:

(a) prior to the Senior Discharge Date, those Senior Secured Creditors (other than the Second Lien Secured Creditors) whose Senior Secured Credit Participations at that time aggregate more than $66^2/_3$ per cent. of the Total Senior Secured Credit Participations at that time;

(b) on or after the Senior Discharge Date but before the Second Lien Discharge Date, and subject always to the provisions set out under the caption "*—Payment Blockage Provisions—Restrictions on Enforcement by Second Lien Secured Creditors*," those Second Lien Secured Creditors whose Second Lien Secured Credit Participations at that time aggregate to more than $66^2/_3$ per cent. of the Total Second Lien Secured Credit Participations at that time; and

(c) on or after the First/Second Lien Discharge Date but before the Senior Parent Discharge Date, and subject always to the provisions set out under the caption "*—Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors*," the Majority Senior Parent Creditors.

In the foregoing definition of "Instructing Group":

"Majority Senior Parent Creditors" means, at any time, those Senior Parent Creditors whose Senior Parent Credit Participations at that time aggregate to more than $66^{2}/_{3}\%$ of the total aggregate amount of all Senior Parent Credit Participations at that time.

"Second Lien Secured Credit Participation" means:

(a) in relation to a Second Lien Lender, its second lien commitments; and

(b) in relation to a Permitted Second Lien Financing Creditor, the aggregate amount of its commitments under each Permitted Second Lien Financing Agreement (drawn or undrawn and calculated in a manner consistent with the second lien commitments) and/or the principal amount of outstanding Permitted Second Lien Financing Debt held by that Permitted Second Lien Financing Creditor (as applicable and without double counting).

"Senior Parent Credit Participation" means:

(a) in relation to a Senior Parent Noteholder, the principal amount of outstanding Senior Parent Notes Liabilities held by that Senior Parent Noteholder; and

(b) in relation to a Permitted Parent Financing Creditor, the aggregate amount of its commitments under each Permitted Parent Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Parent Financing Debt held by that Permitted Parent Financing Creditor (as applicable and without double counting).

"Senior Secured Credit Participation" means:

(a) in relation to a Senior Creditor, its Senior Credit Participation in relation to the Senior Credit Facilities Agreement and the hedging agreements only;

(b) in relation to a Senior Noteholder, the principal amount of outstanding Senior Notes liabilities held by that Senior Noteholder; and

(c) in relation to a Permitted Senior Financing Creditor, the aggregate amount of its commitments under each Permitted Senior Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Senior Financing Debt held by that Permitted Senior Financing Creditor (as applicable and without double counting).

"Total Second Lien Secured Credit Participations" means the aggregate of all the Second Lien Secured Credit Participations at any time.

"Total Senior Secured Credit Participations" means the aggregate of all the Senior Secured Credit Participations at any time.

***Restrictions Relating to Second Lien Secured Creditors and Second Lien Liabilities***

*Restriction on Payment and Dealings*

The Intercreditor Agreement provides that, until the Senior Discharge Date, no Debtor shall (and the Parent shall ensure that no member of the Group will) make any payment of the Second Lien Liabilities at any time unless:

(a) that payment is permitted by the provisions set out below under the captions "*—Permitted Second Lien Liabilities Payments*," and the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" or by a refinancing of the Second Lien Debt or the Permitted Second Lien Financing Debt as permitted by the Intercreditor Agreement; or

(b) the taking or receipt of that payment is permitted by the provisions set out below under the caption "*—Permitted Second Lien Enforcement*".

***Permitted Second Lien Liabilities Payments***

Prior to the Senior Discharge Date, any member of the Group may, directly or indirectly, make payments with respect to the Second Lien Liabilities at any time:

(a) if:

(i) the payment is of:

(A) any of the principal amount of the Second Lien Liabilities which is either (1) not prohibited from being paid by the Senior Financing Agreements; or (2) paid on or after the final maturity date of the relevant Second Lien Liabilities (subject to certain conditions); or

(B) any other amount which is not an amount of principal or capitalized interest;

(ii) no Second Lien Payment Stop Notice (as defined below) is outstanding;

(iii) no payment default under the Senior Credit Facilities Agreement, any Senior Notes Indenture or any Permitted Senior Financing Documents (the "Senior Payment Default") has occurred and is continuing;

(b) if the Majority Senior Lenders, the Senior Notes Trustee and the Permitted Majority Senior Financing Creditors or the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (as applicable) (the "Required Senior Consent") give prior consent to that payment being made; or

(c) if the payment is of Second Lien Agent Liabilities;

(d) of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;

(e) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Second Lien Debt Documents (including in relation to any reporting or listing requirements under such documents);

(f) if the Payment is funded directly or indirectly with Second Lien Debt, Permitted Second Lien Financing Debt, Permitted Parent Financing Debt and/or the proceeds of any indebtedness incurred under or pursuant to any Second Lien Debt Document and/or Senior Parent Notes;

(g) if the payment is funded directly or indirectly with the proceeds of an Equity Contribution or Available Shareholder Amounts; or

(h) of any other amount not exceeding €5,000,000 (or its equivalent) in aggregate in any financial year of the Parent.

On or after the Senior Discharge Date, the Debtors may make payments to the Second Lien Creditors in respect of the Second Lien liabilities in accordance with the terms of the Second Lien Finance Documents, as applicable.

***Payment Blockage Provisions—Restrictions on Enforcement by Second Lien Secured Creditors***

Until the Senior Discharge Date, except with the Required Senior Consent, no Debtor shall make (and the Parent shall procure that no other member of the Group shall make), and no Second Lien Secured Creditor may receive from any other member of the Group, any Permitted Second Lien Payment (other than, for the avoidance of doubt, a roll-up or capitalization of any amount and Second Lien Agent Liabilities, and payments permitted under (b) to (f) under the caption "*—Permitted Second Lien Liabilities Payments*") if:

(a) a Senior Payment Default is continuing; or

(b) an insolvency event of default under the Senior Credit Facilities Agreement, any Senior Notes Indenture and/or any Permitted Senior Financing Agreement and/or a breach of the revolving facility financial maintenance covenant under the Senior Credit Facilities Agreement (a "Material Event of Default") is continuing, from the date which is one Business Day after the date on which any Senior Agent delivers a notice (a "Second Lien Payment Stop Notice") specifying the event or circumstance in relation to that Material Event of Default to the Parent, the Security Agent and the Senior Parent Agents until the earliest of:

(i) the date falling 120 days after delivery of that Second Lien Payment Stop Notice;

(ii) in relation to payments of Second Lien Liabilities, if a Second Lien Standstill Period is in effect at any time after delivery of that Second Lien Payment Stop Notice, the date on which that Second Lien Standstill Period expires;

(iii) the date on which the relevant Material Event of Default has been remedied or waived in accordance with the Senior Credit Facilities Agreement, any Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);

(iv) the date on which the Senior Agent which delivered the relevant Second Lien Payment Stop Notice delivers a notice to the Parent, the Security Agent and the Second Lien Agents cancelling the Second Lien Payment Stop Notice;

(v) the Senior Discharge Date; and

(vi) the date on which the Security Agent or a Second Lien Agent takes Enforcement Action permitted under the Intercreditor Agreement against a Debtor.

Unless each of the Second Lien Agents waives this requirement, (i) a new Second Lien Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Second Lien Payment Stop Notice; and (ii) no Second Lien Payment Stop Notice may be delivered by a Senior Agent in reliance on a Material Event of Default more than 75 days after the date that Senior Agent received notice of that Material Event of Default.

The Senior Agents may only serve one Second Lien Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Agents to issue a Second Lien Payment Stop Notice in respect of any other event or set of circumstances. No Second Lien Payment Stop Notice may be served by an Agent in respect of a Material Event of Default which had been notified to the Agents at the time at which an earlier Second Lien Payment Stop Notice was issued.

Any failure to make a payment due under the Second Lien Debt Documents as a result of the issue of a Second Lien Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined under a Second Lien Financing Agreement) as a consequence of that failure to make a payment in relation to the relevant Second Lien Debt Document; or (ii) the issue of a Second Lien Enforcement Notice on behalf of the Second Lien Secured Creditors.

*Payment Obligations and Capitalization of Interest Continue*

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Second Lien Debt Document by the operation of the provisions set out under each section above under the caption "—*Restrictions Relating to Second Lien Secured Creditors and Second Lien Liabilities*" even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Second Lien Debt Documents shall continue notwithstanding the issue of a Second Lien Payment Stop Notice.

*Cure of Payment Stop—Second Lien Secured Creditors*

If:

(i) at any time following the issue of a Second Lien Payment Stop Notice or the occurrence of a Senior Payment Default, that Second Lien Payment Stop Notice ceases to be outstanding and/or, as the case may be, the Senior Payment Default ceases to be continuing; and

(ii) any Debtor then promptly pays to the Second Lien Secured Creditors an amount equal to any Payments which had accrued under the Second Lien Debt Documents and which would have been Permitted Second Lien Payments but for that Second Lien Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other Debt Document) which may have occurred as a result of that suspension of Payments shall be waived and any Second Lien Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Second Lien Secured Creditors or any other Creditor or Operating Facility Lender.

*Restrictions on Enforcement by Second Lien Secured Creditors*

Until the Senior Discharge Date, except with the prior consent of or as required by an Instructing Group:

(i) no Second Lien Secured Creditor shall direct the Security Agent to enforce or otherwise require the enforcement of any security; and/or

(ii) no Second Lien Secured Creditor shall take or require the taking of any Enforcement Action in relation to the Second Lien Liabilities,

except as permitted under the provisions set out below under the caption "*—Permitted Second Lien Enforcement*" below, *provided*, *however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

***Permitted Second Lien Enforcement***

Subject to the provisions set out under the caption "*—Enforcement on behalf of Second Lien Secured Creditors*", the restrictions set out under the caption "*—Payment Blockage Provisions—Restrictions on Enforcement by Second Lien Secured Creditors*" above will not apply if:

(i) an Event of Default (as defined under a Second Lien Financing Agreement, a "Second Lien Event of Default") (the "Relevant Second Lien Default") is continuing;

(ii) each Senior Agent has received a notice of the Relevant Second Lien Default specifying the event or circumstance in relation to the Relevant Second Lien Default from the relevant Second Lien Agent;

(iii) a Second Lien Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Second Lien Default is continuing at the end of the relevant Second Lien Standstill Period.

Promptly upon becoming aware of a Second Lien Event of Default, the relevant Second Lien Agent may by notice (a "Second Lien Enforcement Notice") in writing notify the Senior Agents of the existence of such Second Lien Event of Default.

*Second Lien Standstill Period*

In relation to a Relevant Second Lien Default, a Second Lien Standstill Period shall mean the period beginning on the date (the "Second Lien Standstill Start Date") the relevant Senior Agent serves a Second Lien Enforcement Notice on each of the Senior Agents in respect of such Second Lien Event of Default and ending on the earlier to occur of:

(i) the date falling 120 days after the Second Lien Standstill Start Date

(ii) the date the Senior Secured Parties (other than the Second Lien Secured Creditors) take any Enforcement Action in relation to a particular Second Lien Borrower or Second Lien Guarantor, provided, however, that if a Senior Parent Standstill Period ends pursuant to this paragraph, the Second Lien Secured Creditors may only take the same Enforcement Action in relation to the relevant Second Lien Borrower or Second Lien Guarantor as the Enforcement Action taken by the Senior Secured Parties (other than the Second Lien Secured Creditors) against such Second Lien Borrower or Second Lien Guarantor and not against any other member of the Group;

(iii) the date of an Insolvency Event in relation to the relevant Second Lien Borrower or a particular Second Lien Guarantor against whom Enforcement Action is to be taken;

(iv) the expiry of any other Second Lien Standstill Period outstanding at the date such first-mentioned Second Lien Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), any Senior Notes Trustee (acting on behalf of the Senior Noteholders) and any Senior Creditor Representative (acting on the instructions the Majority Permitted Senior Financing Creditors) has been obtained; and

(vi) a failure to pay the principal amount outstanding under any Second Lien Facility or on any Permitted Second Lien Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding on that Second Lien Facility or on that Permitted Second Lien Financing Debt, as the case may be (provided that, unless the Senior Lender Discharge Date has occurred or as otherwise agreed by the Majority Senior Lenders and the Parent, such final stated maturity does not fall on a date prior to the date falling 85 months after the date of the first utilization under the Senior Credit Facilities Agreement).

*Subsequent Second Lien Facility Defaults*

The Second Lien Secured Creditors may take Enforcement Action under the provisions set out in caption "—*Permitted Second Lien Enforcement*" in relation to a Relevant Second Lien Default even if, at the end of any relevant Second Lien Standstill Period or at any later time, a further Second Lien Standstill Period has begun as a result of any other Second Lien Event of Default.

*Enforcement on behalf of Second Lien Secured Creditors*

If the Security Agent has notified the Second Lien Agents that it is enforcing Security created pursuant to any Security Document over shares of a Second Lien Borrower or a Second Lien Guarantor, no Second Lien Secured Creditor may take any action referred to under the provisions set out under the caption "—*Permitted Second Lien Enforcement*" against that Second Lien Borrower or Second Lien Guarantor (or any Subsidiary of that Second Lien Borrower or Second Lien Guarantor) while the Security Agent is taking steps to enforce that Security in accordance with the instructions of an Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

*Option to Purchase: Second Lien Secured Creditors*

Subject to the following paragraphs, any of the Second Lien Agent(s) (on behalf of the Second Lien Secured Creditors) may, after an acceleration event under any of the Senior Credit Facilities Agreement, any Senior Notes Indenture or in relation to any Permitted Senior Financing Debt which is continuing, by giving not less than 10 days' notice to the Security Agent, require the transfer to the Second Lien Secured Creditors (or to a nominee or nominees) of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Notes Liabilities, any Permitted Senior Financing Liabilities and the Operating Facility Liabilities if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Credit Facilities Agreement (in the case of the Senior Lender Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes Liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities) and/or any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities);

(ii) any conditions relating to such a transfer contained in the Senior Credit Facilities Agreement (in the case of the Senior Lender Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes Liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities) and/or any Operating Facility

Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;

(iii) each of the Senior Facility Agent (on behalf of the Senior Lenders), the applicable Senior Notes Trustee (on behalf of the relevant Senior Noteholders), the applicable Senior Creditor Representative (on behalf of the relevant Permitted Senior Financing Creditors) and the Operating Facility Lenders is paid the amounts required under the Intercreditor Agreement;

(iv) as a result of that transfer the Senior Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors and the Operating Facility Lenders have no further actual or contingent liability to the Parent or any other Debtor under the relevant Secured Debt Documents;

(v) an indemnity is provided from each Second Lien Secured Creditor (other than any Second Lien Agent) (or from another third party acceptable to all the Senior Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors and the Operating Facility Lenders) in a form reasonably satisfactory to each Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Operating Facility Lender for any reason; and

(vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors or the Operating Facility Lenders, except that each Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer.

Subject to the terms of the Intercreditor Agreement, a Second Lien Agent (on behalf of all the Second Lien Secured Creditors) may only require a transfer of Senior Secured Liabilities if, at the same time, they require a transfer of hedging liabilities regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities may be required to be made.

At the request of a Second Lien Agent (on behalf of all the Second Lien Secured Creditors), the Senior Facility Agent, any relevant Senior Notes Trustee, any relevant Senior Creditor Representative and the Operating Facility Lenders shall notify the Second Lien Agents of the foregoing payable sums in connection with such transfer.

***Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities***

*Restriction on Payment and Dealings*

The Intercreditor Agreement provides that, until the First/Second Lien Discharge Date, no Senior Parent Debt Issuer shall (and the Parent shall ensure that no member of the Group will):

(a) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Parent Notes Liabilities and any Permitted Parent Financing Liabilities except as permitted by the provisions set out below under the captions "*—Permitted Senior Parent Payments,*" "*—Permitted Senior Parent Enforcement*," and the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement;

(b) exercise any set-off against any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, except as permitted by the provisions set out under the caption "*—Permitted Senior Parent Payments*" below, the provisions set out under the caption "*—Payment Blockage*

*Provisions—Restrictions on Enforcement by Senior Parent Creditors*" below or the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" below or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement; or

(c) create or permit to subsist any security over any assets of any member of the Group or give any guarantee (and the Senior Parent Notes Trustee or Senior Parent Creditor Representative, as the case may be, may not, and no Senior Parent Creditor may, accept the benefit of any such security or guarantee from any member of the Group) for, or in respect of, any Senior Parent Notes liabilities or any Permitted Parent Financing Liabilities other than:

  (i) guarantees by a member of the Group of any obligations of the Group under the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents;

  (ii) at the option of the Parent, all or any of the transaction security (provided that, for the avoidance of doubt, each of the parties agrees that the security shall rank and secure any Senior Parent Notes and any Permitted Parent Financing Debt as set out in "*—Ranking and Priority—Priority of Security*);" and

  (iii) any security over any assets of any Senior Parent Debt Issuer (other than, any such assets over which a Senior Parent Debt Issuer has granted security);

  (iv) any other security or guarantee provided by a member of the Group (the "Credit Support Provider") provided that, to the extent legally possible:

    (A) the Credit Support Provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);

    (B) all amounts actually received or recovered by the Senior Parent Notes Trustee, the Senior Parent Creditor Representative or the Senior Parent Creditors, as the case may be, with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption "*—Application of Proceeds*;"

    (C) any such security may only be enforced in accordance with the provisions set out under the caption "*—Enforcement of Security—Security Held by Other Creditors*;" and

    (D) such guarantee is expressed to be subject to the Intercreditor Agreement; and

  (v) any security, guarantee, indemnity or other assurance against loss from any member of the Group in connection with:

    (A) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or

    (B) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, Senior Notes liabilities and/or any Permitted Senior Financing Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

***Permitted Senior Parent Payments***

Prior to the First/Second Lien Discharge Date, any member of the Group may, directly or indirectly, make payments with respect to the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities then due in accordance with the finance documents in relation to the Senior Parent Notes and the Permitted Parent Financing Debt (such payments, collectively, "Permitted Senior Parent Payments"):

(a) if:

  (i) the payment is of:

    (A) any of the principal amount of the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities which is either (1) not prohibited from being paid by the Senior

Financing Agreements; or (2) paid on or after the final maturity date of the relevant Senior Parent Notes liabilities and Permitted Parent Financing Liabilities (subject to certain conditions); or

(B) any other amount which is not an amount of principal or capitalized interest;

(ii) no Senior Parent Payment Stop Notice (as defined below) is outstanding;

(iii) no Senior Payment Default has occurred and is continuing; and

(iv) no payment default under the Second Lien Facility Agreement or the Permitted Second Lien Financing Documents has occurred and is continuing;

(b) if the Required Senior Consent has been obtained;

(c) if consent has been obtained from the Majority Second Lien Lenders and the Majority Permitted Second Lien Financing Creditors or the Creditor Representative in respect of that Permitted Second Lien Financing Debt Senior Lenders (as applicable);

(d) if the payment is of certain amounts due to the Senior Parent Notes Trustee for its own account;

(e) if the payment is made by the relevant Senior Parent Debt Issuer and funded directly or indirectly with amounts which have not been received by that Senior Parent Debt Issuer from another member of the Group;

(f) of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;

(g) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Senior Parent Notes Indenture and any Permitted Parent Financing Documents (including in relation to any reporting or listing requirements under such documents);

(h) if the payment is funded directly or indirectly with Permitted Parent Financing Debt and/or the proceeds of any indebtedness incurred under or pursuant to any Senior Parent Notes;

(i) if the payment is funded directly or indirectly with the proceeds of an Equity Contribution or Available Shareholder Amounts; or

(j) of any other amount not exceeding €5,000,000 (or its equivalent) in aggregate in any financial year of the Parent.

On or after the First/Second Lien Discharge Date, the Debtors may make payments to the Senior Parent Creditors in respect of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, in accordance with the Senior Parent Notes Indenture and the Permitted Parent Financing Documents, as applicable.

***Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors***

Until the Senior Discharge Date, except with the Required Senior Consent, and until the Second Lien Discharge Date, except with the Required Second Lien Consent, no Senior Parent Debt Issuer shall make (and the Parent shall procure that no other member of the Group shall make), and neither the Senior Parent Notes Trustee, any holder of Senior Parent Notes or the Permitted Parent Financing Creditors may receive from any other members of the Group, any Permitted Senior Parent Payment (other than, for the avoidance of doubt, a roll-up or capitalization of any amount and certain amounts due to the Senior Parent Notes Trustee for its own account, payments funded by amounts not received from another member of the Group or payments funded by Permitted Parent Financing Debt and/or the proceeds of any indebtedness incurred or pursuant to any Senior Parent Notes) if:

(a) a Senior Payment Default and/or a Second Lien Payment Default is continuing; or

(b) an event of default under the Senior Credit Facilities Agreement, any Second Lien Facility Agreement, any Senior Notes Indenture, any Permitted Senior Financing Agreement and/or any Permitted Second Lien Financing Agreement (a "Senior Event of Default") (other than a Senior Payment Default and/or a Second Lien Payment Default) is continuing, from the date which is one business day after the date on which any of the Senior Facility Agent, the Senior Notes Trustee and any Senior Creditor Representative (together, the "Senior Agents") delivers a payment stop notice (a "Senior Parent Payment Stop Notice") specifying the event or circumstance in relation to that Senior Event of Default to the Parent, the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative until the earliest of:

(i) the date falling 179 days after delivery of that Senior Parent Payment Stop Notice;

(ii) in relation to payments of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, if a Parent standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;

(iii) the date on which the relevant Senior Event of Default has been remedied or waived in accordance with the Senior Credit Facilities Agreement, any Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);

(iv) the date on which the Senior Agent which delivered the relevant Senior Parent Payment Stop Notice delivers a notice to the Parent, the Security Agent, the Senior Parent Notes Trustee and the Senior Parent Creditor Representative cancelling the Senior Parent Payment Stop Notice;

(v) the First/Second Lien Discharge Date; and

(vi) the date on which the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative take Enforcement Action permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Parent Notes Trustee and any Senior Parent Creditor Representative waive this requirement, (i) a new Senior Parent Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Parent Payment Stop Notice; and (ii) no Senior Parent Payment Stop Notice may be delivered by a Senior Agent in reliance on a Senior Event of Default more than 45 days after the date that Senior Agent received notice of that Senior Event of Default.

The Senior Agents may only serve one Senior Parent Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agents to issue a Senior Parent Payment Stop Notice in respect of any other event or set of circumstances. No Senior Parent Payment Stop Notice may be served by a Senior Agent in respect of a Senior Event of Default which had been notified to the Senior Agents at the time at which an earlier Senior Parent Payment Stop Notice was issued.

Any failure to make a payment due under any Senior Parent Notes Indenture and any Permitted Parent Financing Documents as a result of the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in any Senior Parent Notes Indenture or any Permitted Parent Financing Documents, as applicable) as a consequence of that failure to make a payment in relation to the relevant Senior Parent Notes Indenture and any Permitted Parent Financing Documents; or (ii) the issue of a Senior Parent Enforcement Notice (as defined below) on behalf of the Senior Parent Creditors.

*Payment Obligations and Capitalization of Interest Continue*

Neither the relevant Senior Parent Debt Issuer nor any other Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Senior Parent Notes Indenture and any Permitted Parent Financing Document by the operation of the provisions set out under each section above under the caption "*—Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*" even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with any Senior Parent Notes Indenture and any Permitted Parent Financing Document shall continue notwithstanding the issue of a Senior Parent Payment Stop Notice.

*Cure of Payment Stop—Senior Parent Creditors*

If:

(i) at any time following the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default, that Senior Parent Payment Stop Notice ceases to be outstanding and/or, as the case may be, the Senior Payment Default ceases to be continuing; and

(ii) the relevant Senior Parent Debt Issuer or the relevant Debtor then promptly pays to the Senior Parent Creditors an amount equal to any payments which had accrued under any Senior Parent Notes Indenture and any Permitted Parent Financing Document and which would have been Permitted Senior Parent Payments but for that Senior Parent Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived and any Senior Parent Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Senior Parent Creditors or any other Creditor or Operating Facility Lender.

*Restrictions on Amendments and Waivers*

The Intercreditor Agreement provides that the Senior Parent Creditors, the relevant Senior Parent Debt Issuers and other Debtors may amend or waive the terms of the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents in accordance with their respective terms from time to time (and subject only to any consent required under them).

*Restrictions on Enforcement by Senior Parent Creditors*

Until the First/Second Lien Discharge Date, except with the prior consent of or as required by an Instructing Group:

(i) no Senior Parent Creditor shall direct the Security Agent to enforce, or otherwise require the enforcement of, any security; and/or

(ii) no Senior Parent Creditor shall take or require the taking of any Enforcement Action in relation to the guarantees by a member of the Group of any of the obligations of any member of the Group under the Senior Parent Notes finance documents and/or Permitted Parent Financing Documents,

except as permitted under the provisions set out below under the caption "*—Permitted Senior Parent Enforcement*" below, *provided*, *however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

***Permitted Senior Parent Enforcement***

The restrictions set out under the caption *"—Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors*" above will not apply if:

(i) an Event of Default (as defined in any Senior Parent Notes Finance Document and any Permitted Parent Financing Agreement, as applicable, each a "Senior Parent Event of Default") (the "Relevant Senior Parent Default") is continuing;

(ii) each Senior Agent has received a notice of the Relevant Senior Parent Default specifying the event or circumstance in relation to the Relevant Senior Parent Default from the Senior Parent Notes Trustee or any Senior Parent Creditor Representative (as the case may be);

(iii) a Senior Parent Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Senior Parent Default is continuing at the end of the relevant Senior Parent Standstill Period.

Promptly upon becoming aware of a Senior Parent Event of Default, the Senior Parent Notes Trustee or any Senior Parent Creditor Representative, as the case may be, may by notice (a "Senior Parent Enforcement Notice") in writing notify the Senior Agents of the existence of such Senior Parent Event of Default.

*Senior Parent Standstill Period*

In relation to a Relevant Senior Parent Default, a Senior Parent Standstill Period shall mean the period beginning on the date (the "Senior Parent Standstill Start Date") the relevant Senior Agent serves a Senior Parent Enforcement Notice on each of the Senior Agents in respect of such Senior Parent Event of Default and ending on the earlier to occur of:

(i) the date falling 179 days after the Senior Parent Standstill Start Date (the "Senior Parent Standstill Period");

(ii) the date the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Parent Notes and/or any Permitted Parent Financing Debt (a "Senior Parent Guarantor"), provided, however, that if a Senior Parent Standstill Period ends pursuant to this paragraph, the Senior Parent Creditors may only take the same Enforcement Action in relation to the Senior Parent Guarantor as the Enforcement Action taken by the Senior Secured Parties against such Senior Parent Guarantor and not against any other member of the Group;

(iii) the date of an Insolvency Event in relation to the relevant Senior Parent Debt Issuer or a particular Senior Parent Guarantor against whom Enforcement Action is to be taken;

(iv) the expiry of any other Senior Parent Standstill Period outstanding at the date such first-mentioned Senior Parent Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), the Second Lien Facility Agent (acting on the instructions of the Majority Second Lien Lenders), any Senior Notes Trustee (acting on behalf of the Senior Noteholders), any Senior Creditor Representative (acting on the instructions the Majority Permitted Senior Financing Creditors) and any Second Lien Creditor Representative (acting on the instructions of the Majority Permitted Second Lien Financing Creditors) has been obtained; and

(vi) a failure to pay the principal amount outstanding on any Senior Parent Notes or on any Permitted Parent Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding on the Senior Parent Notes or on the Permitted Parent Financing Debt, as the case may be (provided that (i) unless the Senior Lender Discharge Date has occurred or as otherwise agreed by the Majority Senior Lenders and the Parent, such final stated maturity does not fall on a date prior to the date falling 85 months after the date of first utilization under the Senior Credit Facilities Agreement; and (ii) if any Second Lien Debt has been incurred, unless the Second Lien Lender Discharge Date has occurred or as otherwise agreed by the Majority Second Lien Lenders and the Parent, such final stated maturity does not fall on a date prior to the date falling 85 months after the date of first utilization under the Senior Credit Facilities Agreement).

*Subsequent Senior Parent Event of Default*

The Senior Parent Finance Parties may take Enforcement Action under the provisions set out in caption "—*Permitted Senior Parent Enforcement*" above in relation to a Relevant Senior *Parent* Default even if, at the end of any relevant Senior Parent Standstill Period or at any later time, a further Senior Parent Standstill Period has begun as a result of any other Senior Parent Event of Default.

*Enforcement on Behalf of Senior Parent Creditors*

If the Security Agent has notified the Senior Parent Agents that it is enforcing security created pursuant to any security document over shares of a Senior Parent Guarantor, no Senior Parent Creditor may take any action referred to under the provisions set out under the caption "—*Permitted Senior Parent Enforcement*" above against that Senior Parent Guarantor while the Security Agent is taking steps to enforce that security in accordance with the instructions of an Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

*Option to Purchase: Senior Parent Creditors*

Subject to paragraphs (ii) and (iii) below any of the Senior Parent Notes Trustee and any Senior Parent Creditor Representative (on behalf of the Senior Parent Creditors) may, after an acceleration event under the Senior Credit Facilities Agreement, a Second Lien Facility Agreement, or in relation to any Senior Notes, any Second Lien Debt, Permitted Senior Financing Debt or Permitted Second Lien Financing Debt which is continuing, by giving not less than 10 days' notice to the Security Agent, require the transfer to the Senior Parent Creditors (or to a nominee or nominees) of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Liabilities and the Operating Facility Liabilities if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Credit Facilities Agreement (in the case of the Senior Lender Liabilities), any Second Lien Facility Agreement (in the case of the Second Lien Lenders Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities), any Permitted Second Lien Financing Agreement pursuant to which any relevant Permitted Second Lien Financing Liabilities remain outstanding (in the case of the Permitted Second Lien Financing Liabilities) and/or any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) (as applicable);

(ii) any conditions relating to such a transfer contained in the Senior Credit Facilities Agreement (in the case of the Senior Lender Liabilities)), any Second Lien Facility Agreement (in the case of the Second Lien Lenders Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities), any Permitted Second Lien Financing Agreement pursuant to which any relevant Permitted Second Lien Financing Liabilities remain outstanding (in the case of the Permitted Second Lien Financing Liabilities) and/or any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;

(iii) each of the Senior Facility Agent (on behalf of the Senior Lenders), the Senior Notes Trustee (on behalf of the relevant Senior Noteholders), the applicable Senior Creditor Representative (on behalf of the relevant Permitted Senior Financing Creditors), the Operating Facility Lenders, the Second Lien Facility Agent (on behalf of the Second Lien Lenders) and the applicable Second Lien Creditor Representative (on behalf of the relevant Permitted Second Lien Financing Creditors) is paid the amounts required under the Intercreditor Agreement;

(iv) as a result of that transfer the Senior Lenders, the Second Lien Lenders, the Senior Noteholders, the Permitted Senior Financing Creditors, the Permitted Second Lien Financing Creditors and the Operating Facility Lenders have no further actual or contingent liability to the Parent or any other Debtor under the relevant Secured Debt Documents;

(v) an indemnity is provided from each Senior Parent Creditor (other than any Senior Parent Agent) (or from another third party acceptable to all the Senior Lenders, the Second Lien Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors, the Permitted Second Lien Financing Creditors and the Operating Facility Lenders) in a form reasonably satisfactory to each Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor or Operating Facility Lender for any reason; and

(vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Second Lien Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors, the Permitted Second Lien Financing Creditors or the Operating Facility Lenders, except that each Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer.

Subject to the Intercreditor Agreement, the Senior Parent Notes Trustee or any Senior Parent Creditor Representative (on behalf of all the Senior Parent Creditors) may only require a transfer of Senior Secured Liabilities if, at the same time, they require a transfer of hedging liabilities regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities may be required to be made.

At the request of the Senior Parent Notes Trustee or any Senior Parent Creditor Representative (on behalf of all the Senior Parent Creditors), the Senior Facility Agent, the Senior Notes Trustee, any relevant Senior Creditor Representative, the Operating Facility Lenders, the Second Lien Facility Agent and any relevant Second Lien Creditor Representative shall notify the Senior Parent Notes Trustee and any Senior Parent Creditor Representative of the foregoing payable sums in connection with such transfer.

***Effect of Insolvency Event; Filing of Claims***

The Intercreditor Agreement provides that, among other things, after the occurrence of an Insolvency Event in relation to any Debtor, or, following an acceleration event which is continuing, any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to that party shall (in the case of any Creditor or Operating Facility Lender, only to the extent that such distribution would otherwise constitute a receipt or recovery of a type subject to the provisions set out below under the caption"—*Turnover*" and, in all cases, if prior to a distress event, only if required by the Security Agent acting on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent and to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the Secured Parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption "—*Application of Proceeds*" below.

Subject to certain exceptions, to the extent that any member of the Group's liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any Creditor and any Operating Facility Lender which benefited from that set-off shall (in the case of any Creditor or Operating Facility Lender, only to the extent that such distribution would otherwise constitute a receipt or recovery of a type subject to the provisions set out below under the caption "—*Turnover*" and, in all cases, if prior to a distress event, only if required by the Security Agent acting on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent, pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out under the caption "—*Application of Proceeds*" below and subject to certain exceptions.

Subject to the provisions set out under the caption "—*Application of Proceeds*" below, if the Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the liabilities.

After the occurrence of an Insolvency Event in relation to any Debtor (or, following an acceleration event which is continuing, any member of the Group), each Creditor and each Operating Facility Lender irrevocably authorizes the Security Agent, on its behalf, to:

(i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;

(ii) demand, sue, prove and give receipt for any or all of that member of the Group's liabilities;

(iii) collect and receive all distributions on, or on account of, any or all of that member of the Group's liabilities; and

(iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Group's liabilities.

Each Creditor and Operating Facility Lender will (i) do all things that the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) reasonably requests in order to give effect to the matters referred to in this "—*Effect of Insolvency Event; Filing of Claims*" section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this "—*Effect of Insolvency Event; Filing of Claims*" section or if the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) requests that a Creditor or Operating Facility Lender take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) may reasonably require, although neither the Senior Notes Trustee nor the Senior Parent Notes Trustee shall be under any obligation to grant such powers of attorney) to enable the Security Agent to take such action.

***Turnover***

Subject to certain exceptions, the Intercreditor Agreement provides that if any Creditor or Operating Facility Lender receives or recovers from any member of the Group:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is prohibited under the Intercreditor Agreement or, following the occurrence of a Senior Distress Event which is continuing, any Senior Lender Liabilities, Hedging Liabilities, Senior Notes liabilities, Permitted Senior Financing liabilities or Operating Facility liabilities;

(ii) other than as referred to in the second paragraph of the caption "—*Effect of Insolvency Event; Filing of Claims*" any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) notwithstanding paragraphs (i) and (ii) above, other than as referred to in the second paragraph of the caption "—*Effect of Insolvency Event; Filing of Claims*" any amount:

  (A) on account of, or in relation to, any of the liabilities after the occurrence of a distress event (including as a result of any litigation or proceedings against a member of the Group other than after the occurrence of an Insolvency Event in respect of that member of the Group); or

  (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of a distress event,

  other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption "—*Application of Proceeds*;"

(iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "—*Application of Proceeds*;" or

(v) subject to certain exceptions, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out under the caption "—*Application of Proceeds*" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group,

that Creditor or Operating Facility Lender will, subject to certain exceptions: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) subject to receiving payment instructions and any other relevant information the Security Agent, promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

***Enforcement of Security***

*Enforcement Instructions*

The Security Agent may refrain from enforcing the security unless instructed otherwise by (i) an Instructing Group; (ii) if required as set out in the third paragraph of this section, the Majority Second

Lien Creditors or (iii) if required as set out under the fourth paragraph of this section, the Majority Senior Parent Creditors.

Subject to the security having become enforceable in accordance with its terms (i) an Instructing Group; (ii) to the extent permitted to enforce or to require the enforcement of the security prior to the Senior Discharge Date as described under the caption "—*Restrictions Relating to Second Lien Liabilities*" above, the Majority Second Lien Creditors or (iii) to the extent permitted to enforce or to require the enforcement of the security prior to the First/Second Lien Discharge Date as described under the provisions under the caption "—*Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*" above, the Majority Senior Parent Creditors, may give or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

Prior to the Senior Discharge Date, (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Second Lien Creditors are then entitled to give to the Security Agent as described under the provisions under the caption "—*Permitted Second Lien Enforcement*" above.

Prior to the First/Second Lien Discharge Date, (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Senior Parent Creditors are then entitled to give to the Security Agent as described under the provisions under the caption "—*Permitted Senior Parent Enforcement*" above.

Subject to certain provisions of the Intercreditor Agreement, no secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the Security Documents except through the Security Agent in the manner contemplated by the Intercreditor Agreement.

*Manner of Enforcement*

If the security is being enforced as set forth above under the caption "—*Enforcement of Security—Enforcement Instructions*," the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator, examiner or equivalent officer of any Debtor to be appointed by the Security Agent) as:

(a) an Instructing Group;

(b) prior to the Senior Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph under the caption "—*Enforcement of Security*" above, given effect to instructions given by the Majority Second Lien Creditors to enforce the security; and (ii) an Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Second Lien Creditors;

(c) prior to the First/Second Lien Discharge Date, if (i) the Security Agent has, pursuant to the fourth paragraph under the caption "—*Enforcement of Security*" above, given effect to instructions given by the Majority Senior Parent Creditors to enforce the security; and (ii) an Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Parent Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit (it being understood that, absent such instructions, the Security Agent may elect to take no action).

*Exercise of Voting Rights*

To the fullest extent permitted under applicable law, each Creditor (other than the Senior Notes Trustee and the Senior Parent Notes Trustee) and each Operating Facility Lender shall agree with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group. Notwithstanding the foregoing, no party can exercise or require any other Creditor or Operating Facility Lender under the Intercreditor Agreement to exercise its power of voting or representation to waive, reduce, discharge, extend the due date for payment or otherwise reschedule any of the liabilities owed to that Creditor or Operating Facility Lender.

*Waiver of Rights*

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the Secured Parties and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

*Security Held by Other Creditors*

If any security is held by a Creditor or Operating Facility Lender other than the Security Agent, then that Creditor or Operating Facility Lender may only enforce that security in accordance with instructions given by an Instructing Group pursuant to the terms of the Intercreditor Agreement (and for this purpose references to the Security Agent shall be construed as references to that Creditor or Operating Facility Lender).

***Consultation Period***

(a) Subject to paragraph (b) below, before giving any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or to take any other Enforcement Action, the creditor representative(s) of the creditors of the Group represented in the Instructing Group concerned (and, if applicable, any relevant Hedge Counterparties) shall consult with each other creditor representative, each other Hedge Counterparty, each Operating Facility Lender and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of not less than 10 business days (or, in the case of any consultation involving a Senior Notes Trustee, a Senior Parent Notes Trustee or a Creditor Representative in respect of any high-yield notes, debt securities or other similar instruments, 30 days) from the date on which details of the proposed instructions are received by such creditor representative(s), Hedge Counterparties, Operating Facility Lenders and the Security Agent (or such shorter period as each creditor representative, Hedge Counterparty, Operating Facility Lender and the Security Agent shall agree) (the "Consultation Period"), and only following the expiry of a Consultation Period shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or take any other Enforcement Action.

(b) No Agent or Hedge Counterparty shall be obliged to consult in accordance with paragraph (a) above and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the security or take any other Enforcement Action prior to the end of a Consultation Period (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents) if:

   (i) the security has become enforceable as a result of an Insolvency Event; or

   (ii) the Instructing Group or any creditor representative of the Creditors represented in the Instructing Group determines in good faith (and notifies each other creditor representative, the Hedge Counterparties and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the security would reasonably be expected to have a material adverse effect on:

      (A) the Security Agent's ability to enforce any of the security; or

      (B) the realization proceeds of any enforcement of the security, and, where this paragraph (b) applies:

   any instructions shall be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors on behalf of which the relevant Instructing Group is acting in relation to the matters referred to in sub-paragraphs (A) and (B) above; and the Security Agent shall act in accordance with the instructions first received.

(c) As soon as reasonably practicable following receipt of any instructions from an Instructing Group to enforce the security, refrain or cease from enforcing the security or, as the case may be, take any other Enforcement Action, the Security Agent shall provide a copy of such instructions to each Agent, Hedge Counterparty and Operating Facility Lender (unless it received those instructions from that person).

*Duties Owed*

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the Security Agent enforces, or is instructed to enforce, the security prior to the First/Second Lien Discharge Date, the duties of the Security Agent and of any receiver or delegate owed to the Senior Parent Creditors in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall, subject to the section entitled Distressed Disposals below, be no different to or greater than the duty that is owed by the Security Agent, receiver or delegate to the Debtors under general law.

***Proceeds of Disposals***

*Non-Distressed Disposals*

The Security Agent is irrevocably authorized and instructed (at the request and cost of the relevant Debtor or the Parent) to promptly release (or procure that any other relevant person releases):

(i) any security (and/or any other claim relating to a debt document) over any asset which is the subject of:

  (A) a disposal not prohibited by the terms of the Senior Credit Facilities Agreement, any Senior Notes Indenture, any Permitted Senior Financing Agreement, the Second Lien Facility Agreement, any Permitted Second Lien Financing Agreement, any Senior Parent Notes Indenture and any Permitted Parent Financing Agreement (each a "Debt Financing Agreement") (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group in a Debt Financing Agreement to provide replacement security); or

  (B) any other transaction not prohibited by the terms of any Debt Financing Agreement pursuant to which that asset will cease to be held or owned by a member of the Group;

(ii) any security (and/or any other claim relating to a debt document) over any document or other agreement requested in order for any member of the Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Debt Financing Agreement);

(iii) any security (and/or any other claim relating to a debt document) over any asset of any member of the Group which has ceased to be a Debtor (or will cease to be a Debtor simultaneously with such release); and

(iv) any security (and/or any other claim relating to a debt document) over any other asset to the extent that such release is in accordance with the terms of the Debt Financing Agreements.

In the case of a disposal of shares or other ownership interests in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) will cease to be a member of the Group or a Debtor (including in connection with the resignation of that Debtor or the Debtor being designated as an Unrestricted Subsidiary), the Security Agent (on behalf of itself and the Secured Parties) shall (at the request and cost of the relevant Debtor or the Parent) promptly release (or procure the release of) that Debtor and its subsidiaries (and its and their assets) from all present and future liabilities under the Secured Debt Documents.

When making any request for a release pursuant to this "—*Non-Distressed Disposals*" section, the Parent shall confirm in writing to the Security Agent that:

(i) in the case of any release requested pursuant to paragraph (i) or (ii) above, the relevant disposal or other action is not prohibited by the terms of any Debt Financing Agreement; or

(ii) in the case of any release requested pursuant to paragraph (iv) above, the relevant release is in accordance with terms of the Debt Financing Agreements,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent shall (at the cost and expense of the relevant Debtor or the Parent but without the need for any further consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party or Debtor) promptly enter into and deliver such documentation and/or take such other action as the Parent (acting reasonably) shall require to give effect to any release or other matter described above.

Without prejudice to the foregoing and for the avoidance of doubt, if requested by the Parent in accordance with the terms of any of the Debt Financing Agreements (and provided that the requested action is not expressly prohibited by any of the other Debt Financing Agreements), the Security Agent and the other Creditors and Operating Facility Lenders shall (at the cost of the relevant Debtor, the relevant Additional Security Provider and/or the Parent) promptly execute any guarantee, security or other release and/or any amendment, supplement or other documentation relating to the Security Documents as contemplated by the terms of any of the Debt Financing Agreements (and the Security Agent is authorized to execute, and will promptly execute if requested by the Parent, without the need for any further consent, sanction, authority or further confirmation from any Creditor or Operating Facility Lender, any such release or document on behalf of the Creditors and the Operating Facility Lenders). When making any request pursuant to this paragraph (d) the Parent shall confirm in writing to the Security Agent that such request is in accordance with the terms of a Debt Financing Agreement (and the requested action is not expressly prohibited by way of any of the other Debt Financing Agreements) and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

Notwithstanding anything to the contrary in any Debt Document, nothing in any Security Document shall operate or be construed so as to prevent any transaction, matter or other step not prohibited by the terms of the Intercreditor Agreement or the Debt Financing Agreements (a "Permitted Transaction"). The Security Agent (on behalf of itself and the Secured Parties) hereby agrees (and is irrevocably authorized and instructed to do so without any consent, sanction, authority or further confirmation from any Party) that it shall (at the request and cost of the relevant Debtor or the Parent) promptly execute any release or other document and/or take such other action under or in relation to any Debt Document (or any asset subject or expressed to be subject to any Security Document) as is requested by the Parent in order to complete, implement or facilitate a Permitted Transaction. In the event that the Parent makes any request pursuant to and in reliance on the preceding sentence, the Security Agent shall be permitted to request a confirmation from the Parent that the relevant transaction, matter or other step is a Permitted Transaction and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

If any member of the Group is required or permitted under the Senior Debt Documents to apply the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of the Senior Liabilities then no such application of those proceeds shall require the consent of any other party or result in any breach of any Senior Parent Finance Documents and such application shall discharge in full any obligation to apply those proceeds in prepayment, redemption or other discharge or reduction of any Senior Parent Liabilities. This paragraph is without prejudice to any right of any member of the Group to apply any proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Senior Parent Liabilities to the extent permitted or contemplated by the Intercreditor Agreement or any other Senior Debt Document.

The Security Agent is irrevocably authorized by each Secured Party to (and will on the request and at the cost of the Parent):

(i) release the security; and

(ii) release each investor, each Debtor and each other member of the Group from all liabilities, undertakings and other obligations under the Secured Debt Documents,

on the Final Discharge Date (or at any time following such date on the request of the Parent).

*Distressed Disposals*

Generally, a "Distressed Disposal" is a disposal of an asset of a member of the Group which is (a) being effected at the request of an Instructing Group in circumstances where a security interest has become enforceable in accordance with the terms of the relevant security document(s), (b) being effected by enforcement of a security interest in accordance with the terms of the relevant security document(s) or (c) being disposed of to a third party subsequent to a distress event.

If a Distressed Disposal of any asset of a member of the Group is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor, or the Parent and without any consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party or Debtor):

(i) to release the security interest or any other claim over that asset and execute and deliver or enter into any release of that security interest or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:

(A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;

(B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and

(C) any other claim of an investor, an intra-group lender, or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor,

on behalf of the relevant Creditors, Operating Facility Lenders, Debtors and certain creditor representatives;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release:

(A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;

(B) any security interest granted by that holding company or any subsidiary of that holding company over any of its assets; and

(C) any other claim of any investor, any intra-group lender or another Debtor over that holding company's assets or the assets of any subsidiary of that holding company,

on behalf of the relevant Creditors, Operating Facility Lenders, Debtors and certain creditor representatives;

(iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:

(A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the "Transferee") will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, provided that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and

(B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and Operating Facility Lenders and all or part of any other liabilities and the Debtor liabilities,

on behalf of, in each case, the relevant Creditors, Operating Facility Lenders and Debtors;

(v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:

(A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(B) (if the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent for application in accordance with the provisions set out under the caption "*—Application of Proceeds*" (to the extent that the asset disposed of constituted charged property), as if those proceeds were the proceeds of an enforcement of the relevant security interest and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where Borrowing Liabilities, Guarantee Liabilities and/or Other Liabilities would otherwise be released pursuant to the Intercreditor Agreement, the Creditor or Operating Facility Lender concerned may elect to have those Borrowing Liabilities, Guarantee Liabilities and/or Other Liabilities transferred to the Parent in which case the Security Agent is irrevocably authorized (to the extent legally possible and at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party or Debtor) to execute such documents as are required to so transfer those Borrowing Liabilities, Guarantee Liabilities and/or Other Liabilities.

Subject to the immediately following two paragraphs, in the case of a Distressed Disposal effected by or at the request of the Security Agent (acting in accordance with the Intercreditor Agreement), unless the consent of each Senior Agent is otherwise obtained, it is a further condition to any release, transfer or disposal that the proceeds of such disposal are in cash (or substantially all in cash) and such sale or disposal is made pursuant to a public auction in respect of which the Primary Creditors are entitled to participate or where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances, including the method of enforcement, provided that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

If prior to the Second Lien Discharge Date a Distressed Disposal is being effected such that any Second Lien Liabilities will be released or disposed of, or any security securing the Second Lien Liabilities will be released, it is a further condition to the release that either:

(a) each Second Lien Agent has approved the release; or

(b) where shares or assets of a Second Lien Borrower or a Second Lien Guarantor are sold:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash); and

(ii) all claims of the Senior Creditors, the Senior Notes Creditors, the Permitted Senior Financing Creditors and the Operating Facility Lenders (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any) all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates) and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that if each of the Senior Facility Agent, any Senior Notes Trustee and any Senior Creditor Representative (acting reasonably and in good faith):

(A) determines that the Senior Secured Creditors will recover a greater amount if any such claim is sold or otherwise transferred to the purchaser or one of its Affiliates and not released and discharged; and

(B) serves a written notice on the Security Agent confirming the same, the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(iii) such sale or disposal is made:

(A) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or

(B) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement, provided that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

If prior to the first date on which the discharge date for the Senior Parent Notes and any Permitted Parent Financing Debt has occurred, a Distressed Disposal is being effected such that, generally, the guarantees of the Senior Parent Notes and the guarantees of any Permitted Parent Financing Debt or any security over the assets of a Senior Parent Debt Issuer or any Senior Parent Guarantor will be released and/or the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities will be released, it is a further condition to the release that either:

- the Senior Parent Notes Trustee and any Senior Parent Creditor Representative has approved the release; or
- where shares or assets of a Senior Parent Guarantor or assets of the Senior Parent Debt Issuer are sold:

(A) the proceeds of such sale or disposal are in cash (or substantially in cash);

(B) all claims of the Senior Secured Creditors and the Operating Facility Lenders (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any), all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security interests under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that, if each Senior Agent (acting reasonably and in good faith):

(I) determines that the Senior Secured Creditors will recover a greater amount if such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released or discharged; and

(II) serves a written notice on the Security Agent confirming the same,

the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(C) such sale or disposal is made:

(I) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or

(II) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement, provided that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

***Application of Proceeds***

The Intercreditor Agreement provides that the rights of secured parties shall be subject to the priorities set out in this section.

*Order of Application*

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the relevant security interests (for the purposes of this "*—Application of Proceeds*" section and the "*—Equalization of the Senior Secured Creditors*" section, the "Recoveries") shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this "*—Application of Proceeds*" section), in the following order of priority:

(i) in discharging any sums owing to the Senior Agent (in respect of the amounts due to the Senior Agent), any Senior Creditor Representative (in respect of amounts due to the Senior Creditor Representative), any Senior Parent Creditor Representative (in respect of amounts due to the Senior Parent Creditor Representative), any Second Lien Agent (in respect of amounts due to Second Lien Agent), any Second Lien Creditor Representative (in respect of amounts due to Second Lien Creditor Representative) or certain amounts due to the Senior Notes Trustee or amounts due to the Senior Parent Notes Trustee, or any sums owing to the Security Agent, any receiver or any delegate on a pro rata and pari passu basis;

(ii) in payment of all costs and expenses incurred by any agent, Primary Creditor or Operating Facility Lender in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(iii) in payment to:

(A) the Senior Facility Agent on its own behalf and on behalf of the arrangers under the Senior Credit Facilities Agreement and the Senior Lenders;

(B) the Hedge Counterparties; and

(C) the Operating Facility Lenders;

(D) the Senior Notes Trustee on its own behalf and on behalf of the holders of the Senior Notes; and

(E) each Senior Creditor Representative on its own behalf and on behalf of the arrangers with respect to the Permitted Senior Financing Debt and the Permitted Senior Financing Creditors; and for application towards the discharge of:

(I) the liabilities of the Debtors owed to the arrangers under or in connection with the Senior Credit Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents in relation to the Senior Credit Facilities);

(II) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty); and

(III) the Operating Facility Liabilities (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);

(IV) the Senior Notes liabilities (other than sums owing to the Security Agent) (in accordance with the terms of the Indenture and other finance documents for the Senior Notes);

(V) the liabilities of the Debtors owing to the arrangers of the Permitted Senior Financing Debt and the Permitted Senior Financing Liabilities (other than the liabilities owing to a Senior Creditor Representative) (in accordance with the terms of the Permitted Senior Financing Documents and, if there is more than one Permitted Senior Financing Agreement, on a pro rata basis between the Permitted Senior Financing Debt in respect of each Permitted Senior Financing Agreement);

on a pro rata basis and pari passu between the immediately preceding paragraphs (I) to (V) above;

(iv) in payment to:

(A) the Second Lien Facility Agent on its own behalf and on behalf of the Second Lien Arrangers and the Second Lien Lenders; and

(B) each Second Lien Creditor Representative on its own behalf and on behalf of the Permitted Second Lien Financing Arrangers and the Permitted Second Lien Financing Creditors, for application towards the discharge of:

(I) the Second Lien Arranger Liabilities and the Second Lien Lender Liabilities (in accordance with the terms of the Second Lien Finance Documents); and

(II) the Permitted Second Lien Financing Arranger Liabilities and the Permitted Second Lien Financing Liabilities (other than the Permitted Second Lien Financing Agent Liabilities) (in accordance with the terms of the Permitted Second Lien Financing Documents and, if there is more than one Permitted Second Lien Financing Agreement, on a pro rata basis between the Permitted Second Lien Financing Debt in respect of each Permitted Second Lien Financing Agreement),

on a pro rata basis and pari passu between the immediately preceding paragraphs (I) and (II) above;

(v) in payment to:

(A) each Senior Parent Notes Trustee on its own behalf and on behalf of the Senior Parent Noteholders; and

(B) each Senior Parent Creditor Representative on its own behalf and on behalf of the arrangers under the Permitted Parent Financing Debt and the Permitted Parent Financing Creditors, for application towards the discharge of:

(I) the Senior Parent Notes liabilities (other than any sums owing to the Security Agent) (in accordance with the terms of the Senior Parent Notes finance documents); and

(II) the liabilities of the Debtors owed to the arrangers of the Permitted Parent Financing Debt and the Permitted Parent Financing Liabilities (other than the liabilities owing to a Senior Parent Creditor Representative) (in accordance with the terms of the Permitted Parent Financing Documents and, if there is more than one Permitted Parent Financing Agreement, on a pro rata basis between the Permitted Parent Financing Debt in respect of each Permitted Parent Financing Agreement),

on a pro rata basis and pari passu between the immediately preceding paragraphs (I) and (II) above;

(vii) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(viii) the balance, if any, in payment to the relevant Debtor.

The Security Agent is authorized under the Intercreditor Agreement to hold any non-cash consideration received or recovered in connection with the realization or enforcement of all or any part of the security until cash is received for any such non-cash consideration, provided that the Security Agent may distribute any such non-cash consideration to a Secured Party which has agreed, on terms satisfactory to the Security Agent, to receive such non-cash consideration and the liabilities owed to that Secured Party shall be reduced by an amount equal to the value of that non-cash consideration upon receipt by that Secured Party of that non-cash consideration.

*Liabilities of the Senior Parent Debt Issuer*

Generally, all amounts from time to time received or recovered by the Security Agent from or in respect of the Senior Parent Debt Issuer pursuant to the terms of any debt document (other than in connection with the realization or enforcement of all or any part of the relevant security interests) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law in the following order of priority:

(i) in accordance with paragraph (i) of the section captioned "*—Order of Application;*"

(ii) in accordance with paragraph (ii) of the section captioned "*—Order of Application;*"

(iii) in accordance with paragraphs (iii) to (v) of the section captioned "*—Order of Application,*" *provided* that payments will be made on a pro rata basis and *pari passu* between each of the payments referred to in paragraphs (iii) and (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where the relevant Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower) (iv);

(iv) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(v) the balance, if any, in payment to the relevant Debtor.

***Equalization of the Senior Secured Creditors***

If, for any reason, any Senior Creditor Liabilities, Senior Notes Liabilities, Permitted Senior Financing Liabilities or Operating Facility Liabilities remain unpaid after the relevant enforcement date and the resulting losses are not borne by the relevant Senior Secured Creditors and the Operating Facility Lenders in the proportions which their respective exposures at the relevant enforcement date bore to the aggregate exposures of all the relevant Senior Secured Creditors and the Operating Facility Lenders at the enforcement date (or, in the case of Recoveries resulting from the realization or enforcement of all or any part of the security or a transaction in lieu thereof, in a manner reflecting the order of priority contemplated in under the section "*—Application of Proceeds—Order of Application*"), the relevant Senior Secured Creditors and the Operating Facility Lenders will make such payments among themselves as the Security Agent shall require to put the relevant Senior Secured Creditors and the Operating Facility Lenders in such a position that (after taking into account such payments) those losses are borne in those proportions (or, as the case may be, to otherwise reflect the order of priority contemplated under the section "*—Application of Proceeds—Order of Application*").

***Turnover of Enforcement Proceeds***

If:

(a) the Security Agent or the relevant Agent is not entitled, for reasons of applicable law, to pay amounts received pursuant to the making of a demand under any guarantee, indemnity or other assurance against loss or the enforcement of the security to the Senior Secured Creditors and the Operating Facility Lenders but is entitled to distribute those amounts to Creditors (such Creditors, the "Receiving Creditors") who, in accordance with the terms of the Intercreditor Agreement, are subordinated in right and priority of payment to the Senior Secured Creditors and the Operating Facility Lenders; and

(b) the First/Second Lien Discharge Date has not yet occurred (nor would occur after taking into account such payments), then the Receiving Creditors shall make such payments to the Senior Secured Creditors and the Operating Facility Lenders as the Security Agent shall require to place the Senior Secured Creditors and the Operating Facility Lenders in the position they would have been in had such amounts been available for application against the Senior Liabilities and the Operating Facility Liabilities, provided this shall not apply to any receipt or recovery that has been distributed by:

    (i) a Senior Notes Trustee to the Senior Noteholders in accordance with the Senior Notes Finance Documents;

(ii) a Senior Parent Notes Trustee to the Senior Parent Noteholders in accordance with the Senior Parent Notes Finance Documents;

(iii) a Senior Creditor Representative to the Permitted Senior Financing Creditors in accordance with the Permitted Senior Financing Documents;

(iv) a Second Lien Creditor Representative to the Permitted Second Lien Financing Creditors in accordance with the Permitted Second Lien Financing Documents; or

(v) a Senior Parent Creditor Representative to the Permitted Parent Financing Creditors in accordance with the Permitted Parent Financing Documents,

unless the Senior Notes Trustee, the Senior Parent Notes Trustee, the Senior Creditor Representative, the Second Lien Creditor Representative or the Senior Parent Creditor Representative (as applicable) had received at least two Business Days' prior written notice (in accordance with the Intercreditor Agreement) that an acceleration event or an insolvency event in relation to a Debtor had occurred or that the receipt or recovery falls within the provisions set out under the caption "—*Turnover*" prior to distribution of the relevant amount.

### *Group Pushdown*

The Intercreditor Agreement, generally, provides that on, in contemplation of, or after, a public equity offering (an "IPO Event") of any member of the Group (other than (x) a subsidiary of a borrower or issuer which is restricted from being designated as such by the relevant Debt Financing Agreement and is not replaced prior to such a public equity offering with another Group entity or (y) a subsidiary of the Parent) or any of its holding companies (the "IPO Entity"), at the Parent's option:

(i) the Group shall comprise only the IPO Entity and its restricted subsidiaries from time to time;

(ii) the IPO Entity shall take on the Parent's role under the Intercreditor Agreement;

(iii) none of the representations, warranties, undertakings or other provisions of the Intercreditor Agreement shall apply to any holding company of the IPO Entity (whether in its capacity as a Debtor or otherwise);

(iv) no event, matter or circumstance relating to any holding company of the IPO Entity (whether in its capacity as a Debtor or otherwise) shall, or shall be deemed to, directly or indirectly constitute or result in a breach of any representation, warranty, undertaking or other term of the Intercreditor Agreement or a default or an event of default;

(v) each holding company of the IPO Entity shall be irrevocably and unconditionally released from all obligations under the Intercreditor Agreement and the security documents (including any security granted by any such holding company; and

(vi) unless otherwise notified by the Parent:

(A) each person which is party to the Intercreditor Agreement as an investor shall be irrevocably and unconditionally released from the Intercreditor Agreement and all obligations and restrictions under the Intercreditor Agreement (and from the date specified by the Parent that person shall cease to be party to the Intercreditor Agreement as an investor and shall have no further rights or obligations under the Intercreditor Agreement as an investor); and

(B) there shall be no obligation or requirement for any person to become party to the Intercreditor Agreement as an investor, such amendments being a "Group Pushdown."

In the event that any person is released from or does not become party to the Intercreditor Agreement as an investor as a consequence of the above paragraph, any term of any debt document which requires or assumes that any person be an investor or that any liabilities or obligations to such person be subject to the Intercreditor Agreement or otherwise subordinated shall cease to apply.

The Parent must provide written notice to the Security Agent in order to implement a Group Pushdown. Such a notice may be revoked prior to the IPO Event to which it relates provided that (where requested by an Instructing Group) any security which was released is reinstated and any investor which was released from its obligations under the Intercreditor Agreement accedes again.

The parties to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of it and/or take such other action as is required by the Parent to facilitate or reflect any of the matters contemplated by the preceding paragraph and the Security Agent is irrevocably authorized to promptly execute any release or other document and/or take such other action under or in relation to any Debt Document (or any asset subject or expressed to be subject to any security document) as is requested in order to complete, implement or facilitate such matters.

***Required Consents***

The Intercreditor Agreement provides that, subject to certain exceptions, it and/or a security document may be amended or waived only with the written consent of:

(i) if the relevant amendment or waiver (the "Proposed Amendment") is prohibited by the Senior Credit Facilities Agreement, the Senior Facility Agent (acting on the instructions of the requisite Senior Lenders in accordance with the applicable provisions of the Senior Credit Facilities Agreement);

(ii) if any Senior Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Notes Indenture, the Senior Notes Trustee;

(iii) if any Second Lien Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Second Lien Facility Agreement, the Second Lien Facility Agent in respect of that Second Lien Debt (if applicable, acting on the instructions of the requisite Second Lien Lenders in accordance with the terms of that Second Lien Facility Agreement);

(iv) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Financing Agreement, the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (if applicable, acting on the instructions of the Majority Permitted Senior Financing Creditors);

(v) if any Permitted Second Lien Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Second Lien Financing Agreement, the Second Lien Creditor Representative in respect of that Permitted Second Lien Financing Debt (if applicable, acting on the instructions of the Majority Permitted Second Lien Financing Creditors);

(vi) if any Senior Parent Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Parent Notes Indenture, the Senior Parent Notes Trustee;

(vii) if any Permitted Parent Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Parent Financing Agreement, the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt (if applicable, acting on the instructions of the Majority Permitted Parent Financing Creditors);

(viii) if a Hedge Counterparty is providing hedging to a Debtor under a hedging agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty and is an amendment or waiver which is expressed to require the consent of that Hedge Counterparty under the applicable hedging agreement, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);

(ix) if an Operating Facility Lender is providing one or more facility to a Debtor under an Operating Facility Document, that Operating Facility Lender (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Operating Facility Lender and is an amendment or waiver which is expressed to require the consent of that Operating Facility Lender under the applicable Operating Facility Document, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);

(x) certain investors (as permitted under the Intercreditor Agreement); and

(xi) the Parent.

Notwithstanding the foregoing, any amendment or waiver of any Secured Debt Document that is made or effected in connection with any Debt Refinancing (see "*—Debt Refinancing*"), any incurrence of additional and/or refinancing debt (as referred to in "*—Ranking and Priority—Additional and/or Refinancing Debt*") or Non-Distressed Disposal (see "*—Proceeds of Disposals—Non-Distressed Disposals*") or in connection with any other provision of any Secured Debt Document (provided that such amendment or waiver is not expressly prohibited by the terms of any other Secured Debt Document) shall be binding on all parties to the Intercreditor Agreement.

The Intercreditor Agreement or a security document may be amended by the Parent and the Security Agent without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise for the benefit of all or any of the Secured Parties. Any amendment, waiver or consent which relates only to the rights or obligations applicable to creditors under a particular Debt Financing Agreement (and which does not materially and adversely affect the rights or interests of creditors under other Debt Financing Agreements) may be approved with only the consent of the creditor representative in respect of that Debt Financing Agreement and the Parent.

*Amendments and Waivers: Security Documents*

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorized by an Instructing Group, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Security Documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned "*—Exceptions*" below, any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed requires approval as set out under the section captioned "*—Required Consents.*"

*Exceptions*

Subject to the following paragraph of this "*—Exceptions*" section, an amendment, waiver or consent which adversely relates to the express rights or obligations of an agent, an arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that agent, that arranger or the Security Agent (as the case may be) at such time.

The foregoing shall not apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out under the caption "*—Proceeds of Disposals*" above.

The first paragraph of this "*—Exceptions*" section shall apply to an arranger only to the extent that the arranger liabilities are then owed to that arranger.

*Agreement to Override*

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

## DESCRIPTION OF THE NOTES

The following is a description of the €685,000,000 aggregate principal amount of 5.750% Senior Notes due 2026 (the "*Euro Notes*") and $525,000,000 aggregate principal amount of 7.875% Senior Notes due 2026 (the "*Dollar Notes*" and, together with the Euro Notes, the "*Notes*"). The Notes will be issued by Sigma Holdco B.V., a *besloten vennootschap met beperkte aansprakelijkheid* incorporated under the laws of the Netherlands (the "*Company*"), unconditionally guaranteed by Sigma Midco B.V., Sigma Bidco B.V., Sigma US LLC and Sigma US Corp. (the "*Initial Guarantors*") and, on or following the Completion Date, be unconditionally guaranteed by certain members of the Target Group. Unless the context otherwise requires, in this "*Description of the Notes,*" the "Company" refers only to Sigma Holdco B.V., and any successor obligor to Sigma Holdco B.V. on the Notes, and not to any of its subsidiaries.

The proceeds of the offering of the Notes sold on the Issue Date, together with the Equity Contribution (defined below) and borrowings under the Senior Facilities Agreement (defined below), will be used by the Company to finance the Acquisition (defined below) and to pay fees, costs and expenses incurred in connection with the Transactions (defined below), as set forth in this offering memorandum under the caption "*Use of Proceeds*." Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the Company will, concurrently with the closing of the offering of the Notes on the Issue Date, deposit (i) the gross proceeds of the issuance of the Euro Notes into a euro-denominated segregated bank account (the "*Euro Deposit Account*") and (ii) the gross proceeds of the issuance of the Dollar Notes into a dollar-denominated segregated bank account (the "*Dollar Deposit Account*" and, together with the Euro Deposit Account, the "*Deposit Accounts*"). In the event that, in the good faith judgment of the Company, (i) the Acquisition will not be consummated on or prior to December 3, 2018 (the "*Longstop Date*"), (ii) the Offer Letter (defined below) or, if executed, Acquisition Agreement, terminates at any time on or prior to the Longstop Date or (iii) certain other events occur, the Company will redeem the entire outstanding aggregate principal amount of the Notes at a price equal to 100% of the initial issue price of such Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to (but not including) the Special Mandatory Redemption Date (defined below). See "*—Deposit of Proceeds; Special Mandatory Redemption*."

Assuming the Completion Date occurs on or prior to the Longstop Date and the funds are released from the Deposit Accounts, the additional Guarantors will each become a party to the Indenture (defined below) upon accession thereto and will, to the extent legally possible and subject to the Agreed Security Principles, guarantee the Notes on a senior subordinated basis as soon as reasonably practicable after the Completion Date but in any case no later than 120 days from the Completion Date. Prior to the Completion Date, the Company will not control the Target Group, and the Target Group will not be subject to the covenants described in this "*Description of the Notes*". As such, we cannot assure you that prior to the Completion Date, the Target Group will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities after the Issue Date and prior to the Completion Date.

The Company will issue the Notes under an indenture (the "*Indenture*") to be dated as of the Issue Date among, *inter alios*, the Company, the Initial Guarantors and Deutsche Trustee Company Limited (the "*Trustee*"). The Notes will be issued in private transactions that are not subject to the registration requirements of the Securities Act. See "*Transfer Restrictions*." The terms of the Notes include those stated in the Indenture. The Indenture will not be qualified under, incorporate provisions by reference to, or otherwise be subject to, the Trust Indenture Act.

The Indenture will be subject to the terms of the Intercreditor Agreement (defined below) and any Additional Intercreditor Agreements (defined below), and in the case of certain conflicts between the terms of the Indenture and the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail. The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, the procedures for undertaking enforcement action, the subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" for a description of certain terms of the Intercreditor Agreement.

The following is a summary of the material provisions of the Indenture and the Notes, and refers to the Intercreditor Agreement and the other Security Documents (defined below) and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the Indenture, the Notes, the Intercreditor Agreement and the other Security Documents, respectively. Because this description is a summary, it may not contain all the information that is important to you. You should read the Indenture, the Notes, the Intercreditor Agreement and the other Security Documents in their entirety. Copies of such documents are available as described under "*Where You Can Find Other Information*." You can find the definitions of certain terms used in this description under "*—Certain Definitions*."

**Brief Description of the Notes and the Guarantees**

***The Notes***

The Notes will be:

- senior obligations of the Company, secured as set forth under "*—Security*";
- senior in right of payment to any Subordinated Indebtedness (defined below) of the Company;
- *pari passu* in right of payment with all of the Company's existing and future debt that is not subordinated in right of payment to the Notes;
- effectively senior in right of payment to any existing or future unsecured debt of the Company, or debt that is secured on a basis junior to the Notes, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes;
- effectively subordinated to any existing and future debt of the Company that is secured by property or assets that do not secure the Notes, or that is secured on a first priority basis by property or assets that secure the Notes on a second priority basis, to the extent of the value of the property and assets securing such debt;
- structurally subordinated to any existing or future debt of subsidiaries of the Company that do not guarantee the Notes, including obligations to trade creditors; and
- unconditionally guaranteed on a senior subordinated basis by the Guarantors as set forth under "*—Guarantees*".

***The Guarantees***

The Guarantees will be:

- senior subordinated obligations of the relevant Guarantor, secured as set forth under "*—Security*";
- senior in right of payment to any Subordinated Indebtedness of the relevant Guarantor;
- *pari passu* in right of payment with any senior subordinated debt of the relevant Guarantor that is not subordinated in right of payment to its Guarantee;
- subordinated in right of payment to any senior debt of the relevant Guarantor, including debt outstanding under the Senior Facilities Agreement;
- effectively senior in right of payment to any existing or future unsecured debt of the relevant Guarantor, or debt that is secured on a basis junior to its Guarantee, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes;
- effectively subordinated to any existing and future debt of the relevant Guarantor that is secured by property or assets that do not secure the Notes, or that is secured on a first priority basis by property or assets that secure the Notes on a second priority basis, to the extent of the value of the property and assets securing such debt, including debt outstanding under the Senior Facilities Agreement;
- structurally subordinated to any existing or future debt of subsidiaries of the relevant Guarantor that do not guarantee the Notes, including obligations to trade creditors; and
- subject to certain contractual and legal limitations, including the limitations described herein and in "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Each*

*Guarantee and the security interests in the Collateral will be subject to significant limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*" and "*Limitations on Validity and Enforceability of Guarantees and the Collateral and Certain Insolvency Law Considerations*."

**Principal and Maturity**

The Company will issue €685,000,000 in aggregate principal amount of Euro Notes on the Issue Date. The Euro Notes will mature on May 15, 2026. The Euro Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Company will issue $525,000,000 in aggregate principal amount of Dollar Notes on the Issue Date. The Dollar Notes will mature on May 15, 2026. The Dollar Notes will be issued in minimum denominations of $200,000 and in integral multiples of $1,000 in excess thereof.

The rights of holders of beneficial interests in the Euro Notes to receive the payments on such Euro Notes are subject to applicable procedures of Euroclear and Clearstream. The rights of holders of beneficial interests in the Dollar Notes to receive the payments on such Dollar Notes are subject to applicable procedures of DTC. If the due date for any payment in respect of any Notes is not a Business Day (defined below) at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

**Interest**

Interest on the Euro Notes will accrue at the rate of 5.750% per annum and interest on the Dollar Notes will accrue at the rate of 7.875% per annum. Interest on the Notes will be payable, in cash, semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2018 to holders of record at the close of business on the immediately preceding May 1 and November 1, respectively.

Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

If the interest payment date in respect of any Notes is not a Business Day, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day, and will not be entitled to any further interest or other payment as a result of any such delay.

**Additional Notes**

From time to time, subject to the Company's compliance with the covenants described under the headings *"—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Limitation on Liens,"* the Company is permitted to issue additional Notes, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer's Certificate (defined below) supplied to the Trustee ("*Additional Notes*"):

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than in denominations of €100,000 and in integral multiples of €1,000 in excess thereof (in the case of Additional Notes denominated in euro) or denominations of $200,000 and in integral multiples of $1,000 in excess thereof (in the case of Additional Notes denominated in U.S. dollars), the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Such Additional Notes will be treated, along with all other Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. Unless the context otherwise requires, for all purposes of the Indenture and this *"Description of the Notes,"* references to "Notes" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes may be designated to be of the same series as a series of Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to such series of initial Notes, and shall be deemed to form one series and references to such series of Notes shall be deemed to include the Notes initially issued on the Issue Date as well any such Additional Notes.

For purposes of voting (or any other matter requiring a determination based on percentage of principal amount of Notes outstanding), the aggregate principal amount of outstanding Dollar Notes and any other Notes not denominated in euro will be calculated using the Euro Equivalent (defined below) of such aggregate principal amount outstanding as of the relevant issuance date of such Notes.

**Methods of Receiving Payments on the Notes**

Principal, premium, if any, interest and Additional Amounts (defined below), if any, on the Global Notes (defined below) will be payable through one or more Paying Agents by wire transfer of immediately available funds to DTC, Euroclear or Clearstream, which will credit the account specified by the Holder (being DTC, Euroclear or Clearstream, or a nominee of one or more of the foregoing).

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities ("Definitive Registered Notes") will be payable at the specified office or agency of one or more Paying Agents (defined below) maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid at the option of the Company by check mailed or bank transfer to the address of the Holder as shown on the register for the Definitive Registered Notes. See "*—Paying Agent, Registrar and Transfer Agent for the Notes*."

**Paying Agent, Registrar and Transfer Agent for the Notes**

The Company will maintain one or more paying agents (each a "*Paying Agent*") for the Notes for so long as the Notes are held in registered form. The initial Paying Agents will be Deutsche Bank AG, London Branch (as Principal Paying Agent) and Deutsche Bank Trust Company Americas (as U.S. Paying Agent).

The Company will also maintain (i) one or more registrars (each, a "*Registrar*") and (ii) one or more transfer agents (each, a "*Transfer Agent*"). The initial Registrars will be Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas and the initial Transfer Agents will be Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas. The Paying Agents, Registrars and the Transfer Agents (together, the "*Agents*"), as applicable, will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Company. The Transfer Agents shall perform the functions of a transfer agent.

The Company may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the holders of the Notes.

### Transfer and Exchange

The Notes will initially be issued in the form of one or more registered notes in global form without interest coupons, as follows:

- Each series of the Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*144A Global Notes*").
- The 144A Global Notes representing Euro Notes will, upon issuance, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and/or Clearstream.
- The 144A Global Notes representing Dollar Notes will, upon issuance, be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.
- Each series of the Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the *"Regulation S Global Notes"* and, together with the 144A Global Notes, the *"Global Notes"*).
- The Regulation S Global Notes representing the Euro Notes will, upon issuance, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and/or Clearstream.
- The Regulation S Global Notes representing Dollar Notes will, upon issuance, be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of interests in the Global Notes ("*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear or Clearstream (in the case of the Euro Notes) or DTC (in the case of the Dollar Notes), or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions.*" In addition, transfers of Book-Entry Interests between participants in DTC, Euroclear or Clearstream will be effected by DTC, Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream, as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Notes of a series may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes of such series only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued, in the case of the Euro Notes, only in minimum denominations of €100,000 aggregate principal amount and integral multiples of €1,000 in excess thereof, and in the case of the Dollar Notes, only in minimum denominations of $200,000 aggregate principal amount and integral multiples of $1,000 in excess thereof, in each case upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by DTC, Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Company to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below.

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in aggregate principal amount and integral multiples of €1,000 in excess thereof (in the case of Euro Notes) and $200,000 in aggregate principal amount and integral multiples of $1,000 in excess thereof (in the case of Dollar Notes). In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at DTC, Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Company, the Trustee, the Registrar and the Paying Agent will be entitled to treat the Holder of a Note as the owner of it for all purposes.

**Restricted Subsidiaries and Unrestricted Subsidiaries**

On the Issue Date, all of the Company's Subsidiaries will be Restricted Subsidiaries. In the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," the Company will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

**Deposit of Proceeds; Special Mandatory Redemption**

Concurrently with the closing of the offering of the Notes on the Issue Date, the Company will deposit with a bank an amount equal to the gross proceeds of the Notes sold on the Issue Date into the relevant Deposit Account. Each Deposit Account will be established with an Initial Purchaser or one or more of their respective banking affiliates and will be segregated from the Company's other funds and will be controlled by the Company. The Company will assign as security its rights, title and interest in the credit balance in each of the Deposit Accounts to the Trustee for the benefit of the Holders pursuant to security documents dated the Issue Date between the Company and the Trustee (each such grant of security, a "*Deposit Account Charge*" and, together, the "*Deposit Account Charges*"), which Deposit Account Charges will provide that the funds will be segregated and held for the purposes specified herein. The initial funds deposited in the Deposit Accounts, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Deposit Accounts (less any property or funds paid to the bank holding the Deposit Accounts as ordinary course charges or fees incurred in connection with the Deposit Accounts) are referred to, collectively, as the *"Deposited Property."* See "*Risk Factors—Risks Related to the Offering—The proceeds of the offering of the Notes will be placed in deposit account and if the Deposit Accounts release conditions are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes. No third party escrow agent shall control the Deposit Accounts*."

Before the Deposited Property may be removed from the Deposit Accounts (the "*Release*"), the Company must determine, on or before the Longstop Date, that:

(1) (i) the Acquisition will be consummated promptly following the release of the Deposited Property and (ii) no material term or condition of the Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders, other than any amendment or waiver made with the consent of Holders of a majority of the outstanding Notes (provided that if the Majority Lenders, as defined in, and pursuant to the Senior Facilities Agreement shall have consented to any such amendment or waiver (or the senior facilities are drawn without any such consent being required) then the consent of the Holders of a majority of the outstanding Notes shall be deemed to have been granted to such amendment or waiver); and

(2) as of the Release Date (defined below), there are no events of bankruptcy, insolvency or court protection with respect to the Company.

The Release will occur as soon as reasonably practicable following the determination described above (the date of such determination, the "*Release Date*"). Upon the Release, the Deposited Property may be paid out at the Company's discretion.

In the event that (i) Completion Date does not take place on or prior to the Longstop Date, (ii) in the good faith judgment of the Company, the Acquisition will not be consummated on or prior to the Longstop Date, (iii) the Offer Letter or, if executed, Acquisition Agreement, terminates at any time on or prior to the Longstop Date or (iv) there is there an event of bankruptcy, insolvency or court protection (as set out in clause (6) under "*—Events of Default*") with respect to the Company on or prior to the Longstop Date (the date of any such event being the *"Special Termination Date"*), the Company will redeem the entire outstanding aggregate principal amount of the Notes (the *"Special Mandatory Redemption"*) at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the initial issue price of the Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to (but not including) the Special Mandatory 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).

Notice of the Special Mandatory Redemption will be delivered by the Company, no later than one Business Day following the Special Termination Date, to the Trustee and each Paying Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Company (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Company shall pay to each Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Notes and shall be entitled to use the Deposited Property to make such payments. Notice of such Special Mandatory Redemption shall be given to the Holders of the Notes at least five Business Days before the Special Mandatory Redemption Date.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Deposited Property, one or more of the Initial Investors will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Notes, pursuant to a commitment provided by such Initial Investors.

To secure the payment of the Special Mandatory Redemption Price, the Company will grant to the Trustee for the benefit of the Holders a security interest over the Deposited Property. Receipt by the Trustee from the Company of either an Officer's Certificate in connection with the Release or a notice of Special Mandatory Redemption shall constitute deemed consent by the Trustee for the release of the Deposited Property from the Deposit Account Charge.

The Company from time to time, but not more than twice, may open one or more replacement or additional accounts at an alternative bank or banks, which in each case must be an Initial Purchaser or one or more of their respective banking affiliates, and may transfer any portion of the Deposited Property to any such replacement or additional accounts (a "*Transfer*") without such Transfer being deemed a Release, provided the Company provides a substantially equivalent security interest to the Trustee for the benefit of the Holders over such replacement or additional account or accounts as was granted in connection with the relevant original Deposit Account and provided that use of the funds from any such account shall be subject to the same conditions as applied to the original Euro Deposit Account or Dollar Deposit Account, as applicable. In such an event, any replacement or alternative accounts into which Deposited Property is transferred shall be deemed to be a Euro Deposit Account or Dollar Deposit Account, as applicable. Receipt by the Trustee from the Company of an Officer's Certificate in connection with a Transfer shall constitute deemed consent by the Trustee for the transfer of the Deposited Property from the relevant Deposit Account.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of The International Stock Exchange (the "*Exchange*"), and if and to the extent that the rules of The International Stock Exchange Authority Limited (the "*Authority*") so require, the Company will notify the Authority that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption. The Company or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

**Guarantees**

On the Issue Date, the obligations of the Company pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed, jointly and severally on a senior subordinated basis, by the Initial Guarantors. Subject to the Agreed Security Principles, it is intended that, within 120 days of the Completion Date, the Notes will also be guaranteed on a senior subordinated basis by the following additional guarantors (each entity that grants such a guarantee, an "Additional Guarantor," and the Initial Guarantors and the Additional Guarantors together, the "Guarantors"). Each guarantee granted under the Indenture by a Guarantor is referred to herein as a "Guarantee." The Initial Guarantors will be Sigma Midco B.V, Sigma Bidco B.V., Sigma US LLC and Sigma US Corp. The Additional Guarantors are anticipated to be each Restricted Subsidiary located in the United States, the United Kingdom, Germany or The Netherlands which is above a materiality threshold included in the Senior Facilities Agreement (based on 5% of the EBITDA of the consolidated group). See "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Guarantees*."

The Guarantors will grant the Guarantees and will also grant a senior guarantee of the Senior Facilities Agreement. In addition, as described below under "*—Certain Covenants—Additional Guarantees*" and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Company that guarantees the Senior Facilities Agreement shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement. Therefore the Notes will indirectly benefit from the minimum guarantor provisions set forth in the Senior Credit Facilities Agreement, as amended or restated from time to time. See "*Description of Certain Financing Arrangements—Senior Credit Facilities Agreement—Guarantees.*"

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Facilities Agreement and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory limitations, regulatory requirements or restrictions, financial assistance laws, corporate benefit laws, liquidity protection rules, fraudulent preference, "earnings stripping," "controlled foreign corporation," "thin capitalization" rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar principles.

Each Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of applicable law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Each Guarantee and the security interests will be subject to significant limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*" and "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries and effectively subordinated to liabilities that are secured on assets that do not secure the Notes*."

Under the Indenture, the Guarantee of a Guarantor will terminate and be released upon:

- a sale or other disposition (including by way of consolidation or merger) of ownership interests in the Guarantor (directly or through a parent company) such that the Guarantor does not remain a Restricted Subsidiary, or the sale or other disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case, otherwise permitted by the Indenture;
- the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- defeasance or discharge of the Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*;"
- with respect to a Guarantor that is not a Significant Subsidiary, so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor is unconditionally released and discharged from its liability with respect to the Senior Facilities Agreement;
- in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (defined below);
- as described under "*—Amendments and Waivers*;"
- with respect to any Guarantor which is not the continuing or surviving Person in the relevant consolidation or merger, as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation—Guarantors*" and the Indenture; or

- with respect to any Guarantor, in connection with a solvent liquidation of such Guarantor pursuant to which substantially all of the assets of such Guarantor remain owned by the Company or a Guarantor.

Upon any occurrence giving rise to a release of a Guarantee, as specified above, the Trustee, subject to receipt of certain documents from the Company or the relevant Guarantor, will execute any documents delivered to it by the Company in order to evidence or effect such release, discharge and termination in respect of such Guarantee. None of the Company, the Trustee nor any Guarantor will be required to make a notation on the Notes to reflect any such release, discharge or termination.

Substantially all the operations of the Company are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Company and the Guarantors, including the Holders. The Notes and each Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of such non-Guarantor Subsidiaries of the Company. On a pro forma basis, as of and for the year ended December 31, 2017, the Company's business in the Target Guarantor markets accounted for 43% of its turnover, 46% of its Normalized EBITDA and 47% of its consolidated total assets, excluding goodwill, intangible assets, investments, deferred taxes and inter-company assets. Only certain subsidiaries organized or incorporated in the Netherlands, Germany, New York, Delaware and England will guarantee the obligations under the Notes. Although the Indenture limits the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness.*"

**Subordination of the Guarantees**

Each of the Guarantees is a senior subordinated Guarantee, which means that, pursuant to the terms of the Intercreditor Agreement, each such Guarantee ranks behind, and is expressly subordinated to, all the existing and future Senior Indebtedness of the relevant Guarantor, including any obligations owed by the relevant Guarantor under the Senior Facilities Agreement, certain hedging agreements and any other indebtedness ranking *pari passu* therewith incurred after the Issue Date. The ability to take enforcement action against the Guarantors under their Guarantees is subject to significant restrictions imposed by the Intercreditor Agreement and the terms of the Guarantees, and potentially any Additional Intercreditor Agreement entered into after the Issue Date.

In addition, the Guarantees and the Collateral are subject to release under certain circumstances, including, but not limited to, certain enforcement actions taken by the Security Agent acting at the direction of an instructing group of senior secured creditors. Because of the foregoing subordination provisions, it is likely that holders of Senior Indebtedness of the Guarantors would recover disproportionately more than the holders of the Notes in any insolvency or similar proceeding relating to such entity. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Notes after the repayment in full of all Senior Indebtedness. The Guarantees will also be subject to the terms of the Intercreditor Agreement, including payment blockage and standstill on enforcement upon a senior default. For a description of the restrictions imposed by the Intercreditor Agreement, see "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

**The Proceeds Loan**

On or about the Completion Date, the Company will lend, pursuant to a proceeds loan (the "*Proceeds Loan*"), the proceeds of the issuance of the Notes to Sigma Midco B.V. The Proceeds Loan will be subordinated in right of payment to the Notes and the Guarantees. The Company will grant a security interest in respect of the receivables under the Proceeds Loan to secure the Senior Facilities Agreement on a senior basis and the Notes on a subordinated basis. See "*—Security.*"

It is anticipated that funds received by the Company as payments of interest under the Proceeds Loan will be used to service the interest payments under the Notes. The Proceeds Loan may have a variable interest rate that allows for higher interest payments from time to time and the principal on the Proceeds Loan may be repaid in order to service interest payments on the Notes. In addition, subsidiaries of the Company may upstream further funds as needed by means of dividends or loans.

## Security

### *The Collateral*

On the Issue Date and until the Completion Date, the Notes will be secured on a first-priority basis by the Deposit Account Charge.

Pursuant to the Security Documents to be entered into on or prior to the Completion Date, the Company will grant in favor of the Security Agent, liens and security interests on the basis and priority set out in the Intercreditor Agreement, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over the shares of Sigma Midco B.V. and receivables owing to the Company in respect of the Proceeds Loan (together, the "*Collateral*"). All Collateral shall be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

The Collateral will also secure the liabilities under the Senior Facilities Agreement and hedging agreements and may secure additional Indebtedness permitted to be secured on the Collateral. Pursuant to the Intercreditor Agreement, any liabilities in respect of obligations under the Senior Facilities Agreement and any hedging obligations and certain future Indebtedness permitted to be incurred under the covenant "*—Certain Covenants—Limitation on Indebtedness*" and permitted to be secured on the Collateral (see "*—Certain Definitions—Permitted Collateral Liens*") will receive priority over the holders of the Notes with respect to any proceeds received upon any enforcement action over any Collateral. Subject to certain conditions, including compliance with the covenant described under "*—Certain Covenants—Impairment of Security Interest*," the Company is permitted to grant security over the Collateral in connection with future issuances of its Indebtedness or Indebtedness of its Restricted Subsidiaries, including any Additional Notes, in each case, as permitted under the Indenture and the Intercreditor Agreement. Any proceeds received upon any enforcement over any Collateral, after all liabilities in respect of obligations secured on a senior basis to the Notes have been discharged from such recoveries, will be applied *pro rata* in payment of all liabilities in respect of obligations under the Indenture and the Notes and any other Indebtedness of the Company or its Restricted Subsidiaries permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement on an equal ranking basis with the Notes.

### *Administration of Security and Enforcement of Liens*

The Security Documents and the Collateral will be administered by the Security Agent, in each case pursuant to the Intercreditor Agreement for the benefit of all holders of secured obligations. In addition, in certain jurisdictions, due to the laws and jurisprudence governing the creation and perfection of security interests, the Intercreditor Agreement provides for the creation of a parallel debt which will form part of the secured obligation. The parallel debt construct has not been tested under law in certain of these jurisdictions. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement. For a description of the Intercreditor Agreement, see "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Company's or a Guarantor's bankruptcy. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The insolvency laws of the Netherlands or the jurisdiction of incorporation or formation of the Guarantors may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes*."

In addition, the enforcement of the Collateral may be limited to the maximum amount permitted under applicable law to comply with corporate benefit, financial assistance and other laws. As a result of these limitations, the enforceable amounts of the Company's obligation under the Notes and a Guarantor's obligation under its Guarantee could be significantly less than the total amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See

"*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Each Guarantee and the security interests in the Collateral will be subject to significant limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.*"

Subject to the terms of the Security Documents, the Company, the Guarantors and any other Collateral provider will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Company in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes, the payment of obligations under the Senior Facilities Agreement and any hedging obligations. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

In addition, the Intercreditor Agreement and the Security Documents place limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

The Trustee for the Notes on the Issue Date will have, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed the Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (defined below) and each Holder will also be deemed to have authorized the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement.

***Priority***

The relative priority with regard to the Collateral as between (a) the lenders under the Senior Facilities Agreement and other future indebtedness that is *pari passu* with the Senior Facilities Agreement, (b) the counterparties under certain hedging agreements, and (c) the Trustee and the holders of the Notes under the Indenture, is established by the terms of the Intercreditor Agreement and the Security Documents, which provide that the obligations under the Notes and the Indenture will receive proceeds on enforcement of security over the Collateral only after the claims of the Senior Facilities Agreement, certain hedging obligations and creditors under any future indebtedness that may be secured on a first-ranking basis in accordance with the terms of the Indenture and the Intercreditor Agreement are satisfied. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*." In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. Under certain circumstances, the creditors under such Indebtedness will receive proceeds from an enforcement of the Collateral in priority to the Trustee, the Agents and the holders of the Notes under the Indenture. See "*—Release of Liens*," "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*."

***Release of Liens***

The Security Agent and, to the extent required or necessary, the Trustee will take any action required to effectuate any release of Collateral required by a Security Document:

(1) upon payment in full of all principal, interest and all other obligations in respect of the Notes issued under the Indenture or discharge or defeasance thereof in accordance with the Indenture;

(2) upon release of a Guarantee in accordance with the Indenture, the release of the property and assets and Capital Stock of such Guarantor;

(3) in connection with any disposition of Collateral, directly or indirectly, to (a) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation—The Company*") that is permitted by the Indenture (with respect to the Lien on such Collateral) or (b) the Company or any Restricted Subsidiary consistent with the Intercreditor Agreement;

(4) as described under "*—Amendments and Waivers*;"

(5) automatically without any action by the Trustee, if the Lien granted in favor of the Senior Facilities Agreement, Public Debt or such other Indebtedness that gave rise to the obligation to grant the Lien over such Collateral is released (other than pursuant to the repayment and discharge thereof); *provided* that such release would otherwise be permitted by another clause above;

(6) as otherwise provided in the Intercreditor Agreement;

(7) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under "*—Certain Covenants—Merger and Consolidation*;" and

(8) with respect to assets held by or the Capital Stock of any Restricted Subsidiary, in connection with a solvent liquidation of such Restricted Subsidiary, pursuant to which substantially all of the assets of such Restricted Subsidiary remain owned by the Company or a Guarantor.

Each of these releases shall be effected by the Security Agent and, to the extent required or necessary, the Trustee without the consent of the holders of the Notes.

The Company, the other Restricted Subsidiaries and any other Collateral provider may also, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien under the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business; and (iii) any other action permitted by the Security Documents or the Intercreditor Agreement.

**Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements**

In connection with the Incurrence of any Indebtedness by the Company or any of its Restricted Subsidiaries that is permitted to share in the Collateral (and which the Company elects shall share in the Collateral), the Trustee and the Security Agent shall, at the request of the Company, enter into with the Company, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an "*Additional Intercreditor Agreement*"), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favorable to the holders of the Notes) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnification or immunities of the Trustee or the Security Agent under the Indenture or the Intercreditor Agreement. In connection with the foregoing, the Company shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described herein under "*—Certain Covenants—Limitation on Restricted Payments*."

The Indenture will also provide that, at the written direction of the Company and without the consent of holders of the Notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such Intercreditor Agreement that may be Incurred by the Company or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (provided that such Indebtedness is Incurred in compliance with the Indenture), (3) add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision to implement any Permitted Collateral Liens in accordance with the terms of the Indenture, or (6) make any other change to any such agreement that does not adversely affect the holders of Notes in any material respect.

The Company shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the holders of the Notes of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*" or as permitted by the terms of such Intercreditor Agreement, and the Company may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or any Intercreditor Agreement.

The Indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement and any Additional Intercreditor Agreement on each Holder's behalf.

A copy of the Intercreditor Agreement or an Additional Intercreditor Agreement shall be made available to the holders of the Notes upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Company.

**IPO Pushdown**

(1) On, in contemplation of, or following an IPO Event (as defined herein), the Company shall be entitled to require (by written notice to the Trustee and the Security Agent (a "*Pushdown Notice*")) that the terms of the Indenture and the Intercreditor Agreement (or any Additional Intercreditor Agreement) shall operate (with effect from the date specified in the relevant Pushdown Notice) on the basis that: (i) references to the Company and Restricted Subsidiaries (and all related provisions) shall apply only to the IPO Pushdown Entity and its Restricted Subsidiaries from time to time; (ii) all financial ratio, basket calculations and financial definitions shall exclude any Holding Company of the IPO Pushdown Entity and all reporting obligations shall be assumed at the level of the IPO Pushdown Entity (or the Company, if so elected); (iii) each reference in the Indenture and/or the Intercreditor Agreement (or any Additional Intercreditor Agreement) to the "Company" shall be deemed to be a reference to the IPO Pushdown Entity (to the extent applicable and unless the context requires otherwise, and *provided further* that nothing in this clause (1), including the deeming construct contemplated by this sub-clause (iii) and any action taken by the IPO Pushdown Entity prior to it being deemed to be the Company, shall, or shall be deemed to, directly or indirectly constitute or result in a breach of any covenant or other term in the Indenture or a Default or an Event of Default); (iv) none of the representations, warranties, undertakings, covenants or Events of Default in the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement) or the other Security Documents shall apply to any entity of which the IPO Pushdown Entity is a Subsidiary (whether in its capacity as a Guarantor or otherwise); (v) no event, matter or circumstance relating to any Holding Company of the IPO Pushdown Entity (whether in its capacity as a Guarantor or otherwise) shall, or shall be deemed to, directly or indirectly constitute or result in a breach of any covenant or other term in the Indenture or a Default or an Event of Default; (vi) each Holding Company of the IPO Pushdown Entity shall be irrevocably and unconditionally released from all obligations under the Indenture, the Intercreditor

Agreement (or any Additional Intercreditor Agreement) and any security granted by any such Holding Company; and (vii) unless otherwise notified by the Company: (A) each person which is party to the Intercreditor Agreement (or any Additional Intercreditor Agreement) as an "Investor" shall be irrevocably and unconditionally released from the Intercreditor Agreement (or any Additional Intercreditor Agreement) and all obligations and restrictions under the Intercreditor Agreement (or any Additional Intercreditor Agreement) (and from the date specified by the Company that person shall cease to be party to the Intercreditor Agreement (or any Additional Intercreditor Agreement) as an Investor and shall have no further rights or obligations under the Intercreditor Agreement (or any Additional Intercreditor Agreement) as an Investor); and (B) there shall be no obligation or requirement for any person to become party to the Intercreditor Agreement (or any Additional Intercreditor Agreement) as an Investor; and (viii) in the event that any person is released from or does not become party to the Intercreditor Agreement (or any Additional Intercreditor Agreement) as an Investor as a consequence of this clause (1), any term of the Indenture and/or the Intercreditor Agreement (or any Additional Intercreditor Agreement) which requires or assumes that any person be an Investor or that any liabilities or obligations to such person be subject to the Intercreditor Agreement (or any Additional Intercreditor Agreement) or otherwise subordinated shall cease to apply. A Pushdown Notice may not be delivered if a Default or Event of Default has occurred and is continuing (disregarding any Default or Event of Default that could be deemed to arise in connection with the transactions contemplated by this provision).

(2) The Trustee, the Security Agent and any other agents party thereto shall be required to enter into any amendment to the Indenture or amendment to or replacement of the Intercreditor Agreement (or any Additional Intercreditor Agreement) or the other Security Documents required by the Company and/or take such other action as is required by the Company in order to facilitate or reflect any of the matters contemplated by clause (1) above, including a supplemental indenture pursuant to which (i) the IPO Pushdown Entity will assume (on the Transition Date) all of the obligations of the Company under the Notes, this Indenture and the Intercreditor Agreement; *provided* that such amendment, replacement or other document or instrument does not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or Security Agent (as applicable), does not affect the rights, duties, liabilities, indemnities or immunities of the Trustee or the Security Agent (as applicable) under such Indenture, Intercreditor Agreement, Additional Intercreditor Agreement or Security Document. The Trustee, the Security Agent and any other agents party thereto are each irrevocably authorized and instructed by the Holders (without any consent by the Holders) to execute any such amended or replacement documents and/or take other such action on behalf of the Holders (and shall do so on the request of and at the cost of the Company).

(3) For the purpose of this covenant, the "IPO Pushdown Entity" shall be any Restricted Subsidiary of the Company notified to the Trustee by the Company in writing as the person to be treated as the IPO Pushdown Entity in relation to the relevant IPO Event, *provided* that the IPO Pushdown Entity shall be a Restricted Subsidiary which will issue shares, or whose shares are to be sold, pursuant to that IPO Event (or a Holding Company of such member of the Group).

(4) If the Company delivers a Pushdown Notice to the Trustee and Security Agent pursuant to clause (1) above in relation to a contemplated IPO Event, it shall be entitled to revoke that Pushdown Notice at any time prior to the occurrence of the relevant IPO Event by written notice to the Trustee and Security Agent. In the event that any Pushdown Notice is revoked in accordance with this clause (4): (i) the provisions of sub-clauses (1)(i) to (1)(vii) above shall cease to apply in relation to that Pushdown Notice; (ii) if any security has been released pursuant to clause (1) above in reliance on that Pushdown Notice, subject to the Agreed Security Principles, the Company or the relevant Restricted Subsidiary shall as soon as reasonably practicable execute a replacement Security Document in respect of that security; and (iii) if any person party to the Intercreditor Deed as an "Investor" has been released from the Intercreditor Deed pursuant to sub-clause (1)(vii) above in reliance on that Pushdown Notice, that person shall as soon as reasonably practicable accede to the Intercreditor Deed as an Investor.

For the avoidance of doubt: (A) nothing in this clause (4) shall prohibit or otherwise restrict the Company from delivering a further Pushdown Notice in relation to any actual or contemplated IPO Event; and (B) revocation of a Pushdown Notice shall not, and shall not be deemed to, directly or indirectly constitute or result in a breach of any representation, warranty, undertaking or other term in the Indenture or the Intercreditor Agreement (or any Additional Intercreditor Agreement) or a

Default or an Event of Default (whether by reason of any action or step taken by any person, or any matter or circumstance arising or committed, while that Pushdown Notice was effective or otherwise).

**Optional Redemption**

Except as set forth herein and under "*—Redemption for Taxation Reasons*" and "*—Deposit of Proceeds; Special Mandatory Redemption*," the Notes are not redeemable at the option of the Company.

At any time prior to May 15, 2021, the Company may redeem up to 10% of the original aggregate principal amount of each series of Notes (calculated after giving effect to the issuance of any Additional Notes of the same series) during each 12-month period commencing from the Issue Date, from time to time, upon not less than 10 nor more than 60 days' prior written notice to the Holders as described under the heading "*—Selection and Notice,*" at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

In addition, at any time prior to May 15, 2021, the Company may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice to the Holders as described under the heading "*—Selection and Notice,*" at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to (but excluding) the redemption date.

At any time and from time to time on or after May 15, 2021, the Company may redeem either series of Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date:

| Twelve month period commencing on May 15 in | Dollar Notes Percentage | Euro Notes Percentage |
|---|---|---|
| 2021 | 103.9375% | 102.8750% |
| 2022 | 101.9688% | 101.4375% |
| 2023 and thereafter | 100.0000% | 100.0000% |

At any time and from time to time prior to May 15, 2021, the Company may, at its option, upon notice as described under the heading "*—Selection and Notice*," redeem the Euro Notes (i) with the net cash proceeds received by the Company from any Equity Offering, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 105.750%, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Euro Notes (calculated after giving effect to the issuance of any Additional Notes of the same series), plus (ii) accrued and unpaid interest to the redemption date *provided* that in each case (a) the redemption takes place not later than 180 days after the closing of the related Equity Offering and (b) not less than 50% of the original principal amount of the Euro Notes being redeemed (not including the principal amount of any Additional Notes of the same series) remains outstanding immediately thereafter.

At any time and from time to time prior to May 15, 2021, the Company may, at its option, upon notice as described under the heading "*—Selection and Notice*," redeem the Dollar Notes (i) with the net cash proceeds received by the Company from any Equity Offering, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 107.875%, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Dollar Notes (calculated after giving effect to the issuance of any Additional Notes of the same series), plus (ii) accrued and unpaid interest to the redemption date *provided* that in each case (a) the redemption takes place not later than 180 days after the closing of the related Equity Offering and (b) not less than 50% of the original principal amount of the Dollar Notes being redeemed (not including the principal amount of any Additional Notes of the same series) remains outstanding immediately thereafter.

Notwithstanding the foregoing, in connection with any tender offer for the Notes, if Holders of not less than 90% in aggregate principal amount then outstanding of a series of Notes validly tender and do not withdraw Notes of such series in such tender offer and the Company, or any third party making such a tender offer in lieu of the Company, purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, the Company or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to the Holders of the relevant series of Notes, given not more than 30 days following such purchase date, to redeem all Notes of such series that remain outstanding following such purchase at a price equal to the price paid to each other Holder of such series of Notes in such tender offer (other than any incentive payment for early tenders), plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the redemption date. In determining whether the Holders of at least 90% of the aggregate principal amount then outstanding of a series of Notes have validly tendered and not withdrawn Notes of such series in a tender offer or other offer to purchase for all of the Notes of such series, as applicable, Notes of such series owned by an Affiliate of the Company or by funds controlled or managed by any Affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer or other offer, as applicable.

Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering). In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been complied with or satisfied by the redemption date, or by the redemption date so delayed; provided that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs.

Notwithstanding anything else in the Indenture or the Notes, redemption notices may be given more than 60 days prior to a redemption date if the notice is in connection with a defeasance of Notes or a satisfaction and discharge of the Indenture.

If the Company effects an optional redemption of any series of the Notes, it will, if and for so long as the Notes are listed on the Official List of the Exchange, if and to the extent the rules of the Authority so require, inform the Authority of such optional redemption and confirm the aggregate principal amount of the applicable series of Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Company.

We may repurchase Notes at any time and from time to time in the open market or otherwise.

**Sinking Fund**

Other than the Special Mandatory Redemption, the Company will not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

**Selection and Notice**

If less than all of the Notes are to be redeemed at any time, the Paying Agent or the Registrar, as applicable, will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee, the Paying Agent and the Registrar, as applicable, by the Company, and in compliance with the requirements of Euroclear or Clearstream (in the case of the Euro Notes) or DTC (in the case of the Dollar Notes), or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream (in the case of the Euro Notes) or DTC (in the case of the Dollar Notes) or Euroclear or Clearstream (in the case of the Euro Notes) or DTC (in the case of the Dollar Notes) prescribe no method of selection, on a *pro rata* basis or by use of a pool factor or by lot, as applicable; *provided*, *however*, that, (i) in the case of Euro Notes, no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 will be redeemed, and (ii) in the case of Dollar Notes, no Note of $200,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of $1,000 will be redeemed. Neither the Paying Agent nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

If and for so long as the Notes are listed on the Official List of the Exchange, and if and to the extent the rules of the Authority so require, the Company shall notify the Authority of such redemption and, in addition to such publication, not less than 10 days nor more than 60 days prior to the redemption (other than in connection with a Special Mandatory Redemption), the Company will mail, or at the expense of the Company, cause to be mailed, such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

**Redemption for Taxation Reasons**

The Company may redeem the Notes of a series in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders of such series of 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 the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Company or a Guarantor determine 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 (defined below) affecting taxation; or

(2) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the relevant series of Notes); provided that neither the Company nor a Guarantor shall be required to take any measures that in the Company's good faith determination would result in the imposition on the Company or a Guarantor of any legal or regulatory burden or the incurrence of additional costs, or would otherwise result in any adverse consequences to the Company or a Guarantor. In the case of redemption as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date of the Offering Memorandum. In the case of redemption as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of a Successor Company or the predecessor of a successor of a Guarantor. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "*—Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any Notes pursuant to the foregoing, the Company or Guarantor, or a successor to either, where applicable, will deliver to the Trustee and the Paying Agent (a) an Officer's Certificate stating that the Company or Guarantor, or a successor to either, where applicable, 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 complied with or satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Company or Guarantor, or a successor to either, where applicable, has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee and the Paying Agent will accept 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.

The foregoing will apply *mutatis mutandis* to any jurisdiction in which any successor to the Company is incorporated or organized or otherwise considered to be a resident for tax purposes or in which it has a permanent establishment, or any jurisdiction from or through which such successor makes any payment on the Notes or any Guarantees, and any political subdivision or taxing authority or agency thereof or therein.

**Withholding Taxes**

All payments made by the Company or a Guarantor (a "Payor") on the Notes or the Guarantees 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) the Netherlands or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Guarantee is made by the Payor or its agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is incorporated or organized, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "Relevant Taxing Jurisdiction"),

will at any time be required from any payments made by a Payor with respect to any Note or Guarantee, including payments of principal, redemption price, premium, if any, or interest, 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 by the Holders after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will equal the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member 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 being a citizen or resident or national or domiciliary 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 Note or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed, deducted or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with any reasonable request of the Payor addressed to the Holder or beneficial owner, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any certification, information, documentation or 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 Taxes;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Notes or any Guarantee;

(4) any estate, inheritance, gift, value added, sales, excise, transfer, personal property or similar Taxes, assessment or other governmental charge;

(5) any Taxes imposed pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code and any intergovernmental agreements (and related legislation or official administrative guidance) implemented with respect to the foregoing;

(6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Taxes by presenting the relevant Note to, or otherwise accepting payment from, another paying agent; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 15 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

In addition, no Additional Amounts shall be paid with respect to any payment to any Holder who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to 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, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Payor and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Guarantee, 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 so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Trustee and each Paying Agent may rely on the fact that any officers' certificate contemplated by this paragraph has not been furnished as evidence of the fact that no withholding or deduction for or on account of any taxes is required.

Wherever in the Indenture or this "*Description of the Notes*" there are mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Company will pay any present or future stamp, court or documentary Taxes, or any other property or similar taxes, charges or levies, that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the Indenture, the Security Documents or any other document or instrument in relation thereto (other than in connection with a transfer or exchange of the Notes), excluding any such Taxes, charges or levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Company agrees to indemnify the Holders for any such Taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to the Company is organized or any political subdivision or taxing authority or agency thereof or therein.

**Change of Control**

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Company to repurchase all (equal to €100,000 aggregate principal amount, and integral multiples of €1,000 in excess thereof, in the case of the Euro Notes, or $200,000 aggregate principal amount, and integral multiples of $1,000 in excess thereof, in the case of the Dollar Notes) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest 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 occurring on or prior to the purchase date); *provided*, *however*, that the Company shall not be obliged to repurchase Notes as described under this "*—Change of Control*" section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

Unless the Company has unconditionally exercised its right to redeem all the Notes as described under "*—Optional Redemption*" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Company will mail a notice (the "*Change of Control Offer*") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Company to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date occurring on or prior to the purchase date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Company, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed 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.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Company will, to the extent lawful:

(1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Company; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Company.

If any Definitive Registered Notes have been issued, the relevant Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in aggregate principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof (in the case of the Euro Notes) or $200,000 and integral multiples of $1,000 in excess thereof (in the case of the Dollar Notes).

If and for so long as the Notes are listed on the Exchange and if and to the extent that the rules of the Authority so require, the Company will notify the Authority of any Change of Control Offer.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Company to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

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

In addition, the definition of "Change of Control" expressly permits a third party to obtain control of the Company in a transaction which is a Specified Change of Control Event without any obligation to make a Change of Control Offer.

If Holders of not less than 90% in aggregate principal amount then outstanding of a series of Notes validly tender and do not withdraw Notes of such series in a Change of Control Offer and the Company, or any third party making a Change of Control Offer in lieu of the Company as described above, purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, the Company or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to 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 that remain outstanding to, but not including, 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). In determining whether the Holders of at least 90% of the aggregate principal amount then outstanding of a series of Notes have validly tendered and not withdrawn Notes of such series in a Change of Control Offer for all of the Notes of such series, as applicable, Notes of such series owned by an affiliate of the Company or by funds controlled or managed by any affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of Change of Control Offer.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which any Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Indenture, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of any Notes, under the Change of Control provisions of the Indenture by virtue of the conflict.

Under the Senior Facilities Agreement, the occurrence of a change of control would require the repayment of such debt. Future debt of the Company or its Subsidiaries may prohibit the Company from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company.

Finally, the Company's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.*"

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

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

**Certain Covenants**

***Limitation on Indebtedness***

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that the Company and any of its Restricted Subsidiaries may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and the Restricted Subsidiaries would have been at least 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under or pursuant to any Credit Facility), and Guarantees in respect of such Indebtedness, in a maximum aggregate principal amount of Indebtedness at any time outstanding not exceeding (i) €4,600,000,000 plus the Accordion Amount, plus (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing or replacement;

(2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary in each case so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture; or

(b) without limiting the covenant described under "*—Limitation on Liens,*" Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary, in each case so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided*, *however*, that:

(a) if any Guarantor or the Company is the obligor on any such Indebtedness and the obligee is not a Guarantor or the Company, it is unsecured and subordinated in right of payment to prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Indenture to the extent required by the Intercreditor Agreement;

(b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company; and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes) and the Guarantees, (b) any Indebtedness (other than Indebtedness described in clauses (1) and (3) of this paragraph) of the Company or any Restricted Subsidiary, including the Target Group, outstanding on the Issue Date or, with respect to the Target Group only, the Completion Date (or drawn under local lines of credit, bilateral facilities, operating facilities, working capital facilities and/or other arrangements which are in place on the Issue Date, or with respect to the Target Group only, the Completion Date), and the guarantees of and security granted with respect to the Notes, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) Management Advances and MEP Payments;

(5) Indebtedness (i) of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) of the Company or any Restricted Subsidiary Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary; *provided, however*, with respect to each of clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (a) the aggregate amount of such Indebtedness does not exceed the greater of (i) €75 million and 10% of Consolidated EBITDA at any time outstanding or (b) either (x) the Company or a Restricted Subsidiary would have been able to Incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio would not be greater than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries (as determined in good faith by the Board of Directors or Senior Management of the Company or the relevant Restricted Subsidiary);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, does not exceed the greater of (A) €300 million and (B) 40% of Consolidated EBITDA;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business; *provided, however*, that upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling, net balance or transfer or netting or setting off arrangements in the ordinary course of business, and any obligations under any BACS or similar facility or any other intra-day exposure;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar

obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition);

(10) (a) 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; provided, however, that such Indebtedness is extinguished within 10 Business Days of Incurrence;

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

(c) Indebtedness owed on a short-term basis of no longer than 60 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(d) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €200 million and 25.0% of Consolidated EBITDA;

(12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares, Excluded Amounts or an Excluded Contribution) or otherwise contributed to the equity (other than through the Equity Contribution, the issuance of Disqualified Stock, Designated Preference Shares, Excluded Amounts or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided*, *however*, that (x) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6), (10), (13) and (14) of the second paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (y) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6), (10), (13) and (14) of the second paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon;

(13) Indebtedness incurred by a Receivables Subsidiary in a Qualified Receivables Financing;

(14) Indebtedness under daylight borrowing facilities incurred in connection with the Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred;

(15) Indebtedness consisting of local lines of credit, bilateral facilities, working capital facilities, overdraft, current account, letter of credit, foreign exchange, SWIFT and/or other similar or equivalent facilities or financial accommodations and/or other operating facilities ("*Operating Facilities*") not exceeding the greater of €200 million and 25.0% of Consolidated EBITDA outstanding at one time;

(16) Guarantees of the obligations of any joint venture provided that the maximum aggregate amount of Indebtedness outstanding under this clause (16) does not exceed the greater of €150 million and 20.0% of Consolidated EBITDA;

(17) Indebtedness incurred under any instrument issued to or for the benefit of current, former or future management or employees of the Company or any Restricted Subsidiary in respect of any bonus,

deferred compensation or similar payment and Indebtedness arising in connection with any deposit or advance of funds with or to the Company or any Restricted Subsidiary by a trust or other entity in respect of any MEP, incentive scheme or similar arrangement;

(18) Indebtedness outstanding under any loan notes issued (or other deferred consideration arrangements entered into) in connection with any acquisition which is not prohibited by the terms of the Indenture or which was effected by a member of the Target Group prior to the Completion Date;

(19) any Indebtedness to the extent that the principal amount outstanding is covered by a letter of credit, bank guarantee or similar instrument issued under the Senior Facilities Agreement or under an ancillary facility (or any equivalent facility) made available under the Senior Facilities Agreement (or any equivalent facility under any Refinancing Indebtedness in respect thereof);

(20) any Indebtedness arising in relation to the discounting or factoring (or other similar or equivalent arrangement) of receivables, bills of exchange and/or inventory in the ordinary course of business (or any other receivables based financing arrangements) up to a maximum aggregate amount (in terms of the outstanding principal amount of Indebtedness at any time) that does not exceed the greater of €375.0 million and 50% of Consolidated EBITDA.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (15) or (19) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(5) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(6) the amount of Indebtedness shall be calculated as described under the definition of "Indebtedness."

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, including a change in IFRS or a change of IFRS to a different set of accounting principles, will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date.

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the aggregate principal amount of Indebtedness denominated in another 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 Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the aggregate principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced plus any amount to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith; (b) the Euro Equivalent of the aggregate principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in euro, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

***Limitation on Restricted Payments***

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

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

  (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in Subordinated Shareholder Funding;

  (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value); and

  (c) dividends or distributions paid to any Parent Holding Company in respect of Indebtedness of such Parent Holding Company which is guaranteed by the Company;

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent Holding Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement, (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" and (c) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement that is a Permitted Investment);

(4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding; or

(5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "*Restricted Payment*"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment (or, in the case of clause (a) below, at the option of the Company, at the time the relevant Restricted Payment is committed to):

(a) an Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Company is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph under the "*—Limitation on Indebtedness*" covenant after giving effect, on a pro forma basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (6), (10), (11), (12) and (17) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph) would exceed the sum of (without duplication):

    (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Completion Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit, provided that the amount taken into account pursuant to this clause (i) shall not be less than zero);

    (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Completion Date or otherwise contributed to the equity (other than through the Equity Contribution, the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Completion Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph and (z) Excluded Contributions);

    (iii) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Completion Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

    (iv) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary by means of:

        (A) repurchases, redemptions or other acquisitions or retirements of, or other returns on Investments from, any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary;

*provided*, *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv);

(v) the amount of the cash and the fair market value of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided*, *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); and

(vi) €200 million or, if higher, 25.0% of Consolidated EBITDA.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for or out of the proceeds of the substantially concurrent sale of Capital Stock of the Company (other than Disqualified Stock, Excluded Amounts or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the Equity Contribution, the issuance of Disqualified Stock, Excluded Amounts or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided*, *however*, that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" below, but only if the provisions of the covenant described under "*—Limitation on Sales of Assets and Subsidiary Stock*" have first been complied with and

(ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest (together with any applicable prepayment or redemption premiums);

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control" or equivalent), but only (i) if the Company shall have first complied with the terms of the covenant described under "—*Change of Control,*" if required, and purchased all Notes validly tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest (together with any applicable prepayment or redemption premiums); or

(c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) (a) any dividends or other distributions paid within 60 days after the date of declaration if at such date of declaration such dividend or other distribution would have complied with this covenant and (b) any payments associated with the Transactions;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent Holding Company (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent Holding Company to permit any Parent Holding Company to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent Holding Company (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent Holding Company (including any options, warrants or other rights in respect thereof), in each case from Management Investors;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "—*Limitation on Indebtedness*" above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent Holding Company or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Holding Company to pay any Parent Holding Company Expenses or any Related Taxes; or

(b) amounts constituting or to be used directly or indirectly for purposes of making payments (x) of fees and expenses incurred in connection with the Transaction, (y) to the extent specified in or contemplated by the second paragraph under "—*Limitation on Affiliate Transactions,*" and (z) in connection with Permitted Parent Transactions.

(10) the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent Holding Company to pay, dividends on the common stock or common equity interests of the Company or any Parent Holding Company following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year (a) 6% of the Net Cash Proceeds received by the Company from all such Public Offerings or contributed to the equity (other than through the Equity Contribution, the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Amounts or an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Funding to the Company plus (b) following the Initial Public Offering, an amount equal to (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that, in the case of clause (A) or (B), after

giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 4.75 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; provided that, in the case of clause (A) or (B), after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 5.00 to 1.00;

(11) so long as no Event of Default has occurred and is continuing (or would result from the making of such payments), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time (excluding capitalized interest) not to exceed €200 million (or its currency equivalent) or, if higher, 25.0% of Consolidated EBITDA; *provided* that if an Investment is made pursuant to this clause (11) in a Person that is not a Restricted Subsidiary of the Company and such Person is subsequently designated a Restricted Subsidiary of the Company pursuant to the Indenture, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause (11);

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent Holding Company to make payments, to holders of Capital Stock of the Company or any Parent Holding Company in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors of the Company);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent Holding Company or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent Holding Company issued after the Issue Date; *provided*, *however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the Equity Contribution, the issuance of Disqualified Stock or Excluded Amounts or an Excluded Contribution or, in the case of Designated Preference Shares by Parent Holding Company or an Affiliate, the issuance of Designated Preference Shares) of the Company or loaned as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;

(16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(17) so long as no Event of Default has occurred and is continuing, any dividend, distribution, loan or other payment; *provided* that the Consolidated Net Leverage Ratio on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 4.5 to 1.0; and

(18) any step or payment in connection with the Transaction and payment of, and any dividend or other loan or distribution by the Company or any Restricted Subsidiary of the Company to fund the payment of, fees and expenses incurred in connection with the Transaction or owed to or in respect of Affiliates, in each case, to the extent permitted by the second paragraph under "*—Limitation on Affiliate Transactions.*"

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount. Any amounts (such amounts, the '"*Excluded Amounts*"') that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clauses (ii) or (iii) of clause (c) of the first paragraph of this covenant will be excluded to the extent (1) such amounts result from the receipt of Net Cash Proceeds, property or assets or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control pursuant to the definition thereof were it not a Specified Change of Control Event, (2) the purpose of, or the effect of, the receipt of such Net Cash Proceeds, property or assets or marketable securities was to reduce the Consolidated Net Leverage Ratio of the Company so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such Net Cash Proceeds, property or assets or marketable securities and (3) no Change of Control Offer is made in connection with such event in accordance with the requirements of the indenture.

***Limitation on Liens***

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Guarantee in the case of Liens of a Guarantor) are secured equally and ratably with (in the case of Liens with respect to Pari Passu Indebtedness), or on a basis junior to (in the case of Indebtedness which is Senior Indebtedness), or prior to (in the case of Liens with respect to Subordinated Indebtedness) such Indebtedness for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "*Increased Amount*" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

***Limitation on Restrictions on Distributions from Restricted Subsidiaries***

The Company will not, and will not permit any Restricted Subsidiary that is not a Guarantor to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company;

(B) make any loans or advances to the Company; or

(C) sell, lease or transfer any of its property or assets to the Company,

*provided* that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Facilities Agreement) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date or, with respect to the Target Group only, the Completion Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such

Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in this second paragraph (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in this paragraph; *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company), or that the Company determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Company's ability to make principal or interest payments on the Notes;

(4) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business or consistent with industry practices;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers, suppliers or landlords under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness,*" if the encumbrances and

restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement and the Intercreditor Agreement, together with the security documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) or where the Company determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Company's ability to make principal or interest payments on the Notes;

(12) any encumbrance or restriction existing by reason of any Lien permitted under "*—Limitation on Liens*"; or

(13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

***Limitation on Sales of Assets and Subsidiary Stock***

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or any Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is directly or indirectly applied by the Company or any Restricted Subsidiary, as the case may be:

    (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a Restricted Subsidiary that is not a Guarantor (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Senior Indebtedness within 425 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided*, *however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness including, but not limited to, the revolving credit facility made available under the Senior Facilities Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company either (A) reduces the aggregate principal amount of the Notes on an equal or ratable basis with any such Pari Passu Indebtedness repaid pursuant to this clause (ii) by, at its option, (x) redeeming Notes as provided under "*—Optional Redemption*" and/or (y) purchasing Notes through open market purchases or in privately negotiated transactions at market prices (which may be below par) and/or (B) makes (at such time or subsequently in compliance with this covenant) an offer to the Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer on an equal or ratable basis with any such Pari Passu Indebtedness repaid pursuant to this clause (ii) (which offer shall be deemed to be an Asset Disposition Offer for purposes hereof); (iii) to purchase Notes through open market purchases or in privately negotiated transactions at market prices (which may be below par); (iv) to make (at such time or subsequently in compliance with this covenant) an offer to the Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer (which offer shall be deemed to be an Asset Disposition Offer for purposes hereof) or (v) to redeem Notes as described under "—*Optional Redemption*"; or

(b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or a Restricted Subsidiary) or otherwise in the business of the Company and its Restricted Subsidiaries within 425 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided*, *however*, that any such investment made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within twelve months of such 425th day; or

(c) to make a capital expenditure within 425 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that any such capital expenditure made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors or an Officer of the Company that is executed or approved within such time will satisfy this requirement, so long as such capital expenditure is consummated within twelve months of such 425th day; or

(d) any combination of the foregoing;

*provided* that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the preceding paragraph will be deemed to constitute "*Excess Proceeds*" under the Indenture. On the 426th day after an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of Excess Proceeds under the Indenture exceeds the greater of €150 million and 20% of Consolidated EBITDA and has not been committed in accordance with clause (3)(b) of the first paragraph of this covenant (or if so committed, has not been applied or invested in accordance with such commitment within the relevant period), the Company will be required to make an offer ("*Asset Disposition Offer*") to all Holders of Notes issued under the Indenture and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, at an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and, in the case of (i) the Euro Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof and (ii) the Dollar Notes, in minimum denominations of $200,000 and in integral multiples of $1,000 in excess thereof.

To the extent that the aggregate principal amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to the other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Euro Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero. To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion into such currency.

The Asset Disposition Offer, insofar as it relates to the Notes, will remain open for a period of not less than five Business Days following its commencement (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Company will purchase (or procure the purchase of) the aggregate principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of (i) the Euro Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof and (ii) the Dollar Notes, in minimum denominations of $200,000 and in integral multiples of $1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the Global Note), and the Trustee (or its authenticating agent), upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note, (i) in the case of Euro Notes, will be in an aggregate principal amount with a minimum denomination of €100,000 and in integral multiples of €1,000 in excess thereof and (ii) in the case of Dollar Notes, will be in an aggregate principal amount with a minimum denomination of $200,000 and in integral multiples of $1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of €150 million and 20% of Consolidated EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

***Limitation on Affiliate Transactions***

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "Affiliate Transaction") involving aggregate value in excess of €10 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of €75 million and 10% of Consolidated EBITDA, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments,*" any Permitted Payments (other than pursuant to clause (9)(b) of the second paragraph of the covenant described under "*—Limitation on Restricted Payments*") or any Permitted Investment;

(2) any issuance or sale of Capital Stock, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Holding Company restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto and any transaction pursuant to or in connection with an MEP, incentive scheme, deferred compensation or similar arrangement (including any MEP Payment);

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent Holding Company (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date or, with respect to the Target Group only, the Completion Date (or, in the case of any Person that becomes a Restricted Subsidiary after the Completion Date, any arrangements of that Person in place at the date on which it becomes a Restricted Subsidiary), as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time, and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) the execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the good faith determination of the Board of Directors or the Senior Management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any payments arising on the exercise of any put or call options (or any equivalent right or obligation) in relation to any Associate or transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company, (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture and (c) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) the payment of any fees (including transaction fees and annual monitoring fees), out of pocket expenses and/or other amounts as reflected in the original terms of each Service Agreement (including any such amounts payment of which is deferred), (b) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Holding Company) of fees and expenses in an aggregate amount not to exceed in each fiscal year the greater of €16.5 million and 2.2% of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination, and (c) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Holding Company) for financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (c) are approved by a majority of the Board of Directors of the Company in good faith;

(12) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries;

(13) any transaction effected pursuant to or in connection with a Qualified Receivables Financing; and

(14) any transaction as to which the Company delivers to the Trustee a letter from an Independent Financial Advisor stating that the transaction is fair to the Company from a financial point of view, or meets the requirements of clause (1) of the first paragraph of this covenant.

***Reports***

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days (or, in the case of the first such report, 150 days) after the end of the fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, the following information: (a) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available),

together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year (and which have not already been the subject of pro forma information provided by the Company); (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies, with a similar scope to that included in the Offering Memorandum; (d) a description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days (or, in the case of the first three fiscal quarters ending after the Completion Date, 90 days) following the end of the first three fiscal quarters of the Company beginning with the quarter ending June 30, 2018, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet of the Company as of the end of such quarter and unaudited condensed statements of income and cash flow of the Company for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year period of the Company, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter (and which have not already been the subject of pro forma information provided by the Company); (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided*, *however*, that (i) the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods and (ii) the Company may elect to prepare information on a basis consistent with the method of presentation for the financial statements included in the Offering Memorandum so long as applicable. Except as provided for in this covenant, no report need include separate financial statements for any Subsidiaries of the Company. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision. At the Company's election it may also include financial statements of a Parent Holding Company in lieu of those for the Company; *provided* that, if the financial statements of a Parent Holding Company are included in such report, a reasonably detailed description of material differences between the financial statements of the Parent Holding Company and the Company shall be included for any period after the Issue Date. Following an IPO on the Capital Stock of the Company or any parent thereof and/or the listing of such Capital Stock on a recognized European stock exchange, the requirements of this covenant shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: turnover, net sales, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports or statement specified in clauses (1), (2) and (3) of the first paragraph or the second paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports or statement on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports or statement available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports or statement to the Holders and, upon request, prospective purchasers of the Notes. The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and for so long as the Notes are listed on the Official List of the Exchange and if and to the extent that the rules of the Authority so require.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Delivery of any information, documents and reports to the Trustee pursuant to this section is for information purposes and the Trustee's receipt shall not constitute actual or constructive knowledge or notice of any information contained therein or determination from information contained therein, including the Company's compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

### *Merger and Consolidation*

*The Company*

The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company) will expressly assume (subject to any limitations contemplated by the Agreed Security Principles) (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and (b) all obligations of the Company under the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement);

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and Opinion of Counsel to the effect that such consolidation, merger, conveyance, transfer or lease complies with the Indenture and that all conditions precedent in the Indenture relating to such consolidation, merger, conveyance, transfer or lease have been complied with or satisfied and that the Indenture, the Notes, the Intercreditor Agreement and the Security Documents constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms. The Trustee shall be

entitled to rely conclusively on such Officer's Certificate and Opinion of Counsel without independent verification.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "—*Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such Indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described below under "—*Merger and Consolidation—Guarantors*" (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Company and its Restricted Subsidiaries may undertake the Transactions. Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new Subsidiary as a Restricted Subsidiary of the Company.

*Guarantors*

No Guarantor may:

(1) consolidate with or merge with or into any Person;

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into such Guarantor,

unless

(A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction); or

(B)

(1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes (in each case subject to any limitations contemplated by the Agreed Security Principles) all of the obligations of the Guarantor under its Guarantee

and the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement); and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding the preceding clause (B) and the provisions described above under "*—The Company*" (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Guarantor, (b) any Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Guarantor and (c) the Guarantors may undertake the Transactions. Notwithstanding the preceding clause (B)(2) (which does not apply to the transactions referred to in this sentence), a Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Guarantor reincorporating the Guarantor in another jurisdiction, or changing the legal form of the Guarantor.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

***Limited Condition Transactions***

When calculating the availability under any basket or ratio under the Indenture or compliance with any provision of the Indenture in connection with any Limited Condition Transaction 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), in each case, at the option of the Company (the Company's election to exercise such option, an "*LCT Election*"), the date of determination for availability under any such basket or ratio and whether any such action or transaction is permitted (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing Default or Event of Default)) under the Indenture shall be deemed to be the date (the "*LCT Test Date*") that the acquisition agreements for such Limited Condition Transaction are entered into (or, if applicable, the date of delivery of a binding offer, a "certain funds" tender offer, an irrevocable notice, a declaration of a Restricted Payment or a similar event), and if, after giving pro forma effect to the Limited Condition Transaction 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) and any related pro forma adjustments, the Company or any of its Restricted Subsidiaries would have been permitted to take such actions or consummate such transactions on the relevant LCT Test Date in compliance with such ratio, test or basket (and any related requirements and conditions), such ratio, test or basket (and any related requirements and conditions) shall be deemed to have been complied with (or satisfied) for all purposes (in the case of Indebtedness, for example, whether such Indebtedness is committed, issued or incurred at the LCT Test Date or at any time thereafter); *provided* that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Company may elect, in its sole discretion, to re-determine all such ratios, tests or baskets on the basis of such financial statements, in which case, such date of redetermination shall thereafter be deemed to be the applicable LCT Test Date for purposes of such ratios, tests or baskets, and (b) except as contemplated in the foregoing clause (a), compliance with such ratios, tests or baskets (and any related requirements and conditions) shall not be determined or tested at any time after the applicable LCT Test Date for such Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence of Liens, repayments and Restricted Payments).

For the avoidance of doubt, if the Company has made an LCT Election, (1) if any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would at any time after the LCT Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA of the Company or the Person subject to such Limited Condition Transaction, such baskets, tests or ratios will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations; (2) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of an Default or Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing); and (3) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Condition Transaction following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for redemption, purchase or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving pro forma effect to such Limited Condition Transaction.

### *Additional Guarantees*

The Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to Guarantee any Indebtedness under the Senior Facilities Agreement (or other Indebtedness that is Incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"), in whole or in part unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Guarantee, which Guarantee will be subordinated to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Guarantee.

Each additional Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing, the Company shall not be obligated to cause any Restricted Subsidiary to Guarantee the Notes or provide security to the extent and for so long as the Incurrence of such Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law or regulation; (2) any liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (1) of this paragraph undertaken in connection with, such Guarantee, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Company or a Restricted Subsidiary; or (4) an inconsistency with the Intercreditor Agreement or the Agreed Security Principles.

### *Impairment of Security Interest*

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the

Collateral (it being understood that the Incurrence of Permitted Collateral Liens, or the confirmation or affirmation of security interests in respect of the Collateral, shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled "*—Limitation on Liens;*" *provided*, that the Company and its Restricted Subsidiaries may Incur any Lien over any of the Collateral that is not prohibited by the covenant entitled "*—Limitation on Liens,*" including Permitted Collateral Liens, and the Collateral may be discharged, transferred or released in any circumstances not prohibited by the Indenture, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Lien in accordance with the Indenture and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; *provided, however*, that, (except where permitted by the Indenture or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Collateral Liens for the benefit of the Security Agent and holders of other Indebtedness Incurred in accordance with the Indenture), no Security Document may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank of international standing which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting any such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or replacement, or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such actions without the need for instructions from the Holders.

***Lines of Business***

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

***Limitation on Layering***

The Company will not permit any Guarantor to, and no Guarantor shall, incur any Indebtedness that is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) to be subordinated in right of payment to any Senior Indebtedness of such Guarantor unless such

Indebtedness is pari passu with the Guarantee of such Guarantor or is also by its terms (or by the terms of any agreement governing such Indebtedness) made subordinated in right of payment to the Guarantee of such Guarantor; *provided* that the foregoing limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of any Liens or guarantees or the ordering of payment for any Liens; *provided, further*, that Indebtedness under a Credit Facility that is Senior Indebtedness of a Guarantor may provide for an ordering of payments among the tranches of such Credit Facility.

***Suspension of Covenants on Achievement of Investment Grade Status***

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until the Reversion Date, the provisions of the Indenture summarized under the following captions will not apply to such Notes: "*—Limitation on Restricted Payments*," "*—Limitation on Indebtedness*," "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," "*—Limitation on Affiliate Transactions*," "*—Limitation on Sales of Assets and Subsidiary Stock*," "*—Additional Guarantees*," "*—Lines of Business*," "*—Limitation on Layering*," and the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Company,*" and, in each case, any related default provision of the Indenture (the "*Suspended Covenants*") will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the "*—Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of such Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under "*—Limitation on Indebtedness*," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*." In addition, on the Reversion Date, (1) any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during the continuance of the Suspension Event shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under "*—Limitation on Affiliate Transactions*" and (2) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (A) through (C) of the first paragraph of the covenant described under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*" that becomes effective during the continuance of the Suspension Event shall be deemed to be permitted pursuant to clause (1)(b) of the second paragraph of the covenant described under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*."

The Company shall notify the Trustee that the conditions under this covenant have been satisfied, although such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall not be obliged to notify Holders of such event.

Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the Indenture, the Notes or the Guarantees with respect to the Suspended Covenants, and none of the Company or any of its Subsidiaries shall bear any liability for any actions taken or events occurring during the continuance of the Suspension Event, or any actions taken at any time pursuant to any contractual obligation arising during the continuance of the Suspension Event, in each case as a result of a failure to comply with the Suspended Covenants during the continuance of the Suspension Event (or, upon termination of the Suspension Event or after that time based solely on any action taken or event that occurred during the continuance of the Suspension Event), and following a Reversion Date, the Company 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.

**Events of Default**

Each of the following is an Event of Default under the Indenture:

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "*—Change of Control*" above or under the covenants described under "*—Certain Covenants*" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);

(4) failure by the Company or any of its Restricted Subsidiaries to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

    (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

    (b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*");

    and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €250 million or more;

(6) certain events of bankruptcy, insolvency or court protection of the Company or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "*bankruptcy provisions*");

(7) failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €250 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final and due (the "*judgment default provision*");

(8) any security interest under the Security Documents on any Collateral having a fair market value in excess of €250 million shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "*security default provision*");

(9) any Guarantee of the Company or a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Guarantee and any such Default continues for 10 days (the "*guarantee default provision*"); and

(10) the failure by the Company to consummate the Special Mandatory Redemption to the extent required, as described under "*—Deposit of Proceeds; Special Mandatory Redemption*."

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes notify the Company (and, in the case of notice from the Holders, the Trustee) of the default and, with respect to clauses (3), (4), (5) and (7), the Company does not cure such default within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security and/or cost and fee cover satisfactory to the Trustee against any losses, liabilities, fees or expenses which might be incurred by it in compliance with such request or direction. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing the Trustee security and/or indemnity and/or cost and fee cover satisfactory to it against any losses, liabilities, fees or expenses;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity and/or cost and fee cover; and

(5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security and/or cost and fee cover satisfactory to it against all losses, liabilities, fees and expenses caused or incurred by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and written notice of such occurrence is received by a trust officer of the Trustee from the Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or compensated to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity, security and/or cost or fee cover to it, and it will be for Holders to take action directly.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

**Amendments and Waivers**

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); *provided* that, if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes affected, an amendment or waiver may not, with respect to any such series of the Notes held by a non-consenting Holder:

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

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "*—Optional Redemption*";

(5) make any such Note payable in money other than that stated in such Note;

(6) amend the contractual right of any Holder to institute suit for the payment of principal or interest on or with respect to such Holder's Notes on or after the due dates thereof;

(7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release (i) the security interest granted for the benefit of the Holders in the Collateral or (ii) any Guarantee, in each case, other than pursuant to the terms of the Security Document or the Indenture, as applicable, except as permitted by the Intercreditor Agreement or any Additional Intercreditor Agreement;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

(1) cure any ambiguity, omission, defect, mistake, error or inconsistency, conform any provision to this "*Description of the Notes*," or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Company or any Guarantor under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 4701(b)(1)(B) of the Code);

(4) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect;

(6) make such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes;

(7) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the Covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Additional Guarantees*," to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Intercreditor Agreement or the Security Documents;

(8) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Senior Facilities Agreement, in any property which is required by the Senior Facilities Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit

of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with;

(10) to provide for the release or addition of collateral or Guarantees in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; or

(11) to add any Senior Indebtedness or Pari Passu Indebtedness to any Security Documents to the extent permitted by the Indenture.

In formulating its decisions on such matters, the Trustee shall be entitled to receive and rely on such evidence as it deems appropriate including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

**Acts by Holders**

In determining whether the Holders of the required aggregate principal amount of the Notes have concurred in any direction, waiver or consent, any Notes owned by the Company or by any Subsidiary or any Holding Company will be disregarded and deemed not to be outstanding.

**Defeasance**

The Company at any time may terminate all its and each Guarantor's obligations under any series of the Notes and the Indenture ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Company in connection therewith and obligations concerning issuing temporary Notes, registration of 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. Subject to the foregoing, if the Company exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Company at any time may terminate its and the Guarantor's obligations under the covenants described under "*—Certain Covenants*" (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Company*" and clause (A), (B) and (C) of the covenant described under "*—Certain Covenants—Merger and Consolidation—Guarantors*") and "*—Change of Control*" and default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Company and its Significant Subsidiaries, the judgment default provision, the guarantee default provision and the security default provision described under "*—Events of Default*" above ("*covenant defeasance*").

The Company at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the applicable series of Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Company exercises its covenant defeasance option with respect to any series of the Notes, payment of such Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Company*" and clauses (A), (B), (C) of the covenant described under "*—Certain Covenants—Merger and Consolidation—Guarantors*"), (4), (5), (6), (7), (8) or (9) under "*—Events of Default*" above.

In order to exercise either defeasance option, the Company must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose) (i) in the case of Notes denominated in euro, cash in euros or euro-denominated

European Government Obligations or a combination thereof and (ii) in the case of Notes denominated in U.S. dollars, cash in U.S. dollars or U.S. dollar-denominated U.S. Government Obligations or a combination thereof, in each case for the payment of principal, premium, if any, and interest on the applicable series of Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel from United States counsel to the effect that Holders of the applicable Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the issuance of the applicable series of Notes);

(2) an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Company;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with or satisfied;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

**Satisfaction and Discharge**

The Indenture and the rights of the Trustee and the Holders under the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company; (2) the Company has deposited or caused to be deposited with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose), (i) with respect to outstanding Notes denominated in euro, cash in euros or euro-denominated European Government Obligations or a combination thereof and (ii) with respect to outstanding Notes denominated in U.S. dollars, cash in U.S. dollars or U.S. dollar-denominated U.S. Government Obligations or a combination thereof, in each case in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Company has paid or caused to be paid all other sums payable under the Indenture; (4) the Company has delivered irrevocable instructions under the Indenture to apply the deposited money towards payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*—Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with or satisfied, provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

**No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Company or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company or any of its Subsidiaries under the Note Documents 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 U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

**Concerning the Trustee and Certain Agents**

Deutsche Trustee Company Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform such duties and only such duties as are set forth specifically in such Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Company and (2) that if the Trustee at any time (a) has or acquires a conflict of interest as defined in the Trustee Indenture Act Section 310(b) that is not eliminated or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Company may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any losses, damages, claims, liabilities, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture. Each of the Trustee and the Security Agent shall be entitled to rely solely and conclusively on any Officer's Certificate in formulating its opinion or in taking any action (including, without limitation, release of a Guarantee or Collateral) under the Indenture, and may rely on such Officer's Certificate without need for investigation or verification (including for the avoidance of doubt the receipt of Opinions of Counsel), except as may otherwise be expressly required under the terms of the Indenture.

**Notices**

All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Official List of the Exchange and if and for so long as the rules of Authority shall so require, the Company will notify the Authority of any notice with respect to the Notes. In addition, for so long as any Notes are represented by Global Notes, all notices to Holders will be delivered to DTC, Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

**Prescription**

Claims against the Company or any Guarantor for the payment of principal, or premium, if any, on the Notes will be prescribed five years after the applicable due date for payment thereof. Claims against the Company for the payment of interest on the Notes will be prescribed three years after the applicable due date for payment of interest.

### Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Company and the Guarantors under or in connection with the Euro Notes and the relevant Guarantees, as the case may be, including damages. The U.S. dollar is the sole currency of account and payment for all sums payable by the Company and the Guarantors under or in connection with the Dollar Notes and the relevant Guarantees, as the case may be, including damages (each, a "*Required Currency*"). Any amount received or recovered in a currency other than the Required Currency, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Company or a Guarantor will only constitute a discharge to the Company or such Guarantor, as applicable, to the extent of the amount of the Required Currency which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that amount of Required Currency is less than the amount of Required Currency expressed to be due to the recipient or the Trustee under any Note, the Company and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Company and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Company (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Company's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

### Enforceability of Judgments

Since, as of the Issue Date, certain assets of the Company and the Guarantors are held by Subsidiaries located outside the United States, any judgment obtained in the United States against the Company or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Guarantees, may be difficult to collect in full within the United States.

### Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes and the Guarantees, the Company and each Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

### Governing Law

The Indenture and the Notes, including any Guarantees, and the rights and duties of the parties thereunder will be governed by and construed in accordance with the laws of the State of New York.

### Certain Definitions

"*Accordion Amount*" means Indebtedness and other obligations Incurred under a Credit Facility not exceeding the aggregate of (A) the maximum amount such that the First Lien Secured Leverage Ratio is not greater than 5.00:1 (or, if greater, in the case such Indebtedness is used to fund, directly or indirectly, a transaction, the maximum amount such that such transaction does not result in an increase to the First Lien Secured Leverage Ratio (pro forma for that transaction); and (B) the greater of (1) €750,000,000 and (2) 100% of Consolidated EBITDA, in each case tested at the time (and taking into account) the relevant Incurrence of Indebtedness or, at the option of the Company, if earlier, at the time the relevant Indebtedness is established (in this case assuming for such purpose only that such Indebtedness is utilized in full) and, if such Indebtedness is to be used to fund, directly or indirectly, any transaction, on a pro forma basis for such transaction.

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition*" means the direct or indirect acquisition of the Target Group by the Company and its Restricted Subsidiaries pursuant to the Acquisition Agreement.

"*Acquisition Agreement*" means the share and business sale agreement to be entered into among, *inter alios*, Sigma Bidco B.V., Unilever N.V. and Unilever PLC, which is expected to be signed on or about June 15, 2018 relating to the Acquisition, as amended from time to time.

"*Additional Assets*" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Security Principles*" means the Agreed Security Principles included in the Indenture, as applied in good faith by the Company.

"*Applicable Premium*" means, with respect to any Note, the greater of:

(1) 1% of the principal amount of such Note; and

(2) (a) in the case of a Euro Note, on any redemption date, the excess (to the extent positive) of:

(i) the present value at such redemption date of (x) the redemption price of such Euro Note at May 15, 2021 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "—*Optional Redemption*" (excluding accrued but unpaid interest)), plus (y) all required interest payments due on such Euro Note to and including such date set forth in clause (x) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points (subject to a 0.0% floor); over

(ii) the outstanding principal amount of such Euro Note,

(b) in the case of a Dollar Notes, on any redemption date, the excess (to the extent positive) of:

(i) the present value at such redemption date of (x) the redemption price of such Dollar Notes at May 15, 2021 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption*" (excluding accrued but unpaid interest)), plus (y) all required interest payments due on such Dollar Note to and including such date set forth in clause (x) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points (subject to a 0.0% floor); over

(ii) the outstanding principal amount of such Dollar Note,

in each case, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate. Calculation of the Applicable Premium shall not be an obligation or duty of the Trustee or any Paying Agent.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, unnecessary, unsuitable, surplus or worn out equipment, inventory or other assets or equipment, inventory or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries (including the disposal, lapse or abandonment of intellectual property that it is no longer economically practicable to maintain or which is no longer required for the business of the Company and its Restricted Subsidiaries);

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value of less than €150 million or, if greater, 20% of Consolidated EBITDA;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings (exclusive of factoring or similar arrangements but, for the avoidance of doubt, including dealings with trade debtors with respect to book debts);

(11) the licensing or sub-licensing, leasing or assignment of intellectual property or other general intangibles and licenses, sub-licenses, assignments, leases, subleases or other dispositions of other property (including without limitation equipment or vehicles), in each case, in the ordinary course of business or consistent with industry practices;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness, other securities or assets of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind (including any disposition of a loan in connection with a capitalization, forgiveness, waiver, release or other discharge of that loan);

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person;

(18) any disposition with respect to assets built, owned or otherwise acquired by the Company or any Restricted Subsidiary (together with any related rights and assets) pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture;

(19) sales or dispositions of receivables, bills of exchange and/or inventory, together with any related rights and assets, including cash collection accounts, books and records (with or without recourse, and on customary or commercially reasonable terms), or any disposition of the Capital Stock of a Subsidiary, all or substantially all of the assets of which relate to (i) or (ii) below:

   (i) in connection with any Qualified Receivables Financing;

   (ii) in connection with any factoring, sale or discounting transaction (or other receivables based financing arrangement); or

   (iii) in the ordinary course of business;

(20) any disposition in connection with a Capitalized Lease Obligation;

(21) any disposition pursuant to (including a disposition which forms part of or results from) a Permitted Reorganization;

(22) any disposition to which a member of the Target Group is contractually committed as at the Completion Date (or, in the case of any person which becomes a Restricted Subsidiary after the Completion Date, any disposal to which that person is contractually committed as at the date on which it becomes a Restricted Subsidiary), in each case as any such contractual commitment may be replaced, renewed or extended from time to time;

(23) any disposition of an interest in a derivative transaction;

(24) any disposition of any asset made in order to comply with an order of any agency of state, authority or other regulatory body or any applicable law or regulation;

(25) any disposition of shares or other ownership interests the subject of an IPO Event;

(26) any exchange of like property for use in a Similar Business; and

(27) any disposition of assets (being a disposition otherwise permitted under any of clauses (1) to (26) above to be made to persons which are not the Company or any Restricted Subsidiary) to a special purpose vehicle and the subsequent disposal of that special purpose vehicle where the assets transferred to the special purpose vehicle are the only material assets thereof.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company.

"*Board of Directors*" means (1) with respect to the Company or any company or corporation, the board of directors or managers, as applicable, of that company or corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Bund Rate*" means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to May 15, 2021; *provided, however*, that if the period from the redemption date to the applicable date set forth above is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the applicable date set forth above is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; *provided, further*, that if such yield would otherwise be less than zero, it shall be assumed to be zero.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in the Netherlands, London, United Kingdom, or New York, New York, United States are authorized or required by law, regulation or executive order to close; *provided*, *however*, that for any payments to be made in euro under the Indenture, such day shall also be a day on which the TARGET2 payment system is open for the settlement of payments.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a financial lease for financial reporting purposes on the basis of IFRS as of the Issue Date. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, France, England, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition (or, if later, from the relevant date of calculation under the Indenture);

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof (or, if later, from the relevant date of calculation under the Indenture) issued by any lender to the

Company or a Restricted Subsidiary or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above or clause (5) below entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof (or, if later, from the relevant date of calculation under the Indenture);

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any Permissible Jurisdiction, France, England, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition (or, if later, from the relevant date of calculation under the Indenture);

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB–" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition (or, if later, from the relevant date of calculation under the Indenture);

(7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, France, England, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank or other financial institution (or any dematerialized equivalent); and

(8) interests in any investment company, money market fund or enhanced high yield fund which invests 95% or more of its assets in cash or in instruments of the types specified in clauses (1) through (7) above.

"*Change of Control*" means:

(1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent Holding Company; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than the Company (including, for the avoidance of doubt, any successor thereto pursuant to the provisions described under "*—Certain Covenants—Merger and Consolidation*") or a Restricted Subsidiary or one or more Permitted Holders and any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or become(s) the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50.0% of the total voting power of the Voting Stock of the transferee Person in such sale, lease, transfer, conveyance or other disposition, as the case may be;

*provided that*, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

Notwithstanding the preceding or any provision of Rule 13d-3 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own securities subject to an equity or asset purchase agreement, merger agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the transactions contemplated by such agreement, (ii) if any group includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Company beneficially owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by 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 another person as a result of its ownership of Voting Stock or other securities of such other Person's Parent Holding Company (or related contractual rights) unless it owns 50% or more of the total voting power of the Voting Stock of such Parent Holding Company. For purposes of this definition and any related definition to the extent used for purposes of this definition, at any time when 50% or more of the total voting power of the Voting Stock of the Company is directly or indirectly owned by a Parent Holding Company of which the Company is a Subsidiary, all references to the Company shall be deemed to refer to its ultimate Parent Holding Company of which the Company is a Subsidiary (but excluding any Permitted Holder) that directly or indirectly owns such Voting Stock.

"*Clearstream*" means Clearstream Banking, a *société anonyme* as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Commodity Hedging Agreements*" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Company*" means Sigma Holdco B.V., a company incorporated under the laws of the Netherlands and registered with the Dutch Trade Register of the Chambers of Commerce under number 70282900, and any successor thereto.

"*Completion Date*" means the date of completion of the Acquisition.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense and Receivables Fees;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense;

(5) any expenses, charges or other costs related to any equity offering (including any Equity Offering and IPO Event), Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (in each case whether or not successful) (including any such fees or charges related to the Transactions) in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(7) the amount of (x) management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" and (y) any fees and other compensation paid to the members of the board of directors (or the equivalent thereof) of the Company or any of its Holding Companies;

(8) the amount of any restructuring charges or reserves, equity-based or non-cash compensation charges or expenses including any such charges or expenses arising from grants of stock appreciation or similar rights, stock options, restricted stock or other rights, retention charges (including charges or expenses in respect of incentive plans), start-up or initial costs for any project or new production line, division or new line of business or other business optimization expenses or reserves including, without limitation, costs or reserves associated with improvements to IT and accounting functions, integration and facilities opening costs or any one-time costs incurred in connection with acquisitions and Investments and costs related to the closure and/or consolidation of facilities;

(9) the amount of loss or discount on sale of receivables, Receivables Assets and related assets to any Receivables Subsidiary in connection with a Qualified Receivables Financing;

(10) adjustments of the nature used in connection with the calculation of "Normalized EBITDA" as set forth in footnote (4) of "*Summary—Summary Historical and Other Financial Information*" contained in the offering memorandum applied in good faith by the Company to the extent such adjustments continue to be applicable during the period in which EBITDA is being calculated; and

(11) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

For the purposes of determining "Consolidated EBITDA" under the Indenture, (i) calculations shall be made giving effect to the same adjustments (including without limitation as to pro forma effects of Sales, Purchases and other adjustments) on the same basis as for calculating the Consolidated Net Leverage Ratio for the Company and its Restricted Subsidiaries, (ii) subject to a contrary election under clause (i) of the second paragraph of the definition "Consolidated Net Leverage Ratio," for purpose of determining any basket or threshold amount which is expressed to be determined by reference to a percentage of Consolidated EBITDA, Consolidated EBITDA shall be measured on the most recent date on which new commitments are obtained (in the case of revolving facilities) or the date upon which Indebtedness is incurred (in the case of term facilities) or otherwise on the date the relevant basket is measured, and for the period of the most recent four consecutive fiscal quarters ending prior to such date for which internal consolidated financial statements of the Company are available and (iii) in the event that Consolidated EBITDA is to be calculated prior to the end of the fourth complete fiscal quarter after the Completion Date, Consolidated EBITDA for any part of the relevant period falling prior to the date on which the Target Group became Subsidiaries of the Company shall be calculated on the basis that the definition of Consolidated EBITDA is to be construed as if references to the Company and its Restricted Subsidiaries were references to the Target Group.

*"Consolidated Financial Interest Expense"* means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries related to Indebtedness (including (a) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (b) the interest component of Capitalized Lease Obligations and (c) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any pension liability interest cost, amortization of discount, debt issuance cost and premium, commissions, discounts and other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (c)). Notwithstanding anything to the contrary stated above, Consolidated Financial Interest Expense shall not include any interest expense relating to interest of any entity that is not the relevant Person or a Restricted Subsidiary or any Receivables Fees.

"*Consolidated Income Taxes*" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes), trade taxes and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of debt discount, debt issuance cost and premium;

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;

(5) costs associated with Hedging Obligations;

(6) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a subsidiary of the Company;

(7) the consolidated interest expense that was capitalized during such period; and

(8) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"), less cash and Cash Equivalents held by the Company or any of its Restricted Subsidiaries, as of the date of determination. In respect of any applicable period, the exchange rate used to calculate Consolidated Leverage may, at the option of the Company, be (i) the weighted average exchange rate for that period used by the Company to calculate Consolidated EBITDA (as determined by the Company); or (ii) the relevant prevailing exchange rate at close of business on the last day of that period (as determined by the Company), *provided* that, where applicable, any amount of Indebtedness will be stated so as to take into account the hedging effect of any currency hedging entered into in respect of or by reference to that Indebtedness.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided*, *however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or that could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, and (c) restrictions not prohibited by the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause));

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/ leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (including for the avoidance of doubt, any tax referable to any payments, dividends or other distributions made or declared intra-group) or any charges or reserves in respect of any restructuring, redundancy or severance expense or other costs related to the Transactions, in each case, as determined in good faith by the Company;

(5) at the election of the Company with respect to any quarterly period, the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness, and any provisions in respect of working capital;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge, amortization, expense or write-off;

(13) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes;

(14) consolidated depreciation expense, to the extent in excess of capital expenditure related to tangible assets for the relevant period; and

(15) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Net Leverage Ratio*" means, as of any date of determination, the ratio of (a)(i) the Consolidated Leverage at such date plus (ii) the Reserved Indebtedness Amount of the Company and its Restricted Subsidiaries that is secured by Liens on the Collateral on at least a pari passu basis with the Notes at such date to (y) Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available; *provided*, *however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "*Sale*") or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an

amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; *provided* that if any such sale constitutes "discontinued operations" in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "*Purchase*"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings as if such Purchase occurred on the first day of such period;

(3) since the beginning of such period, the Company or any Restricted Subsidiary has made or implemented a Specified Transaction or Group Initiative, including any such Specified Transaction or Group Initiative occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings as Specified Transaction or Group Initiative occurred on the first day of such period;

(4) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale, Purchase, Specified Transaction or Group Initiative that would have required an adjustment pursuant to clause (1), (2) or (3) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and cost savings, as if such Sale or Purchase occurred on the first day of such period; and

(5) since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, the Company or any Restricted Subsidiary, that constitutes an event that is contemplated by the definition of "Specified Change of Control Event" (any such transaction, a "*Specified Change of Control Transaction*"), and solely for the purpose of making the determination pursuant to "Specified Change of Control Event," Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto (including anticipated synergies and expenses and cost savings expected to be obtained from the Specified Change of Control Transaction) as if such Specified Change of Control Transaction (including such synergies and expenses and cost savings) had occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Financial Interest Expense, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income, First Lien Secured Leverage Ratio and Fixed Charge Coverage Ratio, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies) as though the full effect of synergies and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Company) of any restructuring, operating expense reduction, operating improvement, cost savings programs (or, in each case, other similar initiative) (each, a "*Group Initiative*") that have been initiated or implemented by the Company or its Restricted Subsidiaries during the relevant period or in connection with an event specified in clauses (1), (2), (3) or (4) above as though such Group Initiative had been fully implemented on the first day of the relevant period, (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period, (c) pro forma effect shall be given to anticipated acquisitions which have become subject to Definitive Agreements, (d) Indebtedness Incurred in reliance on the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness*" as of the date of determination shall be excluded, (e) the discharge on the determination date of any Indebtedness to the extent that the discharge of such Indebtedness results from proceeds Indebtedness Incurred in reliance on the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness*" shall not be given effect, (f) calculations shall also give pro forma effect to any Specified Transaction that has occurred since the beginning of such period but which has not yet been fully reflected in the relevant period (as determined and calculated by a responsible financial or accounting officer of the Company) and (g) calculations shall exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of any Sale or Purchase or Specified Transaction and/or the implementation of any Group Initiative; (h) notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio or First Lien Secured Leverage Ratio, such ratio(s) shall be calculated without regard to the incurrence or repayment of any Indebtedness under any revolving credit facility or letter of credit facility (1) immediately prior to or in connection therewith or (2) used to finance working capital needs of the Company and its Restricted Subsidiaries (as reasonably determined by the Company); (i) "determined on a consolidated basis on the basis of IFRS," "determined on the basis of IFRS" and similar provisions shall at the election of the Company allow for calculation to be made on the basis of presentation of the financial statements included in the Offering Memorandum, and (j) in the event that the Company or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility or letter of credit facility, the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, First Lien Secured Leverage Ratio or Consolidated EBITDA-based permission, as applicable, for borrowings and reborrowing thereunder (and including issuance and creation of letters of credit and bankers' acceptances thereunder) will, at the Company's option as elected on the date the Company or a Restricted Subsidiary, as the case may be, enters into or increases such commitments, either (a) be determined on the date of such revolving credit facility, such letter of credit facility or such increase in commitments (assuming that the full amount thereof has been borrowed as of such date), and, if such Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, First Lien Secured Leverage Ratio or Consolidated EBITDA-based permission, as applicable, test is satisfied with respect thereto at such time, any borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be permitted under this covenant irrespective of the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, First Lien Secured Leverage Ratio or Consolidated EBITDA, as applicable, at the time of any borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (a) shall be the "*Reserved Indebtedness Amount*" as of such date for purposes of the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, First Lien Secured Leverage Ratio or Consolidated EBITDA-based permission, as applicable) and for purposes of subsequent calculations of the Fixed Charge Coverage Ratio (only for purposes of testing incurrence of the Reserved Indebtedness Amount), Consolidated Net Leverage Ratio, First Lien Secured Leverage Ratio or Consolidated EBITDA-based permission (only for the purpose of calculation of the relevant permission), as applicable, the Reserved Indebtedness Amount shall be deemed to be outstanding, whether or not such amount is actually outstanding, for so long as such commitments are outstanding or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original facility agent (or other administrative agent) and lenders or another facility agent (or other administrative agent) or agents or other banks or institutions and whether provided under the Senior Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee or guarantee agreement and any pledge agreement, debenture, collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

"*Definitive Agreement*" means any agreement for the consummation of an acquisition, including without limitation by way of tender offer, scheme of arrangement, merger, amalgamation or consolidation, by the Company or one or more of its Restricted Subsidiaries (*provided* that in the case of a public tender offer, a solicitation of proxies or a proposal for a scheme of arrangement or similar scheme, a Definitive Agreement will be deemed to have been entered into at the time of the public announcement of such transaction).

"*Designated Non-Cash Consideration*" means the fair market value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Designated Preference Shares*" means, with respect to the Company or any Parent Holding Company, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or purchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided*, *however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock, (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" and (iii) Capital Stock constituting Subordinated Shareholder Funding shall not be Disqualified Stock.

"*DTC*" means the Depository Trust Company or any successor securities clearing agency.

"*Equity Contribution*" means the contribution to the Company of shareholder funds (including by means of Subordinated Shareholder Funding) on or about the Completion Date as part of the Transactions.

"*Equity Offering*" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Excluded Amounts) of, or as Subordinated Shareholder Funding to, the Company.

"*euro*" means the single currency of the participating member states of the European Monetary Union.

"*Euro Equivalent*" means, except as otherwise specifically set forth herein, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Company or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Company) on the date of such determination.

"*Euroclear*" means Euroclear Bank SA/NV, or any successor securities clearing agency.

"*European Government Obligations*" means any security that is (1) a direct obligation of Belgium, the Netherlands, France, Germany or any Permissible Jurisdiction, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*European Union*" means all members of the European Union as of January 1, 2004.

"*Exchange*" means The International Stock Exchange and its successors and assigns.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the Equity Contribution or Excluded Amounts, the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Completion Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares or Excluded Amounts) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"*fair market value*" shall be determined in good faith by the Company and may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

*"First Lien Secured Leverage Ratio"* means the Consolidated Net Leverage Ratio, but calculated by excluding (i) Hedging Obligations and (ii) any Indebtedness which does not constitute Senior Lender Liabilities, Senior Notes Liabilities or Permitted Senior Financing Liabilities (as each such term is defined in the Intercreditor Agreement).

*"Fixed Charge Coverage Ratio"* means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recently completed four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements of such Person are available to the Fixed Charges of such Person and its Restricted Subsidiaries for such four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness Incurred under any revolving credit facility, unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, Guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period, provided that the pro forma calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on the Fixed Charge Coverage Ratio Calculation Date pursuant to the provisions of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the Fixed Charge Coverage Ratio Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness*".

For purposes of making the computation referred to above, any Sale, Purchase, Specified Transaction or Group Initiative that have been made or implemented by the Company or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date may be calculated on a pro forma basis in a manner consistent with the adjustments described in the definition of "Consolidated Net Leverage Ratio", assuming that all such Sales, Purchases, Specified Transactions and Group Initiatives (and any change in any associated fixed charge obligations and any change in Consolidated EBITDA resulting therefrom), including the full run rate effect of anticipated synergies and savings, had occurred on the first day of the four-quarter reference period.

If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted Subsidiaries since the beginning of such period shall have made or implemented any Sale, Purchase, Specified Transaction or Group Initiative that would have permitted or required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio may (or, where applicable, shall) be calculated giving pro forma effect thereto, including anticipated synergies and savings, for such period as if such Sale, Purchase, Specified Transaction or Group Initiative and the full run rate effect of such anticipated synergies and savings had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction, the pro forma calculations shall be made in good faith by the chief financial officer or finance director of the Company or the relevant Restricted Subsidiary (or such other person as is performing the functions of the chief financial officer or finance director), including synergies and savings. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company or the relevant Restricted Subsidiary to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit or similar facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate. For the purpose of calculating pro forma effect under this definition, pro forma effect may also be given to anticipated acquisitions where the Indebtedness to be Incurred is to finance such acquisitions in whole or in part, which have not yet occurred but which have become subject to a definitive purchase agreement or other contract.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of:

(a) Consolidated Financial Interest Expense of such Person for such period;

(b) all dividends or other distributions payable in cash (excluding items eliminated in consolidation) on any series of Preferred Stock during such period;

(c) all dividends or other distributions payable in cash (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period; and

(d) any cash interest expense on Indebtedness of another person that is guaranteed by such Person or its Restricted Subsidiaries or secured by a Lien on assets of such Person or its Restricted Subsidiaries, but only to the extent such interest expense is actually paid in cash by such Person or any of its Restricted Subsidiaries,

determined on a consolidated basis in accordance with IFRS.

"*Governmental Authority*" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

*"Group Initiative"* shall have the meaning given in the definition of "Consolidated Net Leverage Ratio".

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

*provided*, *however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantor*" means any Restricted Subsidiary that Guarantees the Notes from time to time.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "*Hedging Agreement*").

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Clearstream and Euroclear, in the case of the Euro Notes, and Cede & Co. as nominee of DTC, in the case of the Dollar Notes.

"*Holding Company*" means, in relation to any Person, any Person of which it is a Subsidiary.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) ("*IFRS*") endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date the Company may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds (other than a performance or advance payment bond or similar instrument), debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent issued by a bank or financial institution and provided that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto (or if the relevant supplier customarily allows a period for payment, if later the date 180 days after the expiry of that period), for the avoidance of doubt excluding where the payment deferral results from the delayed or non-satisfaction of contract terms by the supplier, from a dispute carried out in good faith or from contract terms establishing payment schedules tied to total or partial contract completion and/or to the results of operational testing procedures and excluding earn outs and other contingent consideration arrangements);

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*,

that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. In relation to any Indebtedness in respect of bank accounts subject to netting, cash pooling, net balance, balance transfer or similar arrangements, only the net balance shall be used. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Subordinated Shareholder Funding;

(ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date or any deposit made in relation thereto;

(iii) any asset retirement obligations;

(iv) any prepayments of deposits received from clients or customers in the ordinary course of business;

(v) any income tax or other payables, any social security, tax or pension obligations or bonds in relation thereto, or obligations under any Tax Sharing Agreement;

(vi) any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred on or prior to the Completion Date or in the ordinary course of business;

(vii) Contingent Obligations Incurred in the ordinary course of business and obligations under or in respect of Qualified Receivables Financings;

(viii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 180 days thereafter;

(ix) trade credit on normal commercial terms;

(x) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims;

(xi) obligations of any Person for the reimbursements of any obligor in relation to any confirming services, reverse factoring services and commercial discount lines in the ordinary course of business;

(xii) obligations of any Person for the reimbursement of any obligor on any letter of credit, banker's acceptance, performance bond, advance payment bonds, surety bonds, completion or performance guarantees or similar transactions, to the extent that such letters, bonds, guarantees or similar transactions are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond;

(xiii) with respect to any Person, any obligations in respect of Indebtedness of any other Person, other than as provided for in clause (8) above;

(xiv) Indebtedness incurred by the Company or any of its Restricted Subsidiaries in connection with a transaction where a substantially concurrent Investment is made by the Company or any of its Restricted Subsidiaries in the form of cash deposited with the lender (or representative of lenders) of such Indebtedness, or a Subsidiary or Affiliate thereof, in an amount equal to such Indebtedness. For the avoidance of doubt, if any Indebtedness is excluded pursuant to this clause (xiv), any associated cash deposited in connection therewith shall not offset the Fixed Charge Coverage Ratio, the Consolidated Net Leverage Ratio or the First Lien Secured Leverage Ratio;

(xv) any obligations arising under or pursuant to a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Article 2:403 of the Dutch Civil Code (including any liability arising under or in connection with a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) issued for the purpose of Section 2:403 Dutch Civil Code (and any residual liability (*overblijvende aansprakelijkheid*) under such declaration arising pursuant to Section 2:404(2) Dutch Civil Code)); and

(xvi) any obligations arising by operation of law as a result of the existence of a fiscal unity (*fiscale eenheid*) of which the Company or any of its Subsidiaries incorporated in the Netherlands is a member.

For the avoidance of doubt, where the amount of Indebtedness falls to be calculated or where the existence (or otherwise) of any Indebtedness is to be established, unless the context requires otherwise (as determined by the Company in good faith), indebtedness owed by the Company or any Restricted Subsidiary to the Company or any other Restricted Subsidiary shall not be taken into account.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Company.

"*Initial Investors*" means KKR and any funds or partnerships managed or advised, directly or indirectly, by KKR or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Company or any Parent Holding Company or any successor of the Company or any Parent Holding Company (the *"IPO Entity"*) following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated on or about the Issue Date, among, *inter alios*, the lenders and agent under the Senior Facilities Agreement, the Trustee as well as certain hedging counterparties, as amended from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit (other than a time deposit) and any loans or credit arising as a result of the operation of cash pooling, net balance or similar arrangements) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided*, *however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*:"

(1) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary;

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company; and

(3) if the Company or any of its Restricted Subsidiaries issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary of the Company such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary of the Company, any Investment by the Company or any of its Restricted Subsidiaries in such Person remaining after giving effect thereto shall not be deemed to be a new Investment at such time.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade*" means (i) BBB– or higher by S&P, (ii) Baa3 or higher by Moody's, or (iii) the equivalent of such ratings by S&P or Moody's, or of another Nationally Recognized Statistical Ratings Organization.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction or France, England, Switzerland, Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A–" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur when the Notes receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Event*" means the occurrence of an Initial Public Offering or a Listing.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means May 9, 2018.

"*KKR*" means Kohlberg, Kravis, Roberts & Co. L.P. and its Affiliates, and any fund, partnership and/or other entities represented, managed, advised, owned or controlled directly or indirectly by it or any of them.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Limited Condition Transaction*" means (1) any Investment or acquisition (whether by merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise), (2) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment and (3) any Restricted Payment requiring irrevocable notice in advance thereof.

"*Listing*" means a listing of all or any part of the share capital of the Company or any Subsidiary of the Company on any other recognized investment exchange (as that term is used in the Financial Services and Markets Act 2000) or any other sale or issue by way of flotation or public offering in relation to the Company or any such Subsidiary of the Company in any jurisdiction or country.

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to Management Investors:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent Holding Company;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding the greater of €50 million and 7.5% of Consolidated EBITDA in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to any Parent Holding Company, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent Holding Company.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

*"MEP"* means any management equity plan, employee benefit scheme, incentive scheme or other similar or equivalent arrangement implemented or to be implemented.

*"MEP Payment"* means any payment or transaction which is, or which is to be made, entered into or used directly or indirectly (or to facilitate any such step or payment):

(1) to make payment to a member of any MEP (including payments to members leaving any MEP) or any trust or other person in respect of any MEP, incentive scheme or similar arrangement or pay any costs and expenses properly incurred in the establishing and maintaining of any MEP, incentive scheme or similar arrangement (provided further that, for the avoidance of doubt, nothing in the Finance Documents shall prohibit any payments to, or the acquisition of shares or other interests or investments of, employees or management); and/or

(2) for repayment or refinancing of amounts outstanding under any loan made in connection with an MEP, incentive scheme or similar arrangement or capitalization of such loans.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing arrangements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by its terms or by applicable law are required to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent Holding Company, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Note Documents*" means the Notes (including Additional Notes), the Indenture and the Security Documents.

"*Offer Letter*" means the final, binding, irrevocable and fully financed offer letter issued by Sigma Bidco B.V. to Unilever N.V. and Unilever PLC in respect of the Target Group on December 15, 2017, providing for the Acquisition.

"*Offering Memorandum*" means the final offering memorandum in relation to the Notes.

"*Officer*" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"*Parent Holding Company*" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent Holding Company.

"*Parent Holding Company Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent Holding Company in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent Holding Company owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent Holding Company in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees, costs and expenses payable by any Parent Holding Company in connection with the Transactions;

(5) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent Holding Company related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries (including remuneration payable to employees, directors and officers);

(6) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, by any Parent Holding Company of the Company or any of its Subsidiaries;

(7) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries or any Parent Holding Company or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Company, in an amount not to exceed the greater of €50 million and 7.5% of Consolidated EBITDA in any fiscal year;

(8) expenses Incurred by any Parent Holding Company in connection with any Public Offering, IPO Event or other sale of Capital Stock or Indebtedness:

    (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary;

    (y) pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

    (z) otherwise on an interim basis prior to completion of such offering so long as any Parent Holding Company shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(9) amounts to enable a Parent Holding Company (or any other company which acts as the host of any MEP, incentive scheme or similar arrangement) to:

    (a) pay Taxes, duties or similar amounts;

    (b) pay fees, expenses and other costs incurred in acting as, or maintaining its existence as, a holding company of the Company and its Subsidiaries and/or host of any MEP, incentive scheme or similar arrangement or arising by operation of law or in the ordinary course of administration of its business as a holding company of the Company and its Subsidiaries (including remuneration payable to employees, directors and officers);

    (c) meet substance requirements for Tax purposes; and/or

    (d) to make any payment for or on account of Tax as a result of the existence of a fiscal unity for Dutch tax purposes.

"*Pari Passu Indebtedness*" means any Indebtedness of the Company or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Guarantees, as the case may be, and, in each case, is secured by a Lien on the Collateral.

"*Paying Agent*" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Note on behalf of the Company.

"*Permissible Jurisdiction*" means any state, commonwealth or territory of the United States or the District of Columbia, Canada or any province of Canada, Japan, any member state of the European Union and also, for the purposes of the definitions of "Cash Equivalents" and "Temporary Cash Investments," any jurisdiction in which the Company or a Restricted Subsidiary does business as of the Issue Date.

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Permitted Collateral Liens*" means (A) Liens on the Collateral (i) that are "Permitted Liens" or (ii) that are Liens on bank accounts granted to cash management banks securing cash management obligations, (B) Liens securing Senior Indebtedness, (C) Liens securing Additional Notes (to the extent permitted under clause (D)), (D) Liens on the Collateral to secure Indebtedness or other obligations of the Company or a Restricted Subsidiary that are permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii), (6), (7), (11), (12), (15) or (16) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*") and any Refinancing Indebtedness in respect of such Indebtedness; *provided*, *however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement; (E) Liens on the Collateral securing Indebtedness incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;" and (F) Liens on the Collateral that secure Indebtedness on a basis junior to the Notes, *provided* that the holders of such Indebtedness (or their representative) accede to the Intercreditor Agreement or an Additional Intercreditor Agreement. To the extent that Indebtedness relating to an instrument or agreement is permitted to be secured by a Permitted Collateral Lien, other associated obligations under such instrument or agreement not themselves constituting Indebtedness may also be secured by such Permitted Collateral Lien.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any Affiliate thereof, (2) Senior Management and Related Persons, (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent Holding Company or the Company, acting in such capacity and (4) any "group" (as such term is defined under Section 13(d)(3) of the Exchange Act) of which a Permitted Holder (without giving effect to this clause (4)) is a "Permitted Holder" and where such Permitted Holder is the beneficial owner of more than 50% of the Capital Stock beneficially owned by such group. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, or is liquidated into, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances and MEP Payments;

(7) Investments received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*;"

(9) Investments in existence on, or made pursuant to contractual commitments in existence on, the Issue Date or, with respect to the Target Group only, the Completion Date (or, in the case of any Person which becomes a Restricted Subsidiary after the Completion Date, any Investments in existence on, or to which that Person is contractually committed as at the date on, which it becomes a Restricted Subsidiary), and in the case of any such Investment or commitment, as that Investment or commitment is extended, modified, replaced or renewed from time to time;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*;"

(11) Investments, the outstanding principal amount of which, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding (measured as of the time of original Investment without giving effect to appreciation or to accretion or capitalization of interest), in an aggregate amount at the time of such Investment not to exceed the greater of €300 million and 40% of Consolidated EBITDA plus an amount equal to 100% of the dividends, distributions and other amounts (including payments received in respect of loans and advances) received by the Company or a Restricted Subsidiary from such Investments (which dividends or distributions, at the option of the Company (without double counting), are not included in the calculation under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*"); *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investment" and not this clause;

(12) Investments in negotiable instruments held for collection and pledges or deposits with respect to workers' compensation, leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*;"

(13) any Investment to the extent made directly or indirectly using Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Funding, or Capital Stock of any Parent Holding Company as consideration;

(14) any transaction to the extent constituting an Investment that is (i) specified in or contemplated by the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*"; or (ii) made pursuant to or in connection with (A) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation

arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Holding Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business; (B) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent Holding Company (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees); (C) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries; (D) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; (E)(1) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or indebtedness constituting Subordinated Shareholder Funding provided that the interest rate and other financial terms of such indebtedness constituting Subordinated Shareholder Funding are approved by the Board of Directors of the Company and (2) any amendment, waiver or other transaction with respect to any indebtedness constituting Subordinated Shareholder Funding in compliance with the other provisions of the Indenture; or (F) a Permitted Reorganization; and (iii) any transaction effected as part of a Qualified Receivables Financing;

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or leases or agreements in respect of vehicles, information technology and other electronic equipment and point of sale equipment or network or related (or similar or replacement) assets or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(16) guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (including payments made pursuant to or to fund any amount that may be required by any such arrangement); and

(17) Investments in Permitted Joint Ventures provided that the aggregate outstanding principal amount of Investments made pursuant to this clause (17) (excluding capitalized interest) does not exceed the greater of €300 million and 40% of Consolidated EBITDA plus an amount equal to 100% of the dividends, distributions and other amounts (including payments received in respect of loans and advances) received by the Company or a Restricted Subsidiary from any Permitted Joint Venture (which dividends or distributions are not included in the calculation under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*"), provided that if an Investment is made pursuant to this clause (17) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of this definition of Permitted Investments and not this clause (17);

(18) Investments consisting of the acquisition of shares or other ownership interests held directly or indirectly by current, former or future employees or members of management or any trust or other person in respect of or in connection with any MEP, incentive scheme or similar arrangement;

(19) any vendor loan or similar instrument issued or entered into in respect of a disposal not prohibited under the Indenture, provided that for the avoidance of doubt, contingent consideration arrangements (including earn outs) shall not constitute Investments for the purpose of the Indenture;

(20) Investments made pursuant to transactions required by, or to facilitate compliance with, any laws applicable to the Company or any Restricted Subsidiary;

(21) Investments made in connection with Capitalized Lease Obligations, hire, purchase, conditional sale, sale and leaseback or other agreement for the acquisition of any asset upon deferred

payment terms, in each case where such agreement or arrangement is not otherwise prohibited by the terms of the Indenture;

(22) any investment pursuant to the exercise of put/call options (or any equivalent right or obligation) arising under any joint venture permitted by the terms of the Indenture (in each case provided that such put/call option was entered into for bona fide business reasons);

(23) any loan or extension of credit made by a member of the Target Group and outstanding on the Completion Date (or, in the case of any Person which becomes a Restricted Subsidiary after the Completion Date, any loan or extension of credit made by that Person and outstanding on the date on which it becomes a Restricted Subsidiary), or, in each case, any refinancing, replacement, extension or renewal thereof;

(24) any Investment funded directly or indirectly with the proceeds of the issuance or sale of Capital Stock of the Company, the proceeds of Subordinated Shareholder Funding or the proceeds of an IPO Event, *provided* that no amount shall be taken into account for the purpose of this clause (24) where to do so would result in double counting as a consequence of that amount being (at the Company's option) an Excluded Contribution or included in the calculation set out in clauses (c)(ii) or (c)(iii) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or where such amount constitutes an Excluded Amount;

(25) trade credit given on normal commercial terms (including, without limitation, the making of loans, guarantees and the granting of credit to customers in the ordinary course of activities);

(26) a loan made, credit granted or guarantee given by the Company or any Restricted Subsidiary to or for the benefit of any employee or director of the Company or any Restricted Subsidiary (or any person who was an employee or director at the time the loan was made, credit granted or guarantee given), *provided* that the maximum aggregate principal amount of Indebtedness outstanding under all loans made, credit granted and guarantees given pursuant to this clause (26) (excluding capitalized interest) does not at any time exceed an amount equal to the greater of €75.0 million and 10% of Consolidated EBITDA plus the aggregate amount of all such loans, credit and guarantees in existence as at the Issue Date or, with respect to the Target Group only, the Completion Date;

(27) any arrangement in respect of, or the making of any payment or matter permitted by the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," or any transaction to facilitate the making of such payment or matter;

(28) any credit balances held with banks or other financial institutions;

(29) any Investment arising as a result of the operation of cash pooling, net balance, balance transfer or similar arrangements made available to the Company or any Restricted Subsidiary or arising in the course of other treasury management operations of the Company and its Restricted Subsidiaries;

(30) advance payments made in relation to capital expenditure of the Company and its Restricted Subsidiaries in the ordinary course of business;

(31) loans to or for the benefit of current, future or former employees or members of management (or any trust or other entity holding shares or other investments in connection with any MEP, incentive scheme or similar arrangement) the proceeds of which are to be used (directly or indirectly, including by way of refinancing previous acquisitions) to fund the acquisition of shares or other ownership interests or investments pursuant to any MEP, incentive scheme or similar arrangement and loans the proceeds of which are to be used (directly or indirectly) to fund the acquisition of shares or other ownership interests or investments from current, future or former employees or management, in each case as any such loan may be replaced, renewed or extended from time to time;

(32) any loan made or credit granted in connection with any actual, proposed or future payment of Tax (including as a consequence of any 'group contributions' or similar or equivalent arrangements);

(33) the endorsement of negotiable instruments in the ordinary course of trade; and

(34) Investments in the Notes.

*"Permitted Joint Venture"* means:

(1) any corporation, association or other business entity (other than a partnership) that is not a Restricted Subsidiary and of which a portion of the Capital Stock is at the time of determination

owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity that is not a Restricted Subsidiary and of which a portion of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are at the time of determination, owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings;

(5) Liens in favor of the issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements and any Liens arising in connection with any swapping of logistics capabilities), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, utility agreements, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties (taken as a whole) or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries (taken as a whole);

(7) Liens securing Hedging Obligations permitted under the Indenture, or over assets or property of any Restricted Subsidiary which is not required to provide a Guarantee pursuant to the Agreed Security Principles and which Lien is in favor of obligations under the Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of

Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions or standard terms and procedures relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts, or other funds maintained with a depositary or financial institution or clearing system (including DTC, Euroclear or Clearstream);

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) (a) Liens existing on the Issue Date or, with respect to the Target Group only, the Completion Date, (b) Liens with respect to Senior Indebtedness and (c) Liens with respect to Credit Facilities incurred pursuant to clause (15) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;"

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any Lien, encumbrance or other restriction (including put and call arrangements) with respect to Capital Stock of, or other ownership interests in, any joint venture, minority interest arrangement or similar investment or arrangement (and/or related assets, including shares or other ownership interests in any special purpose vehicle holding any such assets) pursuant to any joint venture, minority interest or other similar agreement, and any Lien constituting a Permitted Investment;

(20) 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;

(21) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(22) Liens on cash accounts securing Indebtedness incurred under clause (10) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" with local financial institutions;

(23) Liens on escrowed proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(24) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities or pursuant to any derivative or hedging transaction, or liens over cash accounts securing cash pooling arrangements;

(25) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods or otherwise in connection with any leasing (including sale and leaseback transactions), vendor financing or similar arrangements;

(26) Liens, provided that the aggregate principal amount of Indebtedness (excluding capitalized interest) secured by such Liens in aggregate does not exceed the greater of €150 million and 20% of Consolidated EBITDA;

(27) Permitted Collateral Liens;

(28) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary;

(29) (a) Liens directly or indirectly securing the Notes; and (b) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to the Intercreditor Agreement or an Additional Intercreditor Agreement, or otherwise is subject to loss-sharing as among the Holders and the creditors of such Indebtedness;

(30) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;

(31) Liens securing Indebtedness permitted to be Incurred pursuant to clauses (1) and (15) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;"

(32) any cash collateral arrangement securing the obligations of an ancillary lender, landlord, hedging counterparty or regulator in respect of ancillary facilities, leases, hedging obligations or capital, surety or other guarantee requirements under applicable regulations of the Company or its Restricted Subsidiaries;

(33) Liens arising on rental deposits in connection with the occupation of leasehold premises in the ordinary course of business;

(34) any Liens granted in favor of creditors so as to implement a Permitted Reorganization or a permitted capital reduction;

(35) any Lien constituting a right to use certain assets of the Company or any Restricted Subsidiary or any similar or equivalent arrangement, in each case to the extent that such Lien is granted or arises in respect of the obligations of the Company or any Restricted Subsidiary under any contract entered into in the ordinary course of business;

(36) Liens arising by operation of law or regulation, by contract or under general business conditions, in each case by virtue of the provision of general banking or overdraft facilities or arrangements (including any cash pooling, net balance, balance transfer, netting, set-off or similar arrangements entered into by the Company or any Restricted Subsidiary) or as otherwise required by a bank or financial institution under its standard terms and conditions (a) for operation of any accounts or facilities, (b) for transactions in the ordinary course of banking arrangements or (c) for other transactions expressly permitted or required by the Indenture;

(37) Liens arising by way of rights of set-off, bailment or similar rights arising pursuant to any risk and/or revenue sharing contract and other contracts entered into in the ordinary course of business;

(38) any Liens (including escrow, cash collateral or similar arrangements and arrangements with tax authorities) arising in connection with (a) any acquisition or disposal not prohibited by the terms of the Indenture; or (b) any other acquisition or disposal made by a member of the Target Group prior to the Completion Date;

(39) payments into court or any Lien arising in connection with any legal proceedings being contested by the Company or any Restricted Subsidiary in good faith (including Liens arising under any court order or injunctions or security for costs);

(40) any Liens granted over or in relation to amounts (and/or any related accounts, rights and interests) received or to be received by the Company or any Restricted Subsidiary on behalf of (or otherwise required to be paid to) any Person other than the Company or a Restricted Subsidiary;

(41) Liens arising in connection with any transaction or arrangements permitted under clause (19) of the definition of "Permitted Investment;"

(42) any Liens granted to secure the obligations of the Company or any Restricted Subsidiary in respect of arrangements permitted under clauses (18) and (21) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;"

(43) any Liens over shares or other interests in any Permitted Joint Venture and/or related assets (including the shares or other ownership interests in any special purpose vehicle holding any such assets) granted or arising in connection with arrangements relating to a Permitted Joint Venture;

(44) Liens arising pursuant to an order of attachment or injunction restraining disposal of assets or similar legal process and any other Liens arising in connection with court proceedings which are contested by the Company or any Restricted Subsidiary in good faith;

(45) Liens on cash, Cash Equivalents or other assets arising in connection with the defeasance, discharge or redemption of Indebtedness;

(46) Liens arising by operation of law (or by agreement to the same effect) in the ordinary course of business and not as a result of any default or omission on the part of the Company or any Restricted Subsidiary;

(47) any Lien arising in connection with any cash collateral or similar or equivalent arrangements in respect of a guarantee granted by the Company or any Restricted Subsidiary or any other guarantee granted in respect of the obligations or liabilities of the Company or any Restricted Subsidiary (in each case to the extent that such guarantee is not prohibited by the terms of the Indenture);

(48) any Lien arising by operation of law as a result of the existence of a fiscal unity for Dutch tax purposes (fiscale eenheid); and

(49) any Lien arising under or pursuant to clause 24 or clause 25 of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) and/or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions.

"*Permitted Parent Transactions*" means (i) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Holding Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business; (ii) any Management Advances and/or MEP Payments (and in each case any waiver or transaction with respect thereto); (iii) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent Holding Company (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees); or (iv) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business.

*"Permitted Reorganization"* means any reorganization and other activities related to (i) an IPO Event, as described in "*—IPO Pushdown*" or (ii) tax planning and tax reorganization, so long as, after giving effect thereto, the enforceability of the obligations under the Notes and the Indenture are not materially impaired.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Proceeds Loan*" means the loan of the proceeds of the Notes pursuant to the Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loans or a portion thereof.

"*Proceeds Loan Agreement*" means one or more loan agreements made on or about the Completion Date of a portion of the proceeds of the Notes by and among Sigma Midco B.V., as borrower, and the Company, as lender.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Company as of the Issue Date;

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value, and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms or better (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"*Receivables Assets*" means any assets that are or will be the subject of a Qualified Receivables Financing.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and/or related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and/or its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Company or any other Restricted Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

In the event of any designation by the Board of Directors of the Company of a Person as a Receivables Subsidiary, the Company shall deliver to the Trustee an Officer's Certificate certifying that such designation complied with or satisfied the foregoing conditions.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness (or unutilized commitment in respect of Indebtedness that could have otherwise been incurred in compliance with the Indenture) existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness (or unutilized commitment in respect of Indebtedness) of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness (or unutilized commitment in respect of Indebtedness) of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, one year after the Stated Maturity of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness (or unutilized commitment in respect of Indebtedness) being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

*provided*, *however*, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Related Person*," with respect to any Permitted Holder, means:

(1) any controlling equityholder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means:

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (provided such Taxes are in fact paid) by any Parent Holding Company by virtue of its:

    (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

    (b) issuing or holding Subordinated Shareholder Funding;

    (c) being a Parent Holding Company, directly or indirectly, of the Company or any of the Company's Subsidiaries;

    (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

    (e) having made any payment in respect of any of the items for which the Company is permitted to make payments to any Parent Holding Company pursuant to "*—Certain Covenants—Limitation on Restricted Payments*;" or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent Holding Company or party to a Tax Sharing Agreement, any Taxes measured by income for which such Parent Holding Company is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*Reversion Date*" means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

*"Security Agent"* means Credit Suisse International, acting as security agent under the Intercreditor Agreement.

"*Security Documents*" means the Intercreditor Agreement and each collateral pledge agreement, security assignment agreement or other document under which Collateral is pledged to secure the Notes.

"*Senior Facilities Agreement*" means the senior facilities agreement originally entered into on January 24, 2018 between, inter alios, the Company, the financial institutions named therein as Original Lenders and Credit Suisse International, as facility agent and security agent, and the arrangers and lenders named therein, as amended and restated on March 23, 2018, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

*"Senior Indebtedness"* means, whether outstanding on the Issue Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Company or any Guarantor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or such Guarantor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; provided, however, that Senior Indebtedness will not include:

(1) any obligation of any Guarantor to the Company or any Restricted Subsidiary;

(2) any liability for taxes owed or owing by the Company or any Restricted Subsidiary;

(3) any Indebtedness, guarantee or obligation of any Guarantor that is expressly subordinate in right of payment to any other Indebtedness, guarantee or obligation of such Guarantor (which, for the avoidance of doubt, shall not include any Second Lien Liabilities, as defined in the Intercreditor Agreement);

(4) any Indebtedness under the Notes or obligations that are similarly ranked pursuant to the Intercreditor Agreement; or

(5) any Capital Stock.

"*Senior Management*" means the officers, directors, and other current or former members of senior management of the Company or any of its Subsidiaries.

*"Service Agreement"* means each recharge, advisory services, transaction services or other similar agreement entered into or to be entered into between any Permitted Holder and one or more of the Company and its Restricted Subsidiaries.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in or contemplated by the Company or any of its Subsidiaries or any Associates or the Target Group on the Issue Date or, with respect to the Target Group only, the Completion Date, and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the business, services or activities referred to in clause (a) or are extensions or developments of any thereof.

"*Specified Change of Control Event*" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that the Consolidated Net Leverage Ratio would have been less than 6.0 to 1.0 giving pro forma effect to such event; *provided,* that when calculating the Consolidated Net Leverage Ratio of the Company for the purposes of this definition, the Company shall be entitled at its option to make such calculations as it would if making calculations of baskets or ratios in connection with a Limited Condition Transaction, and the date of determination of the Consolidated Net Leverage Ratio of the Company shall, upon such election by the Company, be the date of the Definitive Agreement in respect of such event with such pro forma adjustments as are appropriate and consistent with the pro forma provisions set forth in the definition of Consolidated Net Leverage Ratio after giving effect to such event and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability for such event to qualify as a Specified Change of Control Event.

"*Specified Transaction"* means, with respect to any period (including any period prior to the Completion Date), any Investment, disposal, Incurrence of Indebtedness, refinancing, prepayment or repayment of Indebtedness, Restricted Payment, Subsidiary designation, restructuring, other strategic initiative or other action (including, for the avoidance of doubt, the entering into of any new contractual arrangement) of the Company or any Restricted Subsidiary (including for this purpose any person that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of the relevant period) after the Completion Date.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any security, loan or other financial instrument, the date specified in such security, loan or other financial instrument as the fixed date on which the payment of principal of such security, loan or other financial instrument is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or its Guarantees pursuant to a written agreement (and for the avoidance of doubt, for the purposes of the Indenture Indebtedness shall not be considered subordinated in right of payment solely because it is unsecured, or secured on a junior basis to or entitled to proceeds from security enforcement after, other Indebtedness).

"*Subordinated Shareholder Funding*" means, collectively, (i) any funds provided to the Company or any Restricted Subsidiary by a Parent Holding Company in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent Holding Company or a Permitted Holder, or (ii) any investment by a Management Investor pursuant to a management equity plan, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that such Subordinated Shareholder Funding in each case:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

    (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

    (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent Holding Company*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (defined below) by one or more Persons that "beneficially owned" (defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

*"Target Group"* means the companies and businesses comprising the baking, cooking and spreads business of Unilever N.V. and Unilever PLC.

"*TARGET2*" means the second generation trans-European automated real time gross settlement express transfer payment system.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties, assessments and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed or levied by any government or other taxing authority.

"*Tax Sharing Agreement*" means any fiscal unity arising under relevant tax laws, and any tax sharing or profit and loss pooling, tax loss transfer or other similar or equivalent agreement with customary or arm's-length terms entered into with any Parent Holding Company or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in

   (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any Permissible Jurisdiction, (iii) France, England, Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

   (b) direct obligations of any country recognized by the United States of America, France or England, rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof (or, if later, after the date of calculation under the Indenture) issued by:

   (a) any lender under the Senior Facilities Agreement;

   (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (1)(a) above; or

   (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

   in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, France, England, any Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, France, England, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*Transactions*" means the issuance of the Notes, the entry into the Indenture and the Senior Facilities Agreement and the bridge facility agreement, any repayment or discharge of existing indebtedness of the Company, its subsidiaries or the Target Group, the closing out or replacement of Hedging Obligations pursuant to the foregoing, the Acquisition, distributions to any Parent Holding Company in relation to the foregoing, all other associated transactions taken in relation to any of the foregoing, and the payment or incurrence of any fees, expense or charges associated with any of the foregoing.

"*Treasury Rate*" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days (but no more than five Business Days) prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to May 15, 2021; *provided*, *however*, that if the period from the redemption date to May 15, 2021 is not equal to the constant maturity of a United States Treasury security for which an average weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such redemption date to May 15, 2021 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to constant maturity of one year shall be used.

"*Trust Indenture Act* " means the U.S. Trust Indenture Act of 1939, as amended.

"*U.S. Government Obligations*" means any security that is a direct obligation of, or obligations guaranteed by, the United States of America, and the payment for which the United States of America pledges its full faith and credit.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) neither that Subsidiary nor any of its Subsidiaries owns any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with "*—Certain Covenants—Limitation on Restricted Payments*."

In the event of any designation by the Board of Directors of the Company of a Subsidiary as an Unrestricted Subsidiary, the Company shall deliver to the Trustee an Officer's Certificate certifying that such designation complies with the applicable foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company could Incur at least €1.00 of additional Indebtedness pursuant to the first paragraph of the "*Limitation on Indebtedness*" covenant or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of such Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with or satisfied the foregoing provisions.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

# BOOK-ENTRY, DELIVERY AND FORM

## General

Each series of the Notes sold outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Regulation S Global Note" and, together with the Rule 144A Global Note, the "Global Notes"). The Regulation S Global Notes representing the Dollar Notes (the "Dollar Regulation S Global Notes") will be deposited upon issuance with the custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee of DTC. The Regulation S Global Notes representing the Euro Notes (the "Euro Regulation S Global Notes") will be deposited upon issuance with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Each series of Notes sold to qualified institutional buyers ("QIBs") in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Rule 144A Global Note"). The Rule 144A Global Notes representing the Dollar Notes (the "Dollar 144A Global Notes" and, together with the Dollar Regulation S Global Notes, the "Dollar Global Notes") will be deposited upon issuance with the custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. The Rule 144A Global Notes representing the Euro Notes (the "Euro 144A Global Notes" and, together with the Euro Regulation S Global Notes, the "Euro Global Notes") will be deposited upon issuance with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

The Notes may only be offered or sold within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Ownership of interests in the Dollar Global Notes (the "Dollar Book-Entry Interests") and ownership of interests in the Euro Global Notes (the "Euro Book-Entry Interests," and, together with the Dollar Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with DTC or Euroclear and/or Clearstream, respectively, or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC or Euroclear and Clearstream, as applicable, and their participants. Clearstream and Euroclear are direct and indirect participants, respectively, in DTC and, accordingly, persons who have accounts with Clearstream or Euroclear (or with participants in Clearstream or Euroclear) may own Dollar Book-Entry Interests. The Dollar Book-Entry Interests will be issued only in denominations of $200,000 and in integral multiples of $1,000 in excess thereof. The Book-Entry Interests in the Euro Global Notes will be issued only in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive certificated form.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in the book-entry form by DTC, Euroclear and Clearstream, as applicable, and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not receive physical delivery of the Notes in certificated form and will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, DTC, Euroclear or Clearstream, as applicable (or their respective nominees), will be considered the sole holders of the Global Notes for all purposes under the Indenture governing the Notes. In addition, participants must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we, the Trustee, any of the Agents, nor any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

### Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of DTC, Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate unless otherwise required by law or applicable stock exchange or depositary requirements; provided, however, that no Book-Entry Interest of less than $200,000 principal amount in the case of a Dollar Book-Entry Interest, or €100,000 principal amount in the case of a Euro Book-Entry Interest, may be redeemed in part.

### Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, and interest) to the relevant paying agent. The relevant paying agent will, in turn, make such payments to DTC or its nominee (in the case of the Dollar Global Notes) and to the common depositary for Euroclear and Clearstream (in the case of the Euro Global Notes), which will distribute such payments to participants in accordance with their respective procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes*." If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Notes*" above, we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, the Agents or any of their respective agents will treat the registered holders of the Global Notes (i.e. the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, or DTC, Euroclear, Clearstream or any participant or indirect participant;
- payments made by DTC, Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest; or
- DTC, Euroclear, Clearstream, or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants as is now the case with securities held for the accounts of subscribers registered in "stock name."

### Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interests in such Notes through DTC in U.S. dollars. The principal of, premium, if any, and interest on, and all other amounts payable in respect of the Euro Global Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro.

**Action by Owners of Book-Entry Interests**

DTC, Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes.

**Transfers**

Transfers between participants in DTC will be done in accordance with DTC rules and will be settled in immediately available funds. Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Notes, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of DTC, Euroclear and Clearstream and in accordance with the procedures set out in the Indenture.

The Global Notes will have a legend to the effect set out under "*Transfer Restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

**Definitive Registered Notes**

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- if DTC, Euroclear or Clearstream, as applicable, notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by us within 120 days; or

- if the owner of a Book-Entry Interest requests such an exchange in writing delivered through DTC, Euroclear or Clearstream, as applicable, following an Event of Default under the Indenture and enforcement action is being taken in respect thereof.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the relevant registrar or transfer agent. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than $200,000 in the case of a Dollar Book-Entry Interest or €100,000 in the case of a Euro Book-Entry Interest will be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

We will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes, (ii) any date fixed for redemption of the Notes or (iii) the date fixed for selection of the Notes to be redeemed in part. Also, we are not required to register the transfer or exchange of any Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer. In the event of the transfer of any Definitive Registered Note, the Trustee, the transfer agents and the registrars may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. We may require a holder to pay any taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the relevant registrar or at the office of the transfer agent, we will issue and the Trustee (or an authentication agent appointed by it) will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect themselves, the Trustee or the paying agents appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by us in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer, pursuant to the provisions of the Indenture, the Issuer in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in the Global Notes only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such notes. Please see "*Transfer Restrictions*."

Payment of principal, any repurchase price, premium and interest on Definitive Registered Notes will be payable at the office of the Issuer's paying agent in London.

To the extent permitted by law, the Issuer, the Trustee, the paying agents, the transfer agents and the registrars shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the relevant 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 Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

### Information Concerning DTC, Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of DTC, Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, the Trustee, the Agents nor the Initial Purchasers are responsible for those operations or procedures.

DTC advised the Issuer that it is a limited-purpose trust company organized under the New York Banking Law, 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 New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (that DTC's direct participants deposit with DTC). DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

We understand as follows with respect to Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream 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 or Clearstream participant, either directly or indirectly.

Because DTC, 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 DTC, Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC, Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through DTC, Euroclear or Clearstream participants.

### Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Exchange. Transfers of interests in the Global Notes between participants in DTC, Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Although DTC, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, 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 us, the Trustee or the paying agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

### Initial Settlement

Initial settlement for the Dollar Notes will be made in U.S. dollars and for the Euro Notes will be made in euros. Book Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book Entry Interests will be credited to the securities custody accounts of DTC, Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

**Secondary Market Trading**

The Book-Entry Interests will trade through participants of DTC, Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any 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.

## CERTAIN TAX CONSIDERATIONS

### Certain U.S. Federal Income Tax Considerations

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Notes. This summary deals only with Notes held as capital assets (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code")) by U.S. holders (as defined below) who purchase the Notes for cash pursuant to this offering at their "issue price" (the first price at which a substantial amount of the Notes of the applicable series is sold for money to investors, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler).

As used herein, a "U.S. holder" means a beneficial owner of the Notes that is, for United States federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (i) 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 (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If any entity or arrangement classified as a partnership for United States federal income tax purposes holds 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.

This summary does not represent a detailed description of the United States federal income tax consequences applicable to you if you are a person subject to special tax treatment under the United States federal income tax laws, including, without limitation:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity (or an investor in such an entity);
- a person whose "functional currency" is not the U.S. dollar;
- a person required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement; or
- a United States expatriate.

This summary is based 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 tax consequences different from those summarized below. We have not and will not seek any rulings from the Internal Revenue Service ("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 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 you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.**

***Payments of interest***

Subject to the foreign currency rules discussed below, interest on a Note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes. Interest income on a Note will generally be considered foreign source income and, for purposes of the United States foreign tax credit, will generally be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

Interest on the Euro Notes will be payable in euros, and interest on the Dollars Notes will be payable in U.S. dollars. If you use the cash basis method of accounting for United States federal income tax purposes, you will be required to include in income (as ordinary income) the U.S. dollar value of the amount of interest received on the Euro Notes, determined by translating the amount of foreign currency received (if any) at the spot rate on the date such payment is received, regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment (other than exchange gain or loss realized on the disposition of the foreign currency 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 interest on the Euro Notes in accordance with either of two methods. Under the first method you will be required to include in income (as ordinary income) for each taxable year the U.S. dollar value of the interest that has accrued on the Euro Notes held during such year, determined by translating such interest at the average rate of exchange for the period or periods (or portions thereof) during which such interest accrued. Under the second method, you may translate 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 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. In addition, if you use the accrual method of accounting, upon receipt of an interest payment on a Euro Note (including, upon the sale of a Euro Note, the receipt of proceeds which include amounts attributable to accrued interest previously included in income), you will recognize ordinary gain or loss in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the amount of foreign currency received at the spot rate on the date such payment is received) and the U.S. dollar value of the interest income you previously included in income with respect to such payment.

### *Sale, exchange, retirement, redemption or other taxable disposition of Notes*

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, you generally will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement, redemption or other taxable disposition (less any amount attributable to accrued and unpaid interest, which will be taxable as interest income as discussed above in "—*Payments of interest*") and the adjusted tax basis of the Note. Your adjusted tax basis in a Note will generally be your cost for that Note. If you purchased a Note with foreign currency, your cost generally will be the U.S. dollar value of the amount of foreign currency paid for such Note determined at the spot rate on the date of such purchase (or, in the case of a cash basis or electing accrual basis taxpayer, the settlement date of the purchase, if the Note is treated as traded on an established securities market for U.S. federal income tax purposes). If your Note is sold, exchanged, retired or otherwise disposed of in a taxable transaction for euros or U.S. dollars (as may be applicable), then your amount realized generally will be based on the spot rate in effect on the date of such sale, exchange, retirement or other taxable disposition (or, in the case of a cash basis or electing accrual basis taxpayer, the settlement date of the sale, exchange, retirement or disposition, if the Note is treated as traded on an established securities market for U.S. federal income tax purposes). 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 purchase and sale of 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.

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 Note for more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss you recognize will generally be treated as United States source gain or loss.

A portion of your gain or loss with respect to the principal amount of a Note may be treated as exchange gain or loss. Exchange gain or loss will generally be treated as United States source ordinary income or loss. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in euros or U.S. dollars (in the case of Euro Notes or Dollar Notes, respectively) on the date of purchase, and the amount of 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 or other taxable disposition of the Note and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the Note (or, possibly, in the case of cash basis or electing accrual basis taxpayers, the settlement dates of such purchase and taxable disposition, if the Note is treated as traded on an established securities market for U.S. federal income tax purposes). The amount of exchange gain or loss recognized on the disposition of the Note (with respect to both principal and accrued interest) will be limited to the amount of overall gain or loss realized on the disposition of the Note.

### *Disposition of foreign currency*

Your tax basis in euros received as interest on a Euro Note or on the sale, exchange, retirement 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 disposition of the euros will generally be treated as U.S. source ordinary income or loss.

### *Reportable transactions*

United States Treasury regulations issued under the Code 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 or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of a Euro Note, you should consult with your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the Euro Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

### *Backup withholding and information reporting*

Generally, information reporting will apply to all payments of interest and principal on a Note and the proceeds from a sale or other disposition of a Note paid to you, unless you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments, fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding on any such payments or proceeds.

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.

## Certain Dutch Tax Considerations

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes and does not purport to describe every aspect of taxation that may be relevant to a particular holder. Tax matters are complex, and the tax consequences of this offering to a particular holder of Notes will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult his own tax advisor for a full understanding of the tax consequences of this offering to him, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Issuer is organized, and that its business will be conducted, in the manner outlined in this offering memorandum. A change to such organizational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this offering memorandum. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this Dutch taxation section does not address the Dutch tax consequences for a holder of Notes who:

- is an individual or corporate entity, including an association, partnership and mutual fund, taxable as a corporate entity, who may be deemed an owner of Notes for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;
- is an individual or corporate entity which holds or is deemed to hold a substantial interest (*aanmerkelijk belang*) in the Issuer;
- is an corporate entity that is, in whole or in part, not subject to or exempt from Dutch corporate income tax, such as fiscal investment institutions, exempt investment institutions and pension funds as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- owns Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;
- is a corporate entity, being resident of Aruba, Curaçao or Sint Maarten; or
- is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

### *Withholding tax*

All payments under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands.

***Taxes on income and capital gains***

*Resident holders of Notes*

In general, a holder of Notes who is resident or deemed to be resident in the Netherlands for Dutch tax purposes is fully subject to Dutch personal income tax if he is an individual or fully subject to Dutch corporate income tax if it is a corporate entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, as described in the summary below.

*Individuals deriving profits or deemed to be deriving profits from an enterprise*

Any benefits derived or deemed to be derived from or in connection with Notes that are attributable to an enterprise from which an individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise (*mede-gerechtigde tot het vermogen*), other than as a shareholder, are generally subject to Dutch personal income tax at progressive rates up to 51,95%.

*Individuals deriving benefits from miscellaneous activities*

Any benefits derived or deemed to be derived from or in connection with Notes that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) by an individual, including activities that go beyond regular active portfolio management (*normaal, actief vermogensbeheer*), are generally subject to Dutch personal income tax at progressive rates up to 51,95%.

*Other individuals*

If a holder of Notes is an individual whose situation has not been discussed before in this section "*Dutch Tax Considerations—Taxes on income and capital gains—Resident holders of Notes*", the fair market value of his Notes forms part of the yield basis for purposes of tax on benefits from savings and investments. A deemed benefit, which is determined on the basis of progressive rates starting from 2.017% up to 5.38% per annum of this yield basis is taxed at the rate of 30%, if the yield basis exceeds a certain threshold. Actual income, gains or losses derived from or in connection with the Notes are not subject to Dutch personal income tax.

*Corporate entities*

A corporate entity, including an association, a partnership and a mutual fund being resident or deemed to be resident of the Netherlands for the Dutch corporate income tax, holding a Note will generally be subject to Dutch corporate income tax in respect of all benefits derived or deemed to be derived from or in connection with the Note.

*General*

A holder of Notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of the Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

*Non-resident holders of Notes*

*Individuals*

If a holder of Notes is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch personal income tax, he will not be subject to Dutch personal income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise (*mede-gerechtigde tot het vermogen*), other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, and his Notes are attributable to such permanent establishment or permanent representative; or

- he derives benefits or is deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), including activities that go beyond regular active portfolio management (*normaal, actief vermogensbeheer*), performed in the Netherlands.

*Corporate entities*

If a holder of Notes is a corporate entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporation tax, it will not be subject to Dutch corporate income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) which is taxable in the Netherlands, and to which permanent establishment or permanent representative its Notes are attributable; or
- it derives profits pursuant to a co-entitlement to the net value of an enterprise (*mede-gerechtigde tot het vermogen*) which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Notes are attributable.

*General*

If a holder of Notes is neither resident nor deemed to be resident in the Netherlands, such holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of the Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

***Gift and inheritance taxes***

Dutch gift or inheritance tax will arise with respect to a transfer of Notes by way of gift or upon the death of a holder of Notes who is resident, or is deemed to be resident in the Netherlands at the time of the gift or his death. No Dutch gift or inheritance tax will arise when a holder of Notes is not resident, or deemed to be resident, in the Netherlands at the time of the gift, unless:

- the holder of a Note is an individual, not being resident, or deemed to be resident, of the Netherlands at the time of the gift, and dies within 180 days after the date of the gift being a resident, or deemed to be resident, in the Netherlands.
- the gift is made under a condition precedent and at the time of this condition is fulfilled, the holder of a Note is resident, or deemed to be resident in the Netherlands.

For Dutch gift and inheritance tax purposes, an individual holding the Dutch nationality is deemed to be resident in the Netherlands, if he has been resident in the Netherlands at any time during the past ten years.

For Dutch gift and inheritance tax purposes, an individual, not holding the Dutch nationality, is deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

***Registration taxes and duties***

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by the holder of Notes in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of the Notes, the performance by the Issuer of its obligations under such documents or under the Notes, or the transfer of the Notes.

## CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of the Code or ERISA (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" 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 a Plan subject to Title I of ERISA or Section 4975 of the Code (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 engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of Notes by an ERISA Plan with respect to which the Issuer, the Initial Purchasers, or the Guarantors 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. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of ERISA Plans considering acquiring and/or holding the Notes in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

Because of the foregoing, the Notes should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition, holding and subsequent disposition will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code or a similar violation of any applicable Similar Laws.

Each purchaser and subsequent transferee of a Note will be deemed to have given the acknowledgments, representations and warranties as detailed under “Transfer Restrictions.”

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing 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.

## LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE COLLATERAL AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

*Set out below is a summary of certain limitations on the enforceability of the Guarantees and the security interests in each of the jurisdictions in which the Issuer and the Guarantors are organized (other than the United States). It is a summary only, and bankruptcy or insolvency proceedings or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Guarantees and the security interests on the Collateral. Also set forth below is a brief description of certain aspects of insolvency law in the European Union, the Netherlands, Germany and the United Kingdom.*

### European Union

The Issuer and several of the Guarantors are organized under the laws of member states of the European Union (the "Member States," and each a "Member State"). As such, they are subject to Regulation (EU) 2015/848 of the European Parliament and of the Council dated May 20, 2015 on insolvency proceedings (recast) (the "EU Insolvency Regulation"), which entered into force on June 26, 2015, and applies to insolvency proceedings opened on or after June 26, 2017. It has replaced Council Regulation (EC) no. 1346/2000 on insolvency proceedings, as amended by Council Regulation (EC) No 663/2014 of June 5, 2014 (the "Old EU Insolvency Regulation").

Pursuant to the EU Insolvency Regulation, the court which has jurisdiction to open "main insolvency proceedings" in relation to a company is the court of the Member State (other than Denmark) where the company concerned has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term "centre of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any company or legal person has its "centre of main interests" in the Member State in which it has its registered office, Article 3(1) of the EU Insolvency Regulation states that the "centre of main interests" of a debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and "which is ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its "centre of main interests."

The point at which a company's "centre of main interest" is determined is at the time that the relevant insolvency proceedings are opened. The rebuttable presumption that a company has its "centre of main interests" in the Member State in which it has its registered office shall only apply if the registered office has not been moved to another Member State within a three-month period prior to the request for the opening of insolvency proceedings. Specifically, it should be possible to rebut this presumption if the company's central administration is located in a Member State other than that of its registered office, and if a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. In this regard, special consideration should be given to creditors and their perception as to where a debtor conducts the administration of its interests. The EU Insolvency Regulation has thereby basically implemented the existing case law of the European Court of Justice regarding the assessment of the place of the company's centre of main interests into the text of the law. It has also, however, increased the requirements for a shift of the centre of main interest shortly prior to the filing for insolvency. In the event of a shift in the centre of main interests, this may require informing the creditors of the new location from which the debtor is carrying out its activities in due course (e.g. by drawing attention to the change of address in commercial correspondence or otherwise making the new location public through other appropriate means).

Where the centre of main interests of a company is located in a Member State (other than Denmark), the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Main insolvency proceedings opened in one Member State under the EU Insolvency Regulation are to be recognized and given effect to (subject to some exceptions) in all the other Member States (other than Denmark), although "secondary proceedings" may be opened in another Member State (other than Denmark), in the circumstances described below. If the company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open secondary proceedings in respect of such company under the EU Insolvency Regulation.

The courts of a Member State (other than Denmark) have jurisdiction to open "territorial proceedings" (before the opening of main insolvency proceedings) or "secondary proceedings" (after the opening of main insolvency proceedings) only in the event that a debtor has an "establishment" in the territory of such other Member State (not being the Member State in which such debtor has its centre of main interest). The effects of "territorial proceedings" or "secondary proceedings" shall be restricted to the assets of the debtor situated in the territory of the Member State where such proceedings are opened. The determination of whether a company has an "establishment" and where it is situated is also a question of fact and is not a static concept. As such, an establishment could be created and may change from time to time. According to Article 2(10) of the EU Insolvency Regulation, an "establishment" means any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. A "place of operations" is likely to be construed as a place from which economic activities are conducted on the market using human resources which requires a minimum level of organisation so that a purely occasional place of operations is unlikely to be classified as an "establishment", rather a certain level of stability of such operations is necessary. In its judgment dated October 20, 2011 ("Interedil"), rendered under the Old EU Insolvency Regulation, the European Court of Justice confirmed that the creation of an "establishment" within the meaning of the Old EU Insolvency Regulation requires the existence of a structure which is designated for the performance of business activities with a minimum level of organisation and a certain degree of stability.

In the event that any one or more of the Issuer, any of its subsidiaries or a Guarantor experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of, and the security granted by, the Issuer, any of its subsidiaries and/or any Guarantor. The insolvency and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or (subject to the framework provided for under the EU Insolvency Regulation) conflict with, each other and there is no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

On June 23, 2016, the United Kingdom held a referendum to decide on the United Kingdom's membership of the European Union. The United Kingdom vote was to leave the European Union. The terms on which the United Kingdom will exit the European Union are not certain and therefore it is not possible to know what impact any exit by the United Kingdom of the European Union will have on the application of the EU Insolvency Regulation to any insolvency proceedings (including, without limitation, the commencement of such insolvency proceedings and the jurisdiction of the United Kingdom courts to open such insolvency proceedings) to which the Issuer or any Guarantor may be subject.

## The Netherlands

### Insolvency

Subject to the limitations described under "—*European Union*", where a company (incorporated in The Netherlands or elsewhere) has its "centre of main interests" or an "establishment" in The Netherlands, it may be subjected to Dutch insolvency proceedings. This is particularly relevant for the Issuer and certain of the Guarantors, which have their corporate seats (*statutaire zetel*) in The Netherlands, and are therefore each presumed (subject to proof to the contrary) to have their "centre of main interests" in The Netherlands.

Dutch insolvency law differs significantly from insolvency proceedings in the U.S. and other jurisdictions, and may make it more difficult for holders of Notes to recover the amount they would normally expect to recover in a liquidation or bankruptcy proceeding in the U.S. or another jurisdiction.

There are two primary insolvency regimes under Dutch law applicable to legal entities: the first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act. A general description of the principles of both insolvency regimes is set forth below.

Unlike Chapter 11 proceedings under U.S. bankruptcy law, in which both secured and unsecured creditors are generally barred from seeking to exercise remedies against the debtor without court approval, in suspension of payments and bankruptcy proceedings under Dutch law, secured creditors (and in case of suspension of payments also preferential creditors (including tax and social security authorities)) may enforce their rights against assets of the company to satisfy their claims as if there were no insolvency proceedings. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the debtor. Consequently, your potential recovery could be reduced in Dutch insolvency proceedings.

Restrictions on the enforcement of security interests may apply. For instance, higher ranking rights must be respected. These may include secured creditors and tax and social security authorities. A statutory stay of execution of security rights and other rights of up to two months, extendable by another period of up to two months, may be imposed. Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have a preferred claim in respect of the proceeds, meaning that the secured creditor will have to share in the bankruptcy costs, which may be significant. Also, in this case, the secured creditor will have to wait until the distribution plan becomes final for payment. Excess proceeds of any enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor. Such set-off may be allowed prior to the bankruptcy, although it may be subject to clawback in the event of a fraudulent conveyance or bad faith in obtaining the claim used for set-off.

Any pending executions of judgments against the debtor will be suspended by operation of law when suspension of payments is granted and terminated by operation of law when bankruptcy is declared. In addition, all attachments on the debtor's assets will cease to have effect upon the suspension of payments having become definitive, a composition having been ratified by the court or the declaration of bankruptcy (as the case may be) subject to the ability of the court to set an earlier date for such termination. Litigation pending on the date of the bankruptcy order is automatically stayed.

In a suspension of payments and in bankruptcy, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the creditors being present or represented at the creditors' meeting, representing at least 50% of the amount of the claims that are admitted for voting purposes, and (ii) subsequently ratified (*gehomologeerd*) by the Dutch courts. Consequently, Dutch insolvency laws could preclude or inhibit the ability of the holders of the Notes to effect a restructuring and could reduce the recovery of a holder of Notes.

Claims against a company subject to Dutch insolvency proceedings will have to be verified in the insolvency proceedings in order to be entitled to vote and, in a bankruptcy liquidation, to be entitled to distributions. "Verification" under Dutch law means, in the case of a suspension of payments, that the treatment of a disputed claim for voting purposes is determined and, in the case of a bankruptcy, that the value of the claim is determined and whether and to what extent it will be admitted in the insolvency proceedings. The valuation of claims that would not otherwise have been payable at the time of the proceedings may be based on a net present value analysis. Unless secured by a pledge or a mortgage, interest accruing after the date on which insolvency proceedings are opened cannot be verified. Where interest is accruing after the date of opening of the proceedings, it can be admitted *pro memoria*.

The existence, value and ranking of any claims submitted by the holders of the Notes may be challenged in the Dutch insolvency proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the receiver in bankruptcy, the administrator in suspension of payment proceedings, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors meeting may be referred to separate court proceedings (*renvooiprocedure*) in bankruptcy, while in suspension of payments the court will decide how a disputed claim will be treated for voting purposes. These situations could cause holders of Notes to recover less than the principal amount of their Notes. *Renvooi* procedures could also cause payments to the holders of Notes to be delayed compared to holders of undisputed claims.

The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a pro rata basis. Contractual subordination will generally be given effect in Dutch insolvency proceedings, with the actual effect largely depending on the way such subordination is construed.

**Fraudulent transfer / conveyance**

Under Dutch law, a legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its receiver in bankruptcy, if (a) it performed such act without an obligation to do so (*onverplicht*), (b) the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (c) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced (*actio pauliana*). In the case of a bankruptcy, the beneficiary of the guarantee or security interest is presumed (subject to evidence to the contrary) to have known that creditors of the debtor would be prejudiced if the bankruptcy follows within a year of the granting and for no consideration. In addition, the bankruptcy receiver may challenge the guarantee or security interest if it was granted on the basis of a prior existing legal obligation to do so (*verplichte rechtshandeling*), if (i) the guarantee or security interest was granted at a time that the beneficiary of such guarantee or security interest knew that a request for bankruptcy had been filed or (ii) if such guarantee or security interest was granted as a result of collusion between the debtor and the beneficiary of such guarantee or security interest with a view to give preference to the beneficiary over the debtor's other creditors. Consequently, the validity of any guarantees or security interests granted by a Dutch legal entity may be challenged and it is possible that such challenge would be successful.

**Further Limitations on Enforcement**

Whether or not a Guarantor is subject to insolvency proceedings in The Netherlands, a guarantee or a security document governed by Dutch law may be affected by, and a payment thereunder may be withheld based on, the principles of reasonableness and fairness (*redelijkheid en billijkheid*), force majeure (*niet-toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*) and other general defenses available to debtors under Dutch law. Other general defenses include claims that a guarantee or security interest should be avoided on grounds of abuse of circumstances (*misbruik van omstandigheden*), deceit (*bedrog*), intimidation (*bedreiging*) or mistake (*dwaling*), the right to set off (*verrekening*) and the right to suspend performance (*opschortingsrecht*) or dissolve (*ontbinding*) a contract if the other party is in default in respect of its obligations.

The validity, binding effect and enforceability of a guarantee may also be successfully contested by a Dutch company (or its receiver in bankruptcy or administrator in a suspension of payments) on the basis of an *ultra vires* claim. Such a claim will be successful if (i) the granting of a guarantee is *ultra vires* (i.e. exceeds the scope the entity's objects or is not in the entity's corporate interest) and (ii) the counterparty of such Dutch company under the relevant guarantee knew or should have known (without inquiry) of this fact. In determining whether the granting of such guarantee is *ultra vires*, the Dutch courts would not only consider the text of the objects clause in the articles of association of the company but all relevant circumstances including whether the company derives certain commercial benefits from the transaction in respect of which the guarantee was granted. If and to the extent that it is determined that there is an imbalance, to the disadvantage of the company, between the value of the commercial benefit and the amount for which the company is held liable, then irrespective of the wording of the objects clause in its articles of association the company (and any bankruptcy receiver or administrator in suspension of payments) may contest the validity or enforceability of the act and it is possible that such contestation will be honored by the Dutch courts. Benefit may, according to Dutch case law, consist of an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the guarantee, the continuity of such company would foreseeably be endangered by the granting of such guarantee. It remains possible that even if such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the guarantee cannot serve the realization of the relevant company's objects. The foregoing applies *mutatis mutandis* to the acceptance of joint and several liability for, or providing or agreeing to provide security for, obligations of a third party, whether or not affiliated, and any other legal act having similar effect.

In connection with the removal of the prohibition on financial assistance for Dutch private companies with limited liability as per October 1, 2012, it was mentioned in Dutch Parliament that the granting of security, providing of a guarantee or accepting of liability with a view to the acquisition (or the refinancing thereof) by any party of shares in the company's share capital or the shares of its (direct or indirect) parent company could, depending on the further circumstances, constitute an *ultra vires* act. At present, there is no Dutch case law on this subject.

A guarantee granted by a Dutch company and a security interest provided by a Dutch company may be suspended or avoided by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of 10% or more of the shares in such company or who are entitled to an amount in shares or depositary receipts issued therefor with a nominal value of €225,000 or such lesser amount as is provided by the articles of association of such company. If the company has an issued share capital of at least €22.5 million such motion may be made by a holder or holders of 1% or more of the shares in such company or, provided those are listed on a qualifying trading venue, shares or depositary receipts issued therefor with a value of €20 million or more or such lesser amount as provided in the company's articles of association. A trade union and or other entities entitled thereto in the articles of association of the relevant Dutch company may also submit a motion to the enterprise chamber for this purpose. The guarantee or security itself may further be upheld by the enterprise chamber, yet actual payment under it may be suspended or avoided.

### Germany

#### Insolvency

Certain of the Guarantors will be limited liability companies *(Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany (such Guarantors are hereinafter referred to as the "German Guarantors"). The German Guarantors and all other German providers of collateral organized under the laws of Germany, have their registered offices in Germany and substantially all of their assets are located in Germany. Therefore, insolvency proceedings with regard to the German Guarantors and all other German providers of collateral may be initiated in Germany if the German Guarantors or any of the other German providers of collateral, respectively, were held to have their "centre of main interests" within the territory of Germany at the time the petition for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed. German law would then govern those proceedings. Under certain circumstances, insolvency proceedings may also be opened in Germany in accordance with German law over the assets of companies that are not established under German law (for example, if the "centre of main interests" of such company is within Germany) or, vice versa, insolvency over German Guarantors may be opened in other jurisdictions.

The insolvency and administrative laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German insolvency law, there is to date no group insolvency concept, which generally means that, despite the economic ties between various entities within one group of companies, there will be one separate insolvency proceeding for each of the entities if and to the extent there exists an insolvency reason on the part of the relevant entity. Each of these insolvency proceedings will be legally independent from all other insolvency proceedings (if any) within FFG. In particular, there is no consolidation of assets and liabilities of a group of companies in the event of insolvency and also no pooling of claims among the respective entities of a group. Recently, the German legislature passed an act to facilitate the mastering of group insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*), which will come into force on April 21, 2018. This act mainly provides for coordination and cooperation in connection with insolvency proceedings of group companies. This act does not provide for a consolidation of the insolvency proceedings of the insolvent group companies, or a consolidation of the assets and liabilities of a group of companies or pooling of claims among the respective entities of a group, but rather stipulates four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may assume jurisdiction for other group company insolvency proceedings; (ii) the appointment of a single person as insolvency administrator for all relevant group companies is facilitated; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or in the event that the debtor is unable to pay its debts as and when they fall due (*Zahlungsunfähigkeit*), and, in addition, by the debtor on a voluntary basis in the case of imminent illiquidity (*drohende Zahlungsunfähigkeit*). Pursuant to the relevant provision of the German Insolvency Code, a debtor is over-indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor's business is predominantly likely (*positive Fortführungsprognose*).

If a company not having an individual as personally liable shareholder, such as the German Guarantors, finds itself in a situation of illiquidity and/or over-indebtedness, the management of such company and, in certain circumstances its shareholders, are obligated to file for the opening of insolvency proceedings without undue delay which may be deemed to be necessary no later than three weeks after the mandatory insolvency reason, i.e., illiquidity and/or over-indebtedness objectively occurred. Non-compliance with these obligations potentially exposes the management to both severe damage claims as well as sanctions under criminal law. In addition, imminent illiquidity (*drohende Zahlungsunfähigkeit*) is a valid insolvency reason under German law which exists if the company currently is able to service its payments obligations when they fall due, but will presumably not be able to continue to do so at some point in time within a certain prognosis period. However, only the debtor, and not the creditors, is entitled (but not obligated) to file for the opening of insolvency proceedings due to imminent illiquidity.

The insolvency proceedings are administered by the competent insolvency court which monitors the due performance of the proceedings. Upon receipt of the petition for the opening of insolvency proceedings, the insolvency court may take preliminary measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. In addition, the court will also appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary insolvency administrator depend on the decision of the court and may be, in particular, to safeguard and to preserve the debtor's property (which includes the continuation of the business carried out by the debtor), to verify the existence of an insolvency reason and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Upon appointment of the preliminary insolvency administrator, the insolvency court may also order that the debtor can only dispose over its assets with the consent of the preliminary insolvency administrator or the court may order that the power to dispose over the assets shall fully pass to the preliminary insolvency administrator. The insolvency court can also order a stay of all enforcement measures by unsecured creditors against the debtor.

As an alternative to preliminary proceedings, a debtor may petition for a debtor-in-possession proceeding (*Eigenverwaltung*)—an insolvency process in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a custodian (*Sachwalter*)—with such decision being subject to, *inter alia*, the requirement that such debtor-in-possession proceeding is not obviously futile.

Depending on the size of the debtor's business operations and the number of its employees, the insolvency court must or may appoint a preliminary creditors' committee (*vorläufiger Gläubigerausschuss*) to form a view on the profile of the officeholder to be appointed or even to make a suggestion for a particular individual to be appointed by the court. In case the members of the preliminary creditors' committee unanimously agree on an individual, such suggestion is binding on the court (unless the suggested individual is not eligible; i.e., not competent and/or not impartial). The preliminary creditors' committee also has the power to, *inter alia*, influence orders for debtor-in-possession proceedings (*Anordnung der Eigenverwaltung*) and appointments for preliminary trustees (*Sachwalter*). To ensure that the preliminary creditors' committee reflects the interests of all creditor constituencies, it shall comprise a representative of the secured creditors, one for the large and one for the small creditors as well as one for the employees.

The court orders the opening (*Eröffnungsbeschluss*) of formal insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, in particular if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings will be dismissed for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of formal insolvency proceedings, an insolvency administrator (*Insolvenzverwalter*) (usually the same person who acted as preliminary insolvency administrator) is appointed by the insolvency court, unless a debtor-in-possession (*Eigenverwaltung*) is ordered. In the absence of a debtor-in-possession process, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator with the insolvency creditors (*Insolvenzgläubiger*) only being entitled to change the individual appointed as insolvency administrator at the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual to become insolvency administrator and (ii) the proposed individual being eligible as officeholder, i.e., sufficiently qualified, business-experienced and impartial. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's business.

These new liabilities incurred by the insolvency administrator qualify as preferential claims against the estate (*Masseverbindlichkeiten*) which are preferred to any insolvency claim of an unsecured creditor (with the residual claim of a secured insolvency creditor remaining after realization of the available collateral (if any) also qualifying as unsecured insolvency claim).

All creditors, whether secured or unsecured (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*)), wishing to assert claims against the insolvent debtor need to participate in the insolvency proceedings and have to file their claims against the debtor and the rights they claim in the assets of the debtor with the insolvency administrator. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code. Any judicial enforcement action (*Zwangsvollstreckung*) brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened. Therefore, secured creditors are generally not entitled to enforce any security interest outside the insolvency proceedings. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. In this context it should be noted that the insolvency administrator generally has the sole right to realize any movable assets in his/the debtor's possession which are subject to preferential rights (e.g. liens over movable assets (*Mobiliarsicherungsrechte*), security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). In case the enforcement right is vested with the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in their statutory aggregate, add up to 9% of the gross enforcement proceeds plus VAT (if any) (unless the insolvency administrator successfully asserts higher enforcement costs or the creditors can prove lower enforcement costs), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. With the remaining unencumbered assets of the debtor, the insolvency administrator has to satisfy the creditors of the insolvency estate (*Massegläubiger*) first (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after the opening of formal insolvency proceedings). Thereafter, all other claims (insolvency claims (*Insolvenzforderungen*)), in particular claims of unsecured creditors, will be satisfied on a *pro rata* basis if and to the extent there is cash remaining in the insolvency estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full. Hence, the proceeds resulting from the disposal of the insolvency estate of the debtor may not be sufficient to satisfy unsecured creditors (including the unsecured claims of the holder of the Notes) of the Issuer, the German Guarantors or any other German provider of collateral in full. In addition, it may take several years until such proceeds from the insolvency estate (if any) are distributed to unsecured creditors. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied.

While in ordinary insolvency proceedings, the value of the debtor's assets is realized by a piecemeal sale or, as the case may be, by a bulk sale of the debtor's business as a going concern, a different approach aiming at the rehabilitation of the debtor can be taken based on an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules. If the debtor is a corporate entity, also the shares or, as the case may be, the membership rights in the debtor can be included in the insolvency plan, e.g. these can be transferred to third parties, including a transfer to creditors based on a debt-to-equity swap. However, it will not be possible to force a creditor into a debt-to-equity conversion. Under certain conditions, the debtor may also file for protective shield proceedings (*Schutzschirmverfahren*). In such case and upon request of the debtor, the court will prohibit enforcement measures (other than with respect to immovable assets) and may implement other preliminary measures to protect the debtor from credit enforcement actions for up to three months if an independent expert testifies that the restructuring of the debtor's business is not obviously futile (*offensichtlich aussichtslos*) and that the debtor is not already illiquid. Given the relatively recent enactment of these amendments, these provisions may not have been tested in practice and no judicial precedents are available in such respect.

If the debtor has filed a petition for the opening of insolvency proceedings based on an insolvency reason other than illiquidity (i.e., imminent illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in-possession proceeding and can prove that a restructuring of its business is not obviously futile (*offensichtlich aussichtslos*) the court may grant a period of up to three months to utilize an insolvency plan for the debtor's business. During this period, creditors' rights to enforce security may, upon petition of the filing debtor, be suspended. In these circumstances, the insolvency court has to appoint a custodian (*Sachwalter*) to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (i.e., is obviously not competent or not impartial).

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings rank senior to the claims of regular, unsecured creditors, provided they qualify as liabilities of the estate itself (*Masseverbindlichkeiten*).

Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrators opt for performance.

Under German insolvency law, termination rights, automatic termination events or “escape clauses” entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement upon the filing for or opening of insolvency proceedings in respect of the other party or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) are generally invalid if they frustrate the election right of the insolvency administrator (*Wahlrecht des Insolvenzverwalters*) whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This may also apply to agreements that are not governed by German law.

***Hardening periods and fraudulent transfer***

Under the German Insolvency Code, the insolvency administrator (or in the event that debtor-in possession status has been granted, the trustee (*Sachwalter*)) may challenge (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and which were effected prior to the commencement of formal insolvency proceedings during applicable hardening periods. Generally, if transactions, performances or other acts are successfully challenged by the insolvency administrator, any amounts or other benefits derived from such challenged transaction, performance or act will have to be returned to the insolvency estate. The administrator’s or the trustee’s right to challenge transactions can, depending on the circumstances, extend to transactions having occurred up to ten years prior to the filing for the commencement of insolvency proceedings.

In the event of insolvency proceedings with respect to the German Guarantors or any other German provider of collateral based on and governed by the insolvency laws of Germany, the payment of any amounts to the holders of the Notes as well as the granting of collateral for or providing credit support for the benefit of the holders of the Notes could be subject to potential challenges by an insolvency administrator under the rules of avoidance *(Insolvenzanfechtung)* as set out in the German Insolvency Code. In case the validity or enforceability of the Notes or any collateral in favor of the Notes is challenged successfully, you may not be able to recover any amounts under the Notes or the collateral. If payments have already been made under the Notes or collateral, the insolvency administrator may require that the recipients return the payment to the insolvency estate and you would instead then only have a general unsecured claim under the Notes without preference in insolvency proceedings.

In particular, a legal act (*Rechtshandlung*) or a legal transaction (*Rechtsgeschäft*) (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the creditors of the debtor may be challenged pursuant to the German Insolvency Code in the following cases:

- any legal act granting a creditor security or satisfaction for a debt (*Befriedigung*) can be challenged if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings, if at the time of the transaction the debtor was illiquid (*zahlungsunfähig)*, which means such debtor was unable to pay its debt when due, and the creditor had knowledge thereof, or (ii) after a petition for the opening of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being illiquid (or knowledge of circumstances which imperatively (*zwingend*) suggested such illiquidity or filing);
- any legal act granting a creditor security or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be challenged if the transaction was effected in the month prior to the filing of a petition for the opening of insolvency proceedings; if the transaction was effected in the second and third month prior to the filing, it can be challenged if at the time of the transaction (i) the debtor was illiquid or (ii) the creditor knew that the transaction would be detrimental to the creditors of the debtor;
- any legal transaction effected by the debtor which is directly detrimental to the creditors of the debtor can be challenged if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings against the debtor, if at the time of the legal transaction the debtor was illiquid and the other party to the legal transaction had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed against the debtor and the other party to the legal transaction had knowledge thereof or of the debtor being illiquid;

- if a legal act whereby a debtor grants security for a third-party debt is regarded as having been granted gratuitously (*unentgeltlich*), such gratuitous transaction can be challenged unless it was effected earlier than four years prior to the filing of a petition for the opening of insolvency proceedings against the debtor;
- any legal act performed by the debtor during a period of ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after such filing can be challenged if the debtor acted with the intent to disadvantage its creditors and the beneficiary of the transaction had knowledge of such intent at the time of the transaction, with such knowledge being presumed if the beneficiary knew that the debtor was illiquid and that the transaction disadvantaged the other creditors—such period of time is four years in the event that the relevant legal act provided security or satisfaction of the relevant creditor;
- any non-gratuitous contract concluded between the debtor and an affiliated party which directly operates to the detriment of the creditors can be challenged unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as of the time the contract was concluded; in relation to corporate entities, the term 'affiliated party' includes, subject to certain limitations, members of the management or supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons that are spouses, relatives or members of the household of any of the foregoing persons;
- any legal act that provides security or satisfaction for a claim of a shareholder for repayment of a shareholder loan (*Gesellschafterdarlehen*) or an economically equivalent claim can be challenged (i) in the event it provided security, if the transaction was effected within the last ten years prior to the filing of a petition for the opening of insolvency proceedings or thereafter or (ii) in the event it provided satisfaction, if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter; or
- any legal act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be challenged if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor (e.g., a subsidiary subject to the German insolvency laws) was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings has been filed, or that the legal act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to disadvantage the insolvency creditors if such person was aware of the debtor's imminent illiquidity (*drohende Zahlungsunfähigkeit*) and that the transaction disadvantaged the debtor's creditors.

Under German law, a creditor who provided additional or extended existing funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Court of Justice (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Apart from the examples of an insolvency administrator challenging transactions pursuant to the German Insolvency Code described above, a creditor who has obtained an enforcement order (*Vollstreckungstitel*) could possibly also avoid any security right or payment performed under the relevant security right pursuant to the German Act on Avoidance (*Anfechtungsgesetz*) outside formal insolvency proceedings. The prerequisites vary to a certain extent from the rules described above and the hardening periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

If any Guarantee is challenged or held unenforceable for any other reason, the claimant would cease to have any claim in respect of the Guarantee and would have a claim solely under the Notes and the remaining Guarantees, if any. Any amounts obtained from transactions that have been challenged would have to be repaid to the insolvency estate.

Moreover, please note that pursuant to the amendments (*"Gesetz zur Verbesserung der Rechtssicherheit bei Anfechtungen nach der Insolvenzordnung und dem Anfechtungsgesetz vom 29. März 2017"*) of the German Insolvency Code that came into force on 5 April 2017, among other things, the provisions for avoidance claims in connection with willful intent, for cash transactions (*Bargeschäfte*) and the interest rates on avoidance claims have been amended.

Finally, the insolvency estate serves to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims are satisfied ranking below the other claims of insolvency creditors in the order given below, and in accordance with the proportion of their amounts if ranking with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offense binding the debtor to pay money; (iv) claims to the debtor's gratuitous performance of a consideration; and (v) claims for restitution of a loan replacing equity capital or claims resulting from legal transactions corresponding in economic terms to such a loan.

***Limitations on Validity and Enforceability of the Collateral, the Guarantees and the Security Interests***

The security interests of the Security Agent may also be subject to practical problems generally associated with the realization of security interests in the Collateral. For example, the enforcement of ownership interests and pledges may be subject to certain specific requirements, and the Security Agent may need to obtain the consent of a third party to enforce a security interest. The Security Agent may be unable to obtain any such consent. The same applies in the context of any consent required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

Furthermore, guarantees and security interests may be subject to certain limitations on enforcement or may be limited by applicable law or may be subject to certain defenses that may limit its validity or enforceability. Under German mandatory law, the granting and enforcement of security and/or guarantees which secure indebtedness of a direct or indirect shareholder or sister company of a security grantor incorporated in Germany or of a subsidiary of any such shareholder or sister company in order to ensure the maintenance of share capital of a joint stock corporation (*Aktiengesellschaft*), limited liability company (*Gesellschaft mit beschränkter Haftung*) or a limited partnership (*Kommanditgesellschaft*) with a limited liability company as general partner (*GmbH & Co. KG*) is subject to certain statutory capital maintenance limitations. As a general rule, the capital maintenance rules prohibit the direct and indirect repayment (such term to include payments pursuant to guarantees or security in favor of obligations of a direct or indirect shareholder) of registered share capital of a German limited liability company to its shareholders to the extent that the amount of its net assets (i.e. assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*).

As a consequence, customary provisions will be included in, among others, the Indenture (so-called "limitation language") which, subject to certain adjustments and exceptions, limit the enforceability of the respective guarantees and corresponding security interests addressing these statutory limitations and liability risks pursuant to section 43 para. 3 German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) or section 93 para. 3 no. 6 German Stock Corporation Act (*Aktiengesetz*). This could lead to a situation in which the respective Guarantee or security granted by a German Guarantor cannot be enforced at all.

Furthermore, it cannot be ruled out that the jurisprudence of the German Federal Court of Justice (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (i.e., a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security interest granted by a German (direct or indirect) subsidiary of the Issuer. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero.

Notwithstanding that the incurrence of the Guarantees by (German) direct or indirect subsidiaries of the Issuer should, as of the date thereof, not result in any illiquidity (*Zahlungsunfähigkeit*) of such German Guarantor, the enforcement limitations agreed in the Indenture also contain certain provisions limiting an enforcement in connection with a potential liquidity shortfall of the relevant German Guarantor. This may further limit (or exclude entirely) the ability to enforce the respective Guarantee or security granted by the relevant German Guarantor.

German capital maintenance, liquidity maintenance and financial assistance rules are subject to evolving jurisprudence. Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of German (direct or indirect) subsidiaries of the Issuer to make payment on Guarantees or of the beneficiaries of the guarantees to enforce the guarantees.

Finally, there is no legal precedent whether or not the contractual provisions limiting the enforcement of the guarantee or security interests, including the adjustments of certain balance sheet items (as provided for in the Indenture, the Senior Credit Facilities and the Intercreditor Agreement) or similar provisions will be held by a German court to be in compliance with the statutory capital maintenance rules.

With respect to accessory security (*akzessorische Sicherheit*) expressed to be governed by German law (such as pledges over shares, partnership interests, receivables or bank accounts), due to certain legal requirements governing the creation and perfection of security interests and enforceability of such security interests it is imperative that the pledgee and the creditor of the secured claim is the same person. Such security interests cannot be held for the benefit of a third party by a pledgee which does not itself hold the secured claim. Even more, such accessory security is dependent on the secured obligations and will automatically lapse upon payment, settlement or novation (Novation) of the secured obligations. In order to overcome these legal obstacles in relation to German law accessory security the Collateral secures a so-called “parallel debt” obligation created under the Intercreditor Agreement in favor of the Security Agent rather than secure the obligations of the Issuer under the Notes or, as applicable, the obligations of a Guarantor under its Guarantee directly. The parallel debt is in the same amount and payable at the same time as the obligations of the Issuer under the Notes or, as applicable, the relevant Guarantor under its Guarantee (the “Principal Obligations”), and any payment in respect of the Principal Obligations will discharge the corresponding parallel debt and any payment in respect of the parallel debt will discharge the corresponding Principal Obligations. The pledges governed by German law will directly and exclusively (to the extent the Notes are concerned) secure the parallel debt owed to the Security Agent only rather than the obligations owed under the Notes or to the holders of the Notes directly. Although the Security Agent will have, pursuant to the parallel debt under the Intercreditor Agreement, a claim against the Issuer and the Guarantors for the full amount payable on the Notes or, as applicable, the relevant Guarantee, the parallel debt construct has not yet been tested in German courts, and we cannot assure you that it will eliminate or mitigate the risk of invalidity and unenforceability of the security interest. Similar concerns would apply for any future pledgee concept included in the relvant pledge agreement. If any challenge to the validity of such security interest or the parallel debt structure were successful, holders of the Notes might not be able to recover any amounts in respect of such security interests. Therefore, the ability of the Security Agent to enforce the Collateral may be restricted.

Furthermore, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Agent which could in particular, under certain circumstances, result in a delay in enforcement, diminishing value or even loss of the Collateral.

Under German mandatory law, the value of collateral transferred or assigned for security purposes must not be excessive. Due to German mandatory law, security grantors may have a right to claim the release of certain collateral in case of a subsequent over-collateralization (*nachträgliche*

*Übersicherung*) (where the value of the relevant security interest subsequently significantly and not only temporarily exceeds the amount of the secured obligations), or security interests can even be deemed void in case of an initial excessive over-collateralization (*anfängliche Übersicherung*). As a general rule, the value of collateral should not exceed the amount of the secured obligations by more than 50%. A security transfer or assignment violating this rule either in itself or in combination with other security interests will be deemed void if the violation exists at the time the collateral is granted. If the ratio is exceeded later as a result of partial prepayment or of progressing repayment of the secured obligations, the security grantor is entitled to a corresponding ratable release of the collateral. There is no clear authority as to how the ratio has to be applied in the context of a financing involving several companies and to what extent accessory forms of collateral (i.e., account pledges, claim pledges and share or interest pledges) granted for the same obligations have to be taken into account. While the German Federal Court of Justice (*Bundesgerichtshof*) does the calculation on a case-by-case basis, some legal authors estimate that an initial over-collateralization is given if the realization value of the security exceeds the aggregate amount of secured claims.

Furthermore, under conflict of laws rules, the enforceability of an assignment against the obligor of the assigned right will typically be governed by the law applicable to the assigned right. As long as the obligor of an assigned claim is not aware of the assignment, such third-party debtor is entitled to assume that the assignor is still the creditor (e.g. the claim will extinguish if and to the extent that the debtor pays the assignor with discharging effect). Moreover, the assignability of a claim governed by German law may be limited because of the nature of the assigned claim or as a result of an agreement between the creditor and the obligor thereof. Although pursuant to section 354a of the German Commercial Code (*Handelsgesetzbuch*) a contractual agreement cannot validly preclude an assignment if the assigned claim results from a transaction entered into between two commercial parties, any payment with discharging effect on such claim to the assignor will extinguish such claim in a corresponding amount.

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the security agent the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (i.e., the right to request the court to impose a stay on proceedings initiated by other creditors). Finally, the provision of Guarantees and execution of the Collateral will be subject to certain Agreed Security Principles that could relieve certain Guarantors or security providers of the obligation to provide guarantees and/or grant security interests in assets otherwise expected to form part of the Collateral, which could have a material adverse impact on the credit support available to you in connection with your investment in the Notes.

**United Kingdom**

Certain of the Guarantors are incorporated in in England and Wales (each a "UK Guarantor"). Accordingly, an English court may conclude that the UK Guarantors have their "centre of main interests", within the meaning of the New EU Insolvency Regulation, in England and, therefore, that insolvency proceedings in England constituting "main insolvency proceedings" under Article 3(1) of the New EU Insolvency Regulation may be commenced in respect of a UK Guarantor. In the event that a UK Guarantor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Formal insolvency proceedings under the laws of England and Wales ("UK Insolvency Proceedings") may be initiated in a number of ways, including by (i) the company, its directors, or one or more of its creditors making an application to court for entry into administration, (ii) the company, its directors, or certain creditors (discussed below) appointing administrators out of court, or (iii) a creditor filing a petition to wind-up the company or the company resolving to wind itself up (in the case of liquidation). A company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely to become, unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes (as described below).

Under the Insolvency Act 1986 as amended (the "UK Insolvency Act"), a company is deemed to be unable to pay its debts if it is insolvent on a "cash flow" basis (i.e. it is proved to the satisfaction of the court that it is unable to pay its debts as they fall due), if it is insolvent on a "balance sheet" basis (i.e. it is provided to the satisfaction of the court that the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), or, among other matters, if it fails to satisfy a creditor's statutory demand for a debt exceeding £750 within the specified time or if it fails to satisfy in full a judgment debt (or similar court order).

Although the following content includes certain details of how secured creditors (and secured assets) of a UK Guarantor would rank and be dealt with in UK Insolvency Proceedings of a UK Guarantor, it should be noted that, as at the Issue Date at least, the guarantee obligations of each UK Guarantor are unsecured.

**Overview of UK Insolvency Proceedings**

**Liquidation**

***Priority of Claims in a UK Liquidation***

In a liquidation of any UK Guarantor, the order of priorities is such that debts due from it to any holders of fixed charges over its assets are paid first out of the realization proceeds of assets subject to such fixed charges (subject to the prior payment of the costs of preservation and realization of the fixed charge assets). Where there are floating charges, liquidation expenses (discussed further below), preferential creditors, and unsecured creditors to the extent of the "ring-fenced" fund (also discussed further below) may (to the extent the other unsecured assets of the UK Guarantor are insufficient to discharge them) be paid out of the proceeds of realization of assets subject to those floating charges in priority to payments to creditors secured by virtue of those floating charges. Thereafter, any debts owing to holders of the floating charges would be paid to the extent they are secured by that charge. The categories of preferential debts include certain amounts payable in respect of occupational pension schemes relating to contributions due but unpaid and employee remuneration up to a specified amount. A certain part of the net proceeds of the realization of the assets covered by a floating charge (up to a maximum of £600,000) would be "ring-fenced" and made available pro rata to unsecured creditors. Provable debts of unsecured creditors which are not preferential debts and are not covered by the ring-fenced fund (if any) would be paid from the proceeds of realizations of unsecured assets (if any) and, after the secured liabilities have been met, from the proceeds of realization of relevant secured assets.

**Liquidation Expenses**

The UK Insolvency Act broadly states that in a liquidation of a company the expenses of the liquidation rank first for payment out of the debtor's unsecured assets and ahead of the claims of unsecured creditors. In addition, where the assets available for payment of its general creditors (excluding any amount ring-fenced for unsecured debts as described above) are not sufficient to meet the liquidation expenses, those liquidation expenses can be claimed out of the realization proceeds of assets subject to a floating charge and, for these purposes, rank ahead of preferential debts and floating chargees' claims.

**Administration**

Administration is an insolvency procedure under the UK Insolvency Act pursuant to which a company may be reorganized or its assets realized under the protection of a statutory moratorium. A company may be put into administration either pursuant to a court order or via an out-of-court process. Broadly speaking (and subject to specific conditions), a company can be placed into administration at the application of, among others, the company itself, its directors or one or more of its creditors (including contingent and prospective creditors). A holder of a qualifying floating charge over the assets of the company also has the right to appoint an administrator. In addition, he has the right to intervene in an application made for administration proceeding by another person by nominating an alternative administrator or, in certain very specific circumstances, by blocking the appointment altogether by the appointment of an administrative receiver.

An administrator may only be appointed (either by a court or via the out-of-court process) if there is sufficient evidence (which varies depending on the method of appointment) including that (a) the company proposed to be the subject of the administration is or is likely to become "unable to pay its debts" and (b) the administration is reasonably likely to achieve one of the statutory objectives of administration. Administration proceedings are supposed to achieve one of three objectives that must be considered successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than if the company went into immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to secured or preferential creditors.

Broadly speaking, an interim moratorium comes into effect when an application for an administration order (in the case of a court appointment) or a notice of intention to appoint an administrator (in the case of an out of court appointment) is made. At the commencement of the appointment of an administrator, a full statutory moratorium applies, pursuant to which no creditor can take any action against that company, including, among other things, commencing a legal process against the company, winding up the company or enforcing security or repossessing goods in the company's possession under a hire purchase or similar agreement, without the permission of the court or (in the case of a full moratorium) the consent of the administrator.

However, certain creditors of a company in administration may be able to realize their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a "security financial collateral arrangement" (generally, cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003.

Subject to the above points, were a UK Guarantor to enter administration, whilst any principal debt or guarantee obligation owed by it would be accelerated or demanded, no meaningful enforcement action could be taken in respect of any failure to pay.

**Expenses of the Administration**

Broadly speaking, expenses that qualify as expenses of the administration (and which include, among others, expenses properly incurred by the administrator in performing his functions in the administration and necessary disbursements incurred in the course of the administration) enjoy priority status, in a similar way to liquidation expenses (as described above) although the categories of expenses are slightly different. In particular, expenses of the administration can be claimed out of the realization proceeds of assets subject to a floating charge and, for these purposes, rank ahead of preferential debts and floating chargees' claims.

Where a corporate rescue is not possible, administration can be used as a proceeding in which to make distributions to creditors like a liquidation in which case claims of creditors may be submitted to the administrator, although court approval (and the conversion of the administration from a rescue proceeding to a liquidating administration) will generally be required before he can make a distribution to unsecured creditors. Time limits may be set for receipt and processing of claims before interim dividends are paid.

As with liquidation, as described above, where an administration moves into the liquidation phase, an administrator will generally be required to ring-fence a certain percentage of the proceeds of enforcement of a floating charge security (if any) for the benefit of unsecured creditors up to a maximum of £600,000 (and after making full provision for preferential creditors and administration expenses out of those floating charge realizations).

**Small Companies Moratorium**

Certain "small companies" may, for the purposes of putting together proposals for a company voluntary arrangement, seek court protection from their creditors by way of a "moratorium" for a period of up to 28 days, with the option for creditors to extend this protection for up to a further two months (although the Secretary of State for Business, Energy and Industrial Strategy may, by order, extend or reduce the duration of either period).

A "small company" is defined for these purposes by reference to whether the company meets certain tests relating to a company's balance sheet, total turnover and average number of employees in a particular period (although the Secretary of State for Business, Energy and Industrial Strategy may, by order, modify the moratorium eligibility qualifications and the definition of a "small company").

During the period for which a moratorium is in force in relation to a small company, among other things, no winding up may be commenced (except in very limited circumstances, for example where the UK Secretary of State considers it to be in the public interest to do so) or administrator or administrative receiver appointed to that company, no security created by that company over its property may be enforced (except (1) with the leave of the Court or (2) in the case of eligible financial collateral arrangements under the Financial Collateral Arrangements (No 2) Regulations 2003 where the requirement to get a court order before enforcing security over small companies will not apply), no other proceedings or legal process may be commenced or continued against that company (except with the leave of the Court) and the company's ability to make payments in respect of debts and liabilities existing at the date of the filing for the moratorium is curtailed. Certain small companies may, however, be excluded from being eligible for a moratorium (although the Secretary of State for Business, Energy and Industrial Strategy may, by regulations, modify such exclusions). As the law currently stands, companies that on the date of filing are party to an agreement which is or forms part of a capital market arrangement are excluded from being eligible for this small companies moratorium.

**Possible Challenges to Security Interests and Guarantees**

**Vulnerable Transactions**

Under English insolvency law, a liquidator or administrator of a company would have certain powers to apply to court to challenge transactions entered into by a company if that company is unable to pay its debts (as defined in the UK Insolvency Act) at the time of the transaction or becomes unable to pay its debts as a result of the transaction (see above for a description of when a company may be deemed unable to pay its debts). The following grounds for challenge under English insolvency law apply to guarantees and security interests. They do not purport to be an exhaustive list of all possible grounds for challenge which apply to security interests as it is not contemplated, as the Issue Date, that any UK Guarantor will grant any security interests in connection with the Notes

**Transactions at an undervalue.**

A transaction (such as a UK Guarantor's grant of a guarantee) might be challenged in this way (as a transaction at an undervalue) if it involved the company making a gift or otherwise entering into a transaction on terms that it received no consideration, or the company received significantly less value under the transaction than it gave in return. Where an undervalue transaction is proved, the court has powers to make any order it thinks fit in order to restore the position to what it would have been had that company not entered into that transaction. A court should not intervene, however, if it is satisfied that the company entered into the transaction in good faith and for the purposes of carrying on its business and if, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. The court can set aside transactions at an undervalue entered into by the company within a period of two years ending with the onset of its insolvency (see "*—Onset of Insolvency*"). The order could include reducing payments under the guarantees or setting aside any guarantees although there is protection for a third party that acquires an interest in property or benefits from the transaction and has acted in good faith for value without notice of the relevant circumstances. In principle, a Guarantee granted by a UK Guarantor could be challenged as a transaction at an undervalue.

**Preferences**

A transaction might also be challenged as a preference where a company has done something or suffered something to be done which has the effect of putting a creditor, surety or guarantor in a better position than the one that person would otherwise have been in the event of the company going into insolvent liquidation. If a transaction is found to have given a preference to a creditor, surety or guarantor of the company, then the court may make such order as it thinks fit for restoring the position to what it would have been if the company had not given that preference (which could include reducing payments under guarantees or setting aside guarantees although there is protection for a third party that acquires an interest in property or benefits from the transaction and which has acted in good faith for value without notice of the relevant circumstances). A court should not intervene however when the company, in deciding to give the preference, was not influenced by a desire to put the person who was given the preference in a better position in the event of insolvent liquidation of the company. If the preference is given to a person connected to the company (other than an employee), the court can look back and set aside those preferences entered into in the period of two years from the date of the onset of insolvency. If the person is not connected to the company, the court can only look back and set aside those preferences entered into in the period of six months ending on the onset of insolvency.

**Extortionate Credit Transactions**

Further, an administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by a company up to three years before the day on which the company entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing. If a transaction entered into by a company is found to be an extortionate credit transaction, the court can make one or more orders specified in the UK Insolvency Act, including an order setting aside the whole or any part of any obligation created by the extortionate credit transaction, an order varying the terms of the extortionate credit transaction or an order requiring any person to pay to the administrator or liquidator any sums paid to that person, by virtue of the extortionate credit transaction by the relevant company.

As a result of the rights to challenge described above, in the event that a UK Guarantor becomes unable to pay its debts within a period of up to two years of the issuance of the Notes (or three years if the Notes or any related transaction are found to be an extortionate credit transaction), an administrator or liquidator is appointed to it and the conditions contemplated in the relevant legal provisions are met, the provision of the relevant Guarantee may be challenged by a liquidator or administrator or a court may set aside the granting of the Guarantee as invalid.

**Onset of Insolvency**

The date of the onset of insolvency, for the purposes of transactions at an undervalue and preferences depends on the insolvency procedure in questions. In administration the onset of insolvency is that date on which (a) the court application for an administration order is issued, or (b) the notice of intention to appoint an administrator is filed at court, or (c) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation the onset of insolvency is the date on which the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date on which the company passes a winding-up resolution. Where liquidation follows administration, the onset of insolvency will be as for the initial administration.

**Limitation on Enforcement**

The grant of a Guarantee by any UK Guarantor in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the respective company's memorandum and articles of association. Further, corporate benefit must be established for each UK Guarantor in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote the success of the UK Guarantor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors. In the case of either a company exceeding the powers and authorities under its memorandum and articles of association or the directors entering into a transaction which has no corporate benefit, there is the risk that the grant of the guarantee could be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with a UK Guarantor in good faith, however the relevant legislation is not without difficulties in its interpretation.

**Transaction Defrauding Creditors**

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. An application to the court for an order to set aside the transaction may be made by an administrator, a liquidator and, subject to certain conditions, the UK Financial Conduct Authority and the UK Pensions Regulator. In addition, any person who is, or who is capable of being, prejudiced by the transaction may (with the leave of the court in the case of a company in administration or liquidation) also bring an application to set aside such transaction. The challenge must be made within 12 years (or in the case of claims for a sum of money, six years) from the date on which the cause of action arose. The relevant company does not need to be insolvent at the time of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor in good faith, for value and without notice of the relevant circumstances and will not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

**Foreign currency**

Under English insolvency law, where creditors are asked to submit formal proofs of claims for their debts, any debt of a company payable in a currency other than pound sterling (such as any debt arising under the Notes or any guarantee thereof) must be converted into pound sterling at the "official exchange rate" prevailing at the date when the company went into liquidation or administration (if the administration was immediately preceded by a winding up, on the date the company went into liquidation). This provision overrides any agreement between the parties. The "official exchange rate" for these purposes is the middle exchange rate on the London Foreign Exchange Market at close of business, as published for the date in question or, if no such rate is published, such rate as the court determines.

**Disposition in winding up**

Any disposition of a UK Guarantor's property made after a compulsory winding-up has commenced is, unless the court orders otherwise, void. The compulsory winding up of a company is deemed to commence when a winding-up petition is presented by a creditor against the company, rather than the date on which the court makes the winding-up order (if any).

**Post-petition interest**

Any interest accruing under or in respect of amounts due under the Notes (or a Guarantor's guarantee of the Notes) in respect of any period after the commencement of administration or liquidation proceedings in respect of a UK Guarantor would only be recoverable by the Noteholders from that UK Guarantor out of any surplus remaining after payment of all other debts provided in the proceedings of the UK Guarantor and accrued and unpaid interest on those debts up to the date of the commencement of the relevant insolvency proceedings.

## PLAN OF DISTRIBUTION

The Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Euro Notes and the Dollar Notes. The sale will be made pursuant to a Purchase Agreement (the "Purchase Agreement") between, *inter alios*, the Issuer and Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch, as representatives of the Initial Purchasers. The Initial Purchasers of the Euro Notes are Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, KKR Capital Markets Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., London Branch, Lloyds Bank plc, Mizuho International plc, RBC Europe Limited, Société Générale and UniCredit Bank AG, and the Initial Purchasers of the Dollar Notes are Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, KKR Capital Markets Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., London Branch, Lloyds Bank plc, Mizuho Securities USA LLC, RBC Capital Markets, LLC, Société Générale and UniCredit Bank AG.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all of the Notes being sold pursuant to the Purchase Agreement if any of them are purchased.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Initial Purchasers propose to offer the Notes to purchasers at the price to investors indicated on the cover page of this Offering Memorandum. After the initial offering of the Notes, the Initial Purchasers may from time to time vary the offering price and other selling terms without notice. To the extent that any of the Initial Purchasers are not U.S.-registered broker dealers, they will only offer and sell Notes in the United States through U.S.-registered broker dealers or affiliates, as appropriate. In addition, the Initial Purchasers may offer and sell Notes outside the U.S. through certain of their affiliates.

The Issuer and the Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments which the Initial Purchasers may be required to make in respect of any such liabilities. The Issuer will pay the Initial Purchasers a commission and pay certain expenses of the offering of the Notes. The Issuer and the Guarantors have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer or any of the Guarantors that have a tenor of more than one year (other than the Notes) during the period from the date of the Purchase Agreement through and including the date that is 90 days after the date of the Purchase Agreement, without the prior written consent of the representatives of the Initial Purchasers.

No action has been or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes and the Guarantees, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for that purpose is required. Accordingly, the Notes and the Guarantees may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes or the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

This Offering Memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about, and to observe, any restrictions relating to the offering of the Notes, the distribution of this Offering Memorandum and resales of the Notes. See "*Transfer Restrictions*."

The Notes are new issues of securities with no established trading market. The Issuer has been advised by the Initial Purchasers that the Initial Purchasers intend to make a market in the Notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited*."

The Stabilization Manager may engage in over-allotment, stabilizing transactions and covering transactions in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the Stabilization Manager. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions.

The Stabilization Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. These stabilizing transactions and covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions.

In connection with the offering of the Notes, 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 Stabilization Manager of a greater number of Notes than they are required to purchase in the offering of the Notes. 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 of the Notes is in progress.

These activities by the Stabilization Manager, 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.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes, and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Notes (including the Guarantees) have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except (i) to QIBs in offers and sales that occur within the United States, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A; and (ii) in offers and sales that occur outside the United States, in reliance on Regulation S, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Notes (including the Guarantees) as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in accordance with Regulation S. Transfer of the Notes (including the Guarantees) will be restricted and each purchaser of the Notes (including the Guarantees) in the United States will be required to make certain acknowledgements, representations and agreements, as described under "*Transfer Restrictions*."

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors;
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- any Notes will only be offered in the Netherlands to qualified investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezi*cht).

Any offer or sale in the United States will be made by affiliates of the Initial Purchasers who are broker-dealers registered under the Exchange Act.

The Issuer expects that delivery of the Notes will be made to investors on or about the date specified on the cover page of this Offering Memorandum, which is ten business days (in the case of the Dollar Notes) or nine business days (in the case of the Euro Notes) following the date of this Offering Memorandum (such settlement being referred to as "T+10" and "T+9", respectively). Under Rule 15(c)6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next seven successive business days (in the case of the Dollar Notes) or the next six successive business days (in the case of the Euro Notes) will be required, by virtue of the fact that the Notes will initially settle ten business days following the date of pricing of the Notes, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

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, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer and its affiliates, for which they received or will receive customary fees and expenses. Each of the Initial Purchasers or their respective affiliates are lenders under the Senior Credit Facilities Agreement and have provided commitments under the bridge facility that the Issuer has entered into as borrower to provide financing for the Acquisition in the event the Offering is not consummated, and such entities may act as counterparties in the hedging arrangements the Issuer expects to enter into in connection with the Transactions, and will receive customary fees for their services in such capacities.

Funds advised by KKR that indirectly own an equity interest in the Issuer are affiliates of KKR Capital Markets Limited, which is acting as an Initial Purchaser in connection with the offering of the Notes. KKR Capital Markets Limited may therefore be deemed to be our affiliate and have a conflict of interest with us.

In the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

# NOTICE TO INVESTORS

## NOTICE TO U.S. INVESTORS

The offering of the Notes is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer and sale of the Notes which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. Please see "*Transfer Restrictions*."

This Offering Memorandum is being provided (1) to a limited number of U.S. investors that the Issuer reasonably believes to be "qualified institutional buyers" under Rule 144A for informational use solely in connection with their consideration of the purchase of the Notes and (2) outside the United States in connection with offshore transactions complying with Regulation S. The Notes described in this Offering Memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC or any state securities commission in the United States or any such other securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

## NOTICE TO CANADIAN INVESTORS

*Resale Restrictions*

The distribution of Notes in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the Notes in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

*Representations of Canadian Purchasers*

By purchasing Notes in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the Notes without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—*Prospectus Exemptions* or Section 73.3(1) of the *Securities Act* (Ontario), as applicable,
- the purchaser is a "permitted client" as defined in National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations*,
- where required by law, the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under Resale Restrictions.

*Conflicts of Interest*

Canadian purchasers are hereby notified that the Initial Purchasers are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—*Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

*Statutory Rights of Action*

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Offering Memorandum (including any amendment thereto) such as this document 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 of these securities in Canada 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.

*Enforcement of Legal Rights*

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

*Taxation and Eligibility for Investment*

Canadian purchasers of Notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the Notes in their particular circumstances and about the eligibility of the Notes for investment by the purchaser under relevant Canadian legislation.

**NOTICE TO U.K. INVESTORS**

In the United Kingdom, this Offering Memorandum and any other material in relation to the Notes described herein are being distributed only to, and are directed only at, persons who are (i) persons falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")), or (ii) persons falling within Article 49(2)(a) to (d) (high net worth companies and unincorporated associations) of the Financial Promotion Order, or (iii) 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 securities may otherwise lawfully be communicated or caused to be communicated, all such persons together being referred to as "relevant persons." The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. This Offering Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Memorandum or its contents.

**NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS**

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "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, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID 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.

**NOTICE TO INVESTORS IN GERMANY**

The Notes may be offered and sold in the Federal Republic of Germany only in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, and all other laws applicable in German law governing the issue, offering and sale of securities. This Offering Memorandum has not been approved under the German Securities Prospectus Act and, accordingly, the Notes may be offered publicly in the Federal Republic of Germany only in reliance on an exemption from the requirement to publish an approved securities prospectus under the German Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and all other applicable laws. The Issuer has not filed and does not intend to file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "BaFin") or obtain a notification to BaFin from another competent authority of a member state of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17(3) of the German Securities Prospectus Act.

**NOTICE TO INVESTORS IN THE NETHERLANDS**

The Notes (including the rights representing an interest in the Notes in global form) which are the subject of this Offering Memorandum, have not been and shall not be offered, sold, transferred or delivered in the Netherlands other than to persons which are qualified investors (within the meaning of the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

For the purposes of the abovementioned paragraph, the expression an "offer of Notes" in relation to any Notes in the Netherlands means the announcement or 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 for the Notes.

No approved prospectus within the meaning of the Prospectus Directive is required to be made generally available in connection with the offer.

## TRANSFER RESTRICTIONS

The Notes have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and to persons outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. As used in this section, the terms "United States" and "offshore transaction" have the meanings given to them in Regulation S.

In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

(1) It understands and acknowledges that the Notes and the Guarantees have not been registered under the U.S. Securities Act or any other applicable state securities law, and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A and Regulation S, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) It is not an "affiliate" (as defined in Rule 144) of the Issuer or acting on behalf of the Issuer and it is either:

   (a) a qualified institutional buyer and is aware that any sale of the Notes to it will be made in reliance on Rule 144A and the acquisition of the Notes will be for its own account or for the account of another qualified institutional buyer; or

   (b) purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, has made any representation to it with respect to the offering or sale of any

Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum. It also acknowledges that it has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) Each holder of the Notes sold in reliance on Rule 144A agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year after the later of the date of the Issue Date, the issue date of any additional Notes and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto), only (i) to the Issuer, the Guarantors or any subsidiaries thereof; (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act; (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person it reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act; (iv) pursuant to offshore transactions occurring outside the United States within the meaning of Regulation S under the U.S. Securities Act and in reliance on Regulation S under the U.S. Securities Act or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clauses (iv) or (v) prior to the Resale Restriction Termination Date to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them, (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the other side of the security is completed and delivered by the transferor to the Trustee and (III) agrees that it will give to each person to whom this security is transferred a notice substantially to the effect of this legend.

Each purchaser of the Notes acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND, ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A")) OR (B) IT IS ACQUIRING THIS SECURITY IN OFFSHORE TRANSACTIONS PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND (2) IN THE CASE OF RULE 144A NOTES AGREES NOT TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF THIS SECURITY, THE

ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES, AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFSHORE TRANSACTIONS OCCURRING OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS ACQUIRING THIS SECURITY IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT.]

BY ACCEPTANCE OF THIS SECURITY, EACH ACQUIRER AND SUBSEQUENT TRANSFEREE OF THIS SECURITY WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (A) NO PORTION OF THE ASSETS USED BY SUCH ACQUIRER OR TRANSFEREE TO ACQUIRE OR HOLD THE SECURITY CONSTITUTES ASSETS OF ANY (I) EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (II) PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT 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-UNITED STATES OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS"), OR (III) ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF SUCH PLAN, ACCOUNT AND ARRANGEMENT (EACH, A "PLAN") OR (B) THE ACQUISITION, HOLDING AND DISPOSITION OF THE SECURITY WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR ANY SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS. ADDITIONALLY, EACH HOLDER USING THE ASSETS OF A PLAN THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE (EACH, AN "ERISA PLAN") TO ACQUIRE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN WILL BE DEEMED TO REPRESENT THAT (I) NEITHER THE ISSUER NOR ANY OF ITS AFFILIATES HAS ACTED AS THE ERISA PLAN'S FIDUCIARY, OR HAS BEEN RELIED UPON FOR ANY ADVICE, WITH RESPECT TO THE ERISA PLAN'S DECISION TO ACQUIRE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN AND NEITHER THE ISSUER NOR ANY OF ITS AFFILIATES SHALL AT ANY TIME BE RELIED UPON AS THE ERISA PLAN'S FIDUCIARY WITH RESPECT TO ANY DECISION TO ACQUIRE, CONTINUE TO HOLD OR TRANSFER ITS INTEREST HEREIN, (II) THE ERISA PLAN IS AWARE OF AND ACKNOWLEDGES THAT (1) NONE OF THE ISSUER OR ANY OF

ITS AFFILIATES IS UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE, OR TO GIVE ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE ERISA PLAN'S INVESTMENT HEREIN AND (2) THE ISSUER AND ITS AFFILIATES HAVE A FINANCIAL INTEREST IN THE ERISA PLAN'S INVESTMENT IN THIS SECURITY AND (III) THE DECISION TO INVEST IN THIS SECURITY HAS BEEN MADE AT THE RECOMMENDATION OR DIRECTION OF AN "INDEPENDENT FIDUCIARY" ("INDEPENDENT FIDUCIARY") WITHIN THE MEANING OF THE U.S. CODE OF FEDERAL REGULATIONS 29 C.F.R. SECTION 2510.3-21(c), AS AMENDED FROM TIME TO TIME (THE "FIDUCIARY RULE") WHO (1) IS INDEPENDENT OF THE ISSUER AND ITS AFFILIATES; (2) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH RESPECT TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES (WITHIN THE MEANING OF THE FIDUCIARY RULE); (3) IS A FIDUCIARY (UNDER ERISA AND/OR SECTION 4975 OF THE CODE) WITH RESPECT TO THE ERISA PLAN'S INVESTMENT HEREIN AND IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT HEREIN; (4) IS EITHER (A) A BANK AS DEFINED IN SECTION 202 OF THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (THE "ADVISERS ACT") OR SIMILAR INSTITUTION THAT IS REGULATED AND SUPERVISED AND SUBJECT TO PERIODIC EXAMINATION BY A STATE OR FEDERAL AGENCY OF THE UNITED STATES; (B) AN INSURANCE CARRIER WHICH IS QUALIFIED UNDER THE LAWS OF MORE THAN ONE STATE OF THE UNITED STATES TO PERFORM THE SERVICES OF MANAGING, ACQUIRING OR DISPOSING OF ASSETS OF SUCH AN ERISA PLAN; (C) AN INVESTMENT ADVISER REGISTERED UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940 (THE "ADVISERS ACT") OR, IF NOT REGISTERED AS AN INVESTMENT ADVISER UNDER THE ADVISERS ACT BY REASON OF PARAGRAPH (1) OF SECTION 203A OF THE ADVISERS ACT, IS REGISTERED AS AN INVESTMENT ADVISER UNDER THE LAWS OF THE STATE (REFERRED TO IN SUCH PARAGRAPH (1)) IN WHICH IT MAINTAINS ITS PRINCIPAL OFFICE AND PLACE OF BUSINESS; (D) A BROKER DEALER REGISTERED UNDER THE U.S. EXCHANGE ACT OF 1934, AS AMENDED; AND/OR (E) AN INDEPENDENT FIDUCIARY (NOT DESCRIBED IN CLAUSES (A), (B), (C) OR (D) ABOVE) THAT HOLDS OR HAS UNDER MANAGEMENT OR CONTROL TOTAL ASSETS OF AT LEAST $50 MILLION, AND WILL AT ALL TIMES THAT SUCH ERISA PLAN HOLDS AN INTEREST HEREIN, HOLD OR HAVE UNDER MANAGEMENT OR CONTROL, TOTAL ASSETS OF AT LEAST $50 MILLION; AND (5) IS AWARE OF AND ACKNOWLEDGES THAT (I) NEITHER THE ISSUER NOR ANY OF ITS AFFILIATES IS UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE, OR TO GIVE ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE ERISA PLAN'S INVESTMENT HEREIN, AND (II) THE ISSUER AND ITS AFFILIATES HAVE A FINANCIAL INTEREST IN THE ERISA PLAN'S INVESTMENT HEREIN.

(6) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

(7) It acknowledges that the transfer agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

(8) It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(9) It represents and agrees that either (a) no portion of the assets used by such acquirer or transferee to acquire or hold the Notes constitutes assets of any employee benefit plan subject to Title I of ERISA, any plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code, or provisions under any other federal, state, local, non-United States or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), or any entity whose underlying assets are considered to include "plan assets" of such plan, account and arrangement (each, a "Plan") or (b) the acquisition, holding and disposition of the Notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or

Section 4975 of the Code or any similar violation under any applicable Similar Laws. Additionally, each holder using the assets of a Plan that is subject to Title I of ERISA or Section 4975 of the Code (each, an "ERISA Plan") to acquire or hold a Note or any interest therein will be deemed to represent that (i) neither the Issuer nor any of its affiliates has acted as the ERISA Plan's fiduciary, or has been relied upon for any advice, with respect to the ERISA Plan's decision to acquire or hold a Note or any interest therein and neither the Issuer or any of its affiliates shall at any time be relied upon as the ERISA Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer its interest therein, (ii) the ERISA Plan is aware of and acknowledges that (a) none of the issuer or any of its affiliates is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the ERISA Plan's investment therein and (b) the Issuer and its affiliates have a financial interest in the ERISA Plan's investment in the Notes and (iii) the decision to invest in the Notes has been made at the recommendation or direction of an "independent fiduciary" ("Independent Fiduciary") within the meaning of the U.S. Code of Federal Regulations 29 C.F.R. Section 2510.3-21(c), as amended from time to time (the "Fiduciary Rule") who (a) is independent of the Issuer and its affiliates; (b) is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies (within the meaning of the fiduciary rule); (c) is a fiduciary (under ERISA and/or Section 4975 of the Code) with respect to the ERISA Plan's investment therein and is responsible for exercising independent judgment in evaluating the investment in the Notes; (d) is either (1) a bank as defined in section 202 of the U.S. Investment Advisers act of 1940, as amended (the "Advisers act") or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency of the United States; (2) an insurance carrier which is qualified under the laws of more than one State of the United States to perform the services of managing, acquiring or disposing of assets of such an ERISA Plan; (3) an investment adviser registered under the U.S. Investment Advisers Act of 1940 (the "Advisers Act") or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of section 203A of the Advisers Act, is registered as an investment adviser under the laws of the State (referred to in such paragraph (1)) in which it maintains its principal office and place of business; (4) a broker dealer registered under the U.S. Exchange Act of 1934, as amended; and/or (5) an Independent Fiduciary (not described in clauses (1), (2), (3) or (4) above) that holds or has under management or control total assets of at least $50 million, and will at all times that such ERISA Plan holds an interest in a Note, hold or have under management or control, total assets of at least $50 million; and (e) is aware of and acknowledges that (i) neither the Issuer nor any of its affiliates is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the ERISA Plan's investment in the Notes, and (ii) the Issuer and its affiliates have a financial interest in the ERISA Plan's investment in the Notes.

## LEGAL MATTERS

Certain legal advice for the Issuer and the Guarantors as to matters of U.S. federal, New York and English law will be provided by Simpson Thacher & Bartlett LLP. Certain legal advice for the Issuer and the Guarantors as to matters of Dutch and German law will be provided by Dentons Boekel N.V. and Dentons Europe LLP, respectively. Certain legal advice for the Initial Purchasers as to matters of U.S. federal, New York, English, Dutch and German law will be provided by Allen & Overy LLP.

## INDEPENDENT REPORTING ACCOUNTANTS

The combined carve-out Financial Statements of the spreads business of Unilever PLC and Unilever N.V. as of December 31, 2015, 2016 and 2017, and for each of the years then ended, included in this Offering Memorandum, have been reported on by KPMG LLP, independent reporting accountants, as stated in their report appearing herein.

## WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to the Offering Memorandum acknowledges that:

- such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

For so long as any of the Notes are “restricted securities” within the meaning of the Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. Any such request should be directed to the Issuer, Overschiestraat 61-5 hoog, 1062 XD Amsterdam, the Netherlands.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See “*Description of the Notes—Certain Covenants—Reports*.”

Copies of the Issuer’s organizational documents, the Indenture and the combined carve-out Financial Statements of the spreads business may be inspected and obtained at the registered office of the Issuer for a period of 14 days following the grant of listing of the Notes. See “*Listing and General Information*.”

## ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a Dutch company. The Guarantors are entities organized under the laws of the Netherlands, the United States, Germany and the United Kingdom. Although the Issuer and the Guarantors have agreed, in accordance with the terms of the Indenture, to accept service of process in the United States through agents designated for such purpose, it may not be possible for holders of the Notes to (a) effect service of process upon the Issuer, the Guarantors or their respective directors or officers, or (b) enforce judgments of courts of the United States predicated upon the civil liability of such entities or persons under the U.S. federal securities laws and state securities laws or other laws against any such entities or persons in the courts of a foreign jurisdiction.

### The Netherlands

The Issuer and the Dutch Guarantors are incorporated under Dutch law and have their registered seat in the Netherlands. Civil liabilities based on the securities laws of the United States may not be enforceable in the Netherlands, either in an original action or in an action to enforce a judgment obtained in U.S. courts.

The United States and the Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any court in the United States, whether or not predicated solely upon U.S. securities laws, would not be enforceable in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the claim must be re-litigated before a competent Dutch court. A Dutch court will, under current practice, generally grant the same judgment without relitigation on the merits if (a) that judgment results from proceedings compatible with the Dutch concept of due process, (b) that judgment does not contravene public policy (*openbare orde*) of the Netherlands, (c) the jurisdiction of the court has been based on an internationally acceptable ground, and (d) the judgment by the court is not incompatible with a judgment rendered between the same parties by a Dutch court, or with an earlier judgment rendered between the same parties by a non-Dutch court in a dispute that concerns the same subject and is based on the same cause, provided that the earlier judgment qualifies for recognition in the Netherlands.

Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, investors may be able to enforce in the Netherlands judgments in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that such judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in the Netherlands and predicated solely upon U.S. federal securities laws.

### Germany

Civil liabilities based on federal or state securities laws of the Unites States may, either in an original action or in an action to enforce a judgment obtained in U.S. courts, not be enforceable in Germany. The enforceability of U.S. judgments in Germany is subject to an action to be brought before a German court of competent jurisdiction in accordance with the procedures set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, under applicable legal rules, a final judgment for payment given by any court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be enforceable in Germany.

However, under current rules as presently applied by German courts, a final and conclusive judgment by a U.S. court for a definite sum of money, will be recognized and thereby given binding effect within the territory of Germany, unless the German court finds that, *inter alia*, the recognition of the U.S. judgment leads to a result manifestly irreconcilable with material principles of German law or that proper legal procedures have not been observed. Specifically, the recognition and enforcement of the U.S. judgment by a German court is to be denied if one or more of the following circumstances exist:

- U.S. courts would not have had jurisdiction over the case based on the principles on jurisdictional competences under German law; or

- the defendant did not appear in the proceedings and invokes such lack of appearance, and the document introducing the proceedings was not duly made known to the defendant in a timely manner that allowed for adequate defense; or
- the judgment conflicts with (i) any prior judgment rendered by a German court or (ii) any prior judgment rendered by another foreign court which is to be recognized in Germany; or (iii) the proceedings leading to such foreign judgment are irreconcilable with previously pending proceedings in a German court; or
- the recognition of the judgment by the U.S. court would be in conflict with German public policy, including the fundamental principles of German law, and in particular the civil liberties (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*); or
- the reciprocity of enforcement of judgments is not guaranteed.

Subject to the foregoing, purchasers of securities, such as the holders of the Notes, may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. courts. We cannot, however, assure you that attempts to enforce judgments in Germany will be successful. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws. In particular, the obligations need to be of a specific kind and type for which an enforcement procedure exists under German law. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation or moratorium, as well as other similar laws affecting creditor's rights generally.

It should be noted that German courts usually deny the recognition and enforcement of punitive damages as incompatible with the fundamental principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. As far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may compel the extensive production of documents by adverse or third parties and the deposition of witnesses prior to trial. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No equivalent pre-trial discovery process exists under German law.

If the party in whose favor a final U.S. judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment inconsistent with the judgment rendered by a federal or state court of the United States.

**England and Wales**

The United States and the United Kingdom do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and the United Kingdom are both parties to the 1958 New York Convention on the Recognition and Enforcement of Arbitral Awards). Any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in England and Wales and is subject to the common law rules of enforcement. In order to enforce any such judgment in England and Wales, proceedings must be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. In this type of action, an English court generally will not reinvestigate the merits of the original matter decided by a U.S. court and/or enforce a judgment, *provided that*:

- the relevant U.S. court had jurisdiction (under English rules of private international law) to give the judgment or the judgment is not final or conclusive;
- the original judgment is final and conclusive on the merits of the claim and is for a definite sum of money (and is not payable in respect of a tax, fine or penalty);
- the enforcement of such judgment would not contravene public policy, a statute in England or the European Convention on Human Rights;

- the original judgment is not for multiple damages;
- the original judgment is not inconsistent with a prior judgment on the same subject matter and between the same parties;
- the English proceedings were commenced within the relevant limitation period;
- before the date on which the U.S. court gave judgment, the issues in question were not the subject of a judgment of an English court or of a court of another jurisdiction whose judgment is enforceable in England;
- the original judgment has been not obtained by fraud or in proceedings in which the principles of natural justice were breached;
- the bringing of proceedings in the relevant U.S. court was not contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in that court (to whose jurisdiction the judgment debtor did not submit), for example by way of arbitration or proceedings in a different court;
- the bringing of proceedings in the relevant U.S. court was not contrary to an agreement that any dispute would be settled by reference to a different governing law than applied by the U.S. court;
- no order has been made that remains effective under section 9 of the UK Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to U.S. courts including the relevant U.S. court; and
- no relevant power has been exercised by the United Kingdom Government pursuant to section 5(4) of the Protection of Trading Interests Act 1980.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will create an obligation which can be enforced as a debt in fresh legal proceedings. It may be necessary to serve the proceedings out of the jurisdiction, and parties must consider whether it is necessary to obtain the permission of the court to do so. It may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set off or counterclaim against the judgment creditor.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters obtained from U.S. federal or state courts in the manner described above.

It is, however, uncertain whether an English court would impose liability on FFG in an action predicated upon U.S. federal securities law brought in England and Wales.

# LISTING AND GENERAL INFORMATION

## Listing

Application will be made to the Authority for the listing of the Notes on the Official List of the Exchange and admission to trade on the Exchange. There can be no assurance that the Notes will be listed on the Official List of the Exchange.

Neither the admission of the Notes to the Official List of the Exchange nor the approval of this Offering Memorandum 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 and accuracy of information contained in this Offering Memorandum or the suitability of the Issuer for investment or for any other purpose.

The Notes are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

## Clearing Information

The Dollar Notes have been accepted for clearance through the facilities of DTC. The Dollar 144A Global Note has a CUSIP of 82660C AA0 and an ISIN of US82660CAA09 and the Dollar Regulation S Global Note has a CUSIP of N8135U AA7 and an ISIN of USN8135UAA71.

The Euro Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The Euro 144A Global Note has a Common Code of 181350474 and an ISIN of XS1813504740 and the Euro Regulation S Global Note has a Common Code of 181350466 and an ISIN of XS1813504666.

## General Information

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in FFG's prospects since December 31, 2017, the date of its last published consolidated financial information;
- there has been no material adverse change in the Issuer's financial position since its date of incorporation; and
- none of the Issuer nor any of its direct or indirect subsidiaries has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes and, so far as the Issuer is aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

For the avoidance of doubt, any website referred to in this Offering Memorandum and the information on the referenced website does not form part of this Offering Memorandum prepared in connection with the proposed offering of the Notes.

The issuance of the Notes was authorized by a resolution of the Board of Directors of the Issuer on April 5, 2018.

The guarantee of the Notes by each of the Initial Guarantors has been authorized by a resolution of the respective Board of Directors of the Initial Guarantors on various dates on or about April 5, 2018.

## Material Contracts

Contracts not entered into in the ordinary course of the Issuer's business that could result in any member of FFG being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders in respect of the Notes are summarized in "*Description of the Notes.*"

## The Issuer Information

The Issuer was incorporated on December 12, 2017. The Issuer's financial year begins on January 1 of each year. The Issuer will prepare and publish annual audited financial statements. Annual accounts will be published by the Issuer on an annual basis and will be available, during normal business hours, at the executive offices of the Issuer. The Issuer will not produce unconsolidated interim accounts. The Issuer's official seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its office at Overschiestraat 61-5 hoog, 1062 XD Amsterdam, the Netherlands. The Issuer is registered with the Dutch Trade Register of the Chamber of Commerce under number the number 70282900.

The Issuer has obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes will be authorized by the Issuer's Board of Directors dated prior to the closing of the Offering.

**Persons Responsible**

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Litigation**

Except as disclosed elsewhere in this Offering Memorandum, neither the Issuer nor any of its subsidiaries is involved in any litigation, arbitration or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on its results of operations, condition (financial or other) or general affairs and, so far as it is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

## INDEX TO THE FINANCIAL STATEMENTS

**Accountant's report on historical financial information**

The Directors
Sigma Holdco B.V.
Overschiestraat 61-5
1062 XD Amsterdam
The Netherlands

17 April, 2018

**Historical financial information relating to the Spreads Business of Unilever PLC and Unilever NV**

We report on the financial information set out on pages F-5 to F-45 as of and for each of the three years ended 31 December 2017 as set out in this offering memorandum (the "**Spreads Combined Carve Out Financial Information**"). This financial information has been prepared on the basis of the accounting policies set out note 1 to the Combined Carve Out Financial Statements of the Spreads Business of Unilever PLC and Unilever NV ("**the Spreads Business**").

The Spreads Combined Carve Out Financial Information has been prepared for inclusion in the offering memorandum of Senior Notes due 2026 outside and inside the United States of America ('Bond Offering') of Sigma Holdco B.V. (the "**Offering Memorandum**") to be listed on The International Stock Exchange ('TISE') of Guernsey.

An application will be made to list the Bond Offering on the TISE. This report is prepared for the directors of Sigma Holdco B.V. in order that they may satisfy the TISE Listing Requirements.

**Responsibilities**

The Management of the Spreads business have prepared the financial information in accordance with the basis of preparation set out in note 1 to the Spreads Combined Carve Out Financial Information The Directors of Sigma Holdco B.V. are responsible for the Spreads Combined Carve Out Financial Information included in the Offering Memorandum.

It is our responsibility to form an opinion on the Spreads Combined Carve Out Financial Information and to report our opinion to you.

Save for any responsibility arising under the TISE Listing Requirements to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with TISE Listing Requirements, in consenting to its inclusion in the Offering Memorandum.

**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Spreads Business's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Opinion on financial information**

In our opinion, the Spreads Combined Carve Out Financial Information gives, for the purposes of the Offering Memorandum, a true and fair view of the state of affairs of the Spreads Business as at the dates stated and of its profits, cash flows and changes in net investment for the periods then ended in accordance with the basis of preparation set out in note 1 to the Spreads Combined Carve Out Financial Information.

**KPMG LLP**
*Chartered Accountants*
15 Canada Square,
London, E14 5GL

Date: 17 April, 2018

**COMBINED CARVE-OUT FINANCIAL STATEMENTS OF THE SPREADS BUSINESS OF UNILEVER PLC AND UNILEVER NV**

FOR THE YEARS ENDED
31 DECEMBER 2017, 31 DECEMBER 2016 AND
31 DECEMBER 2015

## COMBINED CARVE-OUT INCOME STATEMENT

for the year ended 31 December

| | Notes | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| **Turnover** | 3 | **2,904.9** | 3,031.7 | 3,294.9 |
| **Operating profit** | 3 | **555.4** | 570.6 | 544.6 |
| After charging non-underlying items | 3 | **(5.9)** | (28.6) | (89.2) |
| Net finance costs | 5 | **(8.7)** | (8.6) | (3.3) |
| Finance costs | | **(8.5)** | (8.5) | (3.1) |
| Pensions and similar obligations | | **(0.2)** | (0.1) | (0.2) |
| Share of net profit of Portuguese joint venture | 9 | **3.7** | 3.3 | 3.3 |
| **Profit before taxation** | | **550.4** | 565.3 | 544.6 |
| **Taxation** | 6A | **14.7** | (142.8) | (91.0) |
| After crediting tax impact of non-underlying items | | **20.3** | 7.5 | 24.3 |
| **Net profit** | | **565.1** | 422.5 | 453.6 |
| Attributable to: | | | | |
| Non-controlling interests | | **11.9** | 16.4 | 15.1 |
| Parent investment | | **553.2** | 406.1 | 438.5 |

Operating profit includes certain indirect central costs and general corporate expenses (note 3) that have been allocated to the Spreads Business on the basis that it operated as part of the wider Unilever Group. These allocations have been determined on a basis that both Unilever and the Spreads Business consider to be a reasonable reflection of the utilisation of services provided to, or the benefit received by, the Spreads Business during the periods presented. Had the Spreads Business operated independently during the periods presented the level of costs incurred would have been influenced by a number of factors including the chosen organisation structure, the functions that are outsourced as opposed to performed by employees, and by other strategic decisions made in areas such as information technology and infrastructure.

The tax charge has been made using an effective tax rate that is appropriate to circumstances in each individual country. The tax charges recorded in the income statement may not necessarily be representative of the charges that may arise in the future.

## COMBINED CARVE-OUT STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

| | Notes | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| Net profit | | **565.1** | 422.5 | 453.6 |
| **Other comprehensive income** | 6C | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| Remeasurement of defined benefit pension plans net of tax | | **0.6** | (0.6) | 0.4 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency retranslation gains net of tax | | **3.6** | 63.6 | 8.6 |
| Fair value (losses) / gains on financial instruments net of tax | | **(3.3)** | (0.1) | 6.0 |
| **Total comprehensive income** | | **566.0** | 485.4 | 468.6 |
| Attributable to: | | | | |
| Non-controlling interests | | **10.4** | 17.3 | 13.9 |
| Parent investment | | **555.6** | 468.1 | 454.7 |

## COMBINED CARVE-OUT BALANCE SHEET
as at

| | Notes | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Intangible assets | 7 | **82.4** | 87.8 | 87.1 | 84.8 |
| Property, plant and equipment | 8 | **519.8** | 587.9 | 607.8 | 588.0 |
| Pension asset for funded schemes in surplus | 4B | **0.2** | 0.1 | 0.2 | 0.2 |
| Deferred tax assets | 6B | **145.2** | 24.2 | 31.2 | 1.2 |
| Other non-current assets | 9 | **15.2** | 13.4 | 16.1 | 12.8 |
| | | **762.8** | 713.4 | 742.4 | 687.0 |
| **Current assets** | | | | | |
| Inventories | 10 | **123.8** | 128.9 | 139.0 | 122.7 |
| Trade and other current receivables | 11 | **217.2** | 241.8 | 255.4 | 252.0 |
| Current tax assets | | **13.0** | 15.2 | 1.3 | — |
| Cash and cash equivalents | 15A | **27.0** | 21.7 | 13.0 | 11.7 |
| | | **381.0** | 407.6 | 408.7 | 386.4 |
| **Total assets** | | **1,143.8** | 1,121.0 | 1,151.1 | 1,073.4 |
| **Liabilities** | | | | | |
| **Current liabilities** | | | | | |
| Financial liabilities | 14B | **949.8** | 861.0 | 1,078.3 | 4.6 |
| Trade payables and other current liabilities | 12 | **774.2** | 790.0 | 811.8 | 726.0 |
| Current tax liabilities | | **31.4** | 47.6 | 69.2 | 45.6 |
| Provisions | 17 | **9.7** | 14.1 | 10.4 | 12.2 |
| | | **1,765.1** | 1,712.7 | 1,969.7 | 788.4 |
| **Non-current liabilities** | | | | | |
| Financial liabilities | 14B | **—** | 216.9 | 208.5 | — |
| Pensions and post-retirement healthcare liabilities: | | | | | |
| Funded schemes in deficit | 4B | **0.8** | 1.0 | 0.9 | 1.1 |
| Unfunded schemes | 4B | **4.1** | 4.6 | 3.9 | 3.9 |
| Provisions | 17 | **4.0** | 8.2 | 2.2 | 5.2 |
| Deferred tax liabilities | 6B | **59.2** | 83.5 | 75.6 | 82.7 |
| Other non-current liabilities | 12 | **0.3** | 0.6 | 0.7 | 0.2 |
| | | **68.4** | 314.8 | 291.8 | 93.1 |
| **Total liabilities** | | **1,833.5** | 2,027.5 | 2,261.5 | 881.5 |
| **Net (deficit) / investment** | | | | | |
| Net parent (deficit) / investment | 13 | **(691.3)** | (909.7) | (1,113.3) | 191.3 |
| Non-controlling interests | 13 | **1.6** | 3.2 | 2.9 | 0.6 |
| **Total net (deficit) / investment** | | **(689.7)** | (906.5) | (1,110.4) | 191.9 |
| **Total liabilities and net (deficit) / investment** | | **1,143.8** | 1,121.0 | 1,151.1 | 1,073.4 |

These combined carve-out financial statements have been approved by Graeme Pitkethly, CFO, Unilever plc and Unilever NV, on behalf of the Spreads Business.

17 April, 2018

**COMBINED CARVE-OUT CASH FLOW STATEMENT**
for the year ended 31 December

| | Notes | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| Net profit | | **565.1** | 422.5 | 453.6 |
| Taxation | 6A | **(14.7)** | 142.8 | 91.0 |
| Share of net profit of Portuguese joint venture | 9 | **(3.7)** | (3.3) | (3.3) |
| Net finance costs | 5 | **8.7** | 8.6 | 3.3 |
| Operating profit | | **555.4** | 570.6 | 544.6 |
| Depreciation and amortisation (direct and allocated) | 3 | **77.6** | 77.3 | 79.5 |
| Changes in working capital: | | **28.0** | 12.1 | 54.6 |
| Inventories | | **(1.1)** | 11.6 | (14.8) |
| Trade and other receivables | | **6.3** | 16.1 | 1.1 |
| Trade and other payables | | **22.8** | (15.6) | 68.3 |
| Provisions less payments | | **(9.3)** | 9.7 | (5.0) |
| Elimination of losses on disposals | | **3.2** | 6.2 | 33.4 |
| Non-cash charge for share-based compensation | 4C | **20.1** | 13.4 | 15.7 |
| Other adjustments | | **(0.4)** | 1.9 | (2.1) |
| Cash flow from operating activities | | **674.6** | 691.2 | 720.7 |
| Income tax paid[(a)] | 6A | **(126.2)** | (132.8) | (126.8) |
| **Net cash flow from operating activities** | | **548.4** | 558.4 | 593.9 |
| Purchase of intangible assets | | **—** | (0.9) | — |
| Purchase of property, plant and equipment | | **(29.1)** | (50.9) | (86.3) |
| Disposal of property, plant and equipment | | **—** | 0.4 | 5.2 |
| Dividends from Portuguese joint venture | 9 | **1.1** | 2.9 | 1.7 |
| **Net cash flow from investing activities** | | **(28.0)** | (48.5) | (79.4) |
| Interest paid | | **(9.4)** | (7.8) | (2.4) |
| Cash proceeds from new loan from Unilever[(b)] | | **—** | — | 1,289.9 |
| Remittance of cash on BCS restructuring[(b)] | | **—** | — | (1,289.9) |
| Additional related party loans with Unilever[(d)] | | **693.5** | 138.0 | — |
| Repayment of related party loans with Unilever and other financial liabilities | | **(265.3)** | (294.0) | (1.0) |
| Other transactions with Unilever and owners of non-controlling interests[(c) (d)] | | **(920.2)** | (350.3) | (493.7) |
| **Net cash flow used in financing activities** | | **(501.4)** | (514.1) | (497.1) |
| **Net increase/(decrease) in cash and cash equivalents** | | **19.0** | (4.2) | 17.4 |
| **Cash and cash equivalents at the beginning of the year** | | **16.6** | 9.3 | 7.1 |
| Effect of foreign exchange rate changes | | **(17.3)** | 11.5 | (15.2) |
| **Cash and cash equivalents at the end of the year** | 15A | **18.3** | 16.6 | 9.3 |

(a) Income tax paid represents the amount of current tax charged for the year, which is deemed immediately settled through the statement of changes in net parent (deficit) / investment.

(b) In 2015 aspects of the Spreads Business were restructured into a newly created Baking, Cooking and Spreads ('BCS') group of legal entities. The restructuring involved the transfer at fair value of Spreads related trade, assets and liabilities amounting to a total of € 2,612.1 million. In some countries BCS entities drew down loans from Unilever Finance International AG amounting to a total of € 1,289.9 million to satisfy the purchase of Spreads net assets. In other countries the transfers of Spreads net assets to local BCS entities did not involve settlements in cash and were effected through other restructuring mechanisms as allowed under local regulations (e.g. demerger; share transfer or contribution; assets distributions). This restructuring had no impact on the BCS assets and liabilities reflected in these combined carve-out financial statements as they are reported at historical cost, except for the recognition of deferred tax balances arising from changes in certain underlying tax bases as discussed in note 6A. As at 31 December 2015, the related party loans with Unilever Finance International AG are recognised as financial liabilities (refer to note 19) and the cash remitted on restructuring to other legal entities within Unilever is disclosed as a movement in net parent (deficit)/ investment.

(c) As Unilever uses a centralised approach to cash management and financing its operations, transactions between Unilever and the Spreads Business are accounted for through net parent (deficit) / investment. Accordingly none of the cash, cash equivalents, debt or related interest income and expense at the corporate level have been assigned to the Spreads Business, with the exception of cash, debt and related interest held by BCS legal entities. The Other transactions with

Unilever and non-controlling interests reflect the fact that the Spreads Business does not retain cash generated from operating activities and represents the cash outflow associated with repatriating such cash to Unilever, net of any movements in working capital, financing and investing activities.

(d) On 1 July 2017 USCC AG transferred 100% of the profit rights relating to BCS to BCS Europe BV for consideration of € 523 million. This acquisition was funded by a € 523 million loan from Unilever Finance International AG. This loan transaction is shown as a cash inflow from additional related party loans with Unilever. The acquisition is shown as a cash outflow within other transactions with Unilever and owners of non-controlling interests. On 15 Nov 2017, UNUS Holdings BV injected € 523 million of capital into BCS Europe BV (via a number of Spreads intermediary holding companies) which was used to settle the loan with Unilever Finance International AG. No cash transferred as part of this transaction.

## COMBINED CARVE-OUT STATEMENT OF CHANGES IN NET (DEFICIT) / INVESTMENT

| | € million Non-controlling interests | € million Net parent (deficit) / investment | € million Total |
|---|---|---|---|
| 1 January 2015 | 0.6 | 191.3 | 191.9 |
| Profit or loss for the period | 15.1 | 438.5 | 453.6 |
| Other comprehensive income net of tax: | | | |
| Remeasurement of defined benefit pension plans net of tax | — | 0.4 | 0.4 |
| Currency retranslation (losses) / gains | (1.2) | 9.8 | 8.6 |
| Fair value gains on financial instruments | — | 6.0 | 6.0 |
| Total comprehensive income | 13.9 | 454.7 | 468.6 |
| Remittance of cash on BCS restructuring[a] | — | (1,289.9) | (1,289.9) |
| Other transactions with Unilever[b] | — | (485.1) | (485.1) |
| Transactions with owners of the non-controlling interests[b] | (11.6) | — | (11.6) |
| Share-based payment credit[c] | — | 15.7 | 15.7 |
| 31 December 2015 | 2.9 | (1,113.3) | (1,110.4) |
| Profit or loss for the period | 16.4 | 406.1 | 422.5 |
| Other comprehensive income net of tax: | | | |
| Remeasurement of defined benefit pension plans net of tax | — | (0.6) | (0.6) |
| Currency retranslation gains | 0.9 | 62.7 | 63.6 |
| Fair value gains on financial instruments | — | (0.1) | (0.1) |
| Total comprehensive income | 17.3 | 468.1 | 485.4 |
| Other transactions with Unilever[b] | — | (277.9) | (277.9) |
| Transactions with owners of the non-controlling interests[b] | (17.0) | — | (17.0) |
| Share-based payment credit[c] | — | 13.4 | 13.4 |
| 31 December 2016 | **3.2** | **(909.7)** | **(906.5)** |
| Profit or loss for the period | **11.9** | **553.2** | **565.1** |
| Other comprehensive income net of tax: | | | |
| Remeasurement of defined benefit pension plans net of tax | **—** | **0.6** | **0.6** |
| Currency retranslation gains | **(1.5)** | **5.1** | **3.6** |
| Fair value gains on financial instruments | **—** | **(3.3)** | **(3.3)** |
| Total comprehensive income | **10.4** | **555.6** | **566.0** |
| Other transactions with Unilever[b] | **—** | **(357.3)** | **(357.3)** |
| Transactions with owners of the non-controlling interests[b] | **(12.0)** | **—** | **(12.0)** |
| Share-based payment credit[c] | **—** | **20.1** | **20.1** |
| 31 December 2017 | **1.6** | **(691.3)** | **(689.7)** |

(a) See combined carve-out cash flow statement, footnote (b).

(b) Other transactions with Unilever and transactions with owners of the non-controlling interests reflect the fact that the Spreads Business does not retain cash generated from operating activities and represent the cash outflow associated with repatriating such cash to Unilever, net of any movements in working capital, financing and investing activities.

(c) Share-based payment credit relates to the non-cash charge recorded against operating profit in respect of the fair value of share options and awards allocated to the Spreads Business.

## 1. BASIS OF PREPARATION, ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

### BACKGROUND

#### Unilever

The two ultimate parent companies, Unilever N.V. ("NV") and Unilever PLC ("PLC"), together with their group companies, operate as a single economic entity ("Unilever" or the "Group"). Unilever is one of the world's largest consumer goods companies. Its products are segmented into Foods, Refreshments, Home care, and Personal care; it is also the world's largest producer of food spreads (a distinct product category within the Foods segment).

#### The Transaction

Unilever announced on 15 December 2017 that it has received a binding offer from KKR & Co. L.P. ("KKR") to purchase its global spreads business (the "Spreads Business" or "Spreads") for € 6.825 billion on a cash-free, debt-free basis (the "Transaction"). The offer is subject to certain regulatory approvals and employee consultation in certain jurisdictions. Completion of the Transaction is expected mid-2018.

The Transaction, and accordingly these combined financial statements, excludes the South Africa spreads business. South African operations were disposed of as part of a separate, stand-alone sale.

The Spreads Business includes brands such as Becel, Flora, Country Crock, Blue Band, I Can't Believe It's Not Butter, Rama and ProActiv, together with other minor non-spreads elements of Unilever's Foods segment (primarily comprised of the industrial oils business in Mexico and Turkey and of the olive oil business in Greece). It operates across 66 countries around the world. The individual brands and related product categories that are being sold to KKR are listed in note 20.

### THE SPREADS BUSINESS

The Spreads Business is not operated on a worldwide basis from within separate legal entity structures. During the year 2015 however aspects of the Spreads Business were restructured into a newly created Baking, Cooking and Spreads ('BCS') group of legal entities in certain regions of the world (most of Europe and North America). The BCS legal entities combined and carved-out in these financial statements are listed in note 21. Furthermore, the supply chain companies, factories, and marketing and sales organisations operated by Unilever run both Spreads and non-spreads activities.

These financial statements have therefore been prepared on a combined and carve-out basis from Unilever's consolidated financial statements for the purpose of presenting the financial position, results of operations and cash flows of the Spreads Business as set out in the Basis of Preparation section below.

These combined carve-out financial statements include every territory in which Unilever operates its Spreads Business, except for South Africa.

### BASIS OF PREPARATION

These combined carve-out financial statements have been prepared on a going concern basis and under the historical cost convention, unless otherwise indicated, and present the financial position, results of operations and cash flows of the Spreads Business for each of the three years ended 31 December 2017, 31 December 2016 and 31 December 2015 and as at these dates. An opening combined balance sheet as at 1 January 2015 has also been presented.

These combined carve-out financial statements have been prepared in accordance with this basis of preparation, which is consistent with International Financial Reporting Standards as adopted by the EU and as issued by the IASB, except as set out below:

- IFRSs as adopted by the EU and as issued by the IASB do not provide for the preparation of combined carve-out financial statements and accordingly in preparing these combined carve-out financial statements certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. Further details on the application of these accounting conventions can be found below.

These combined carve-out financial statements:

- Have been prepared by combining and carving-out the assets, liabilities, income and expenses that the directors have determined relate to the Spreads Business. Those amounts have been derived from the underlying financial records of the Unilever entities running Spreads activities, which also include recharges by Unilever of indirect central costs and general corporate expenses. The underlying financial records of Unilever are maintained in accordance with EU and IASB IFRS;
- Include a cash flow statement showing movements arising from operating, investing and financing activities irrespective of Unilever's centralised approach to cash management and financing; and
- Disclose the cumulative investment of Unilever in the Spreads Business as net parent (deficit) / investment.

The assets, liabilities, income and expenses that the directors have determined relate to the Spreads Business include all those that are directly attributable and/or separately identifiable to the Spreads Business, together with an allocation of the items that are not. The following estimates, judgements and assumptions have been made for the purpose of allocating items to the combined carve-out financial statements that are not directly attributable and/or separately identifiable.

Balance sheet items:

- Property, plant and equipment includes:
  - land and buildings related to factories and sites shared between the Spreads Business and other parts of Unilever only where those land and buildings (or share of those land and buildings) are transferring to KKR as part of the Transaction;
  - plant and machinery at the above sites where directly attributable to Spreads or, where shared, in proportion to its estimated use by the Spreads Business based on production cost ratios; and
  - plant and machinery at other sites that are not transferring to KKR where directly attributable to Spreads.
- Where trade receivables held by Unilever relate to spreads and non-spreads products, Spreads trade receivables have been estimated in each country for the top 20 Spreads customers by applying the ratio of spreads sales over total sales to total receivables for each of those customers. The remaining balance has been estimated by applying the same ratio after excluding sales from those top 20 customers.
- Where trade payables held by Unilever relate to spreads and non-spreads purchases, Spreads trade payables have been estimated using the proportion of the Spreads Business cost of sales and administrative expenses compared to total Unilever cost of sales and administrative expenses in each country.
- Commodity and foreign exchange derivatives are held by Unilever and have been estimated as follows:
  - Commodity derivatives: in proportion to the commodities used by the Spreads Business; and
  - Foreign exchange derivatives: using the proportion of Spreads Business usage compared to total Unilever usage.
- As Unilever uses a centralised approach to cash management and financing its operations, transactions between Unilever and the Spreads Business are accounted for through net parent (deficit) / investment. Accordingly, none of the cash, cash equivalents, debt or related interest income and expense at the corporate level have been assigned to the Spreads Business, with the exception of cash, debt and related interest held by BCS legal entities.

- Current tax balances in BCS legal entities form part of the Spreads Business' current liabilities. Tax amounts allocated from the Unilever Group to Spreads activities operated outside of BCS legal entities (see income statement items below) have been reflected in the combined balance sheet as changes in net parent (deficit) / investment.
- Intercompany receivables from, and payables to, other parts of Unilever that are supported by loan agreements have been presented as financial assets / liabilities; other balances have been presented as part of trade receivables / payables.

Income statement items:

- Operating costs reflect amortisation and depreciation charges relating to intangible assets and property, plant and equipment included in the combined carve-out balance sheet (see balance sheet items above), and an allocation of amortisation and depreciation charges for those software and buildings utilised by the Spreads Business but not included in the combined carve-out balance sheet (separately disclosed as "allocated" amortisation or depreciation in note 3). Allocated amortisation and depreciation have been estimated by reference to the proportion of Spreads revenue compared to total Unilever revenue.
- Indirect central costs (primarily related to the sales force, general marketing and merchandising) and general corporate expenses (primarily related to finance, legal, information technology, human resources, communications, and audit) incurred by Unilever are systematically recharged to Spreads business units as management charges in accordance with Unilever's historical internal methodology. These management charges are recharged by Unilever on the basis of direct usage when identifiable or based on as a proportion of revenue, adjusted on a line-by-line basis to reflect specific local circumstances, when not. These recharged costs and expenses:
    - are deemed to have been settled by the Spreads Business to Unilever in the period in which these costs were accrued; and
    - are influenced by the management and recharge arrangements that existed within the Unilever Group and are not necessarily representative of the future level of costs for the Spreads Business as it will exist upon completion of the Transaction.
- The tax charge is a combination of the tax charges recorded in BCS legal entities and an allocation of the tax charges recorded in Unilever that are associated with Spreads operations not recorded within BCS legal entities. The allocation has been made using an effective tax rate that is appropriate to circumstances in each individual country. The tax charges recorded in the combined carve-out income statement may not be representative of the charges that may arise in the future.

These combined carve-out financial statements apply consistently, unless otherwise stated, the accounting policies and the material estimates and judgements made that are disclosed in the accounting policies and in the critical accounting estimates and judgements sections below.

These combined carve-out financial statements do not necessarily reflect the Spreads Business financial position, results of operations or cash flows had the Spreads Business been a separate entity, or the future results of the Spreads Business as it will exist upon completion of the Transaction.

## BASIS OF COMBINATION

These combined carve-out financial statements combine the results, assets and liabilities, and cash flows of the Spreads Business by applying the principles underlying the consolidation procedures relating to the elimination of intercompany transactions under IFRS 10 'Consolidated Financial Statements' for each of the three years ended 31 December 2017, 31 December 2016 and 31 December 2015 and as at these dates.

## ACCOUNTING POLICIES

Accounting policies are included in the relevant notes to the combined carve-out financial statements. These are presented as text highlighted in grey throughout these combined carve-out financial statements. The accounting policies stated below have been applied throughout these combined carve-out financial statements.

**Foreign Currencies**

These combined carve-out financial statements are presented in millions of euros ('€').

Items included in the financial statements of individual Spreads Business companies or operations are recorded in their respective functional currency, which is the currency of the primary economic environment in which each entity operates.

Foreign currency transactions in individual Spreads Business companies or operations are translated into functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at year-end exchange rates, are recognised in the income statement except when deferred in parent (deficit) / investment as qualifying hedges.

In preparing these combined carve-out financial statements the balances in individual Spreads Business companies or operations are translated from their functional currency into euros. The income statement, the cash flow statement and all other movements in assets and liabilities are translated at average rates of exchange as a proxy for the transaction rate, or at the transaction rate itself if more appropriate. Assets and liabilities are translated at year-end exchange rates.

The effect of exchange rate changes during the year on the net assets of foreign operations is recorded in the combined carve-out statement of comprehensive income.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements and estimates in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- separate presentation of items in the income statement – note 3;
- impact of US tax reform and re-measurement of deferred tax asset and liabilities at the new headline tax rate – note 3 and 6; and
- likelihood of occurrence of provisions and contingencies – notes 17 and 18.

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

### RECENT ACCOUNTING DEVELOPMENTS

### ADOPTED BY THE SPREADS BUSINESS

The Spreads Business applied for the first time amendments to the following standard from 1 January 2017. This did not have a material impact on the Spreads Business:

Amendments to IAS 7 'Statement of Cash Flows'. This change adds a new requirement to explain changes in liabilities related to financing activities. The required disclosure has been included in note 13.

All other standards or amendments to standards that have been issued by the IASB and were effective by 1 January 2017 were not applicable to the Spreads Business.

## NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS OF EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE SPREADS BUSINESS

The following new standards have been released, but are not yet adopted by the Spreads Business. The expected impact is shown below:

- IFRS 9 'Financial Instruments' has been endorsed by the EU and is effective from the year ending 31 December 2018. Based on preliminary work the Spreads Business estimates the impact on the Spreads Business will be immaterial.
- IFRS 15 'Revenue from Contracts with Customers' has been endorsed by the EU and is effective from the year ending 31 December 2018. Unilever Group has completed a detailed review of the requirements of IFRS 15, on behalf of the Spreads Business, against current accounting policies and concluded that current accounting policies are in line with the new standard.
- IFRS 16 'Leases' has been endorsed by the EU and is effective from the year ending 31 December 2019. Based on preliminary work the Spreads Business estimates that more leases will be recorded on the Spreads Business balance sheet. Significant work is required to evaluate the potential impact on the Spreads Business due to the high volume of lease contracts. It has not yet been decided which exemptions will be adopted.
- IFRIC 23 'Uncertainty over income tax treatments' is effective from the year ending 31 December 2019. This interpretation clarifies how entities should reflect uncertainties over income tax treatments, such as when to determine separately or together. Based on preliminary work the Spreads Business estimates the impact will be immaterial and is in the process of reviewing the existing arrangements to determine the impact on adoption.
- Amendments to IAS 19 'Employee Benefits' is effective from the year ending 31 December 2019. The standard is not yet endorsed by the EU. The change clarifies that following plan amendments, curtailment or settlements, current service and net interest costs for the remainder of the reporting period should be calculated in line with updated actuarial assumptions.

All other standards or amendments to standards that have been issued by the IASB and are effective from 1 January 2018 onwards are not applicable to the Spreads Business.

## 2. SEGMENT AND OTHER GEOGRAPHICAL INFORMATION

### SEGMENT AND OTHER GEOGRAPHICAL INFORMATION

#### Segment information

Under Unilever ownership, the Spreads Business operates under Unilever's Foods Segment. The Spreads Business has not previously been managed in the form that is being divested as part of the Transaction. Accordingly, we do not present segmental information for the Spreads Business in accordance with IFRS 8.

#### Additional geographical information

As part of the sales process leading up to the Transaction, Unilever provided certain performance information, split between Developed Markets and Emerging Markets, to prospective buyers. Accordingly, we have presented similar geographical information in these combined financial statements.

Developed Markets and Emerging Markets are defined as follows:

Developed Markets ("DM") comprise all European, North American, Australasian and Russian territories. Developed Markets includes the supply chain companies.

Emerging Markets ("EM") comprise all other territories in which the Spreads Business operates.

## REVENUE

Turnover comprises sales of goods after the deduction of discounts, sales taxes and estimated returns. It does not include sales between Spreads companies. Discounts given by the Spreads Business include rebates, price reductions and incentives given to customers, promotional couponing and trade communication costs. Turnover is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer. Depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance.

## UNDERLYING OPERATING PROFIT

Underlying operating profit is operating profit before the impact of non-underlying items within operating profit (see note 3). Underlying operating profit represents the Spreads business' measure of segment profit or loss as it is the primary measure used for the purpose of making decisions about allocating resources and assessing performance of segments.

| | € million Emerging Markets | € million Developed Markets | € million Total |
|---|---|---|---|
| **2017** | | | |
| Turnover | **602.9** | **2,302.0** | **2,904.9** |
| Operating profit | **116.4** | **439.0** | **555.4** |
| Non-underlying items before tax | **7.7** | **(1.8)** | **5.9** |
| Underlying operating profit | **124.1** | **437.2** | **561.3** |
| Significant non-cash charges: | | | |
| Amortisation of intangible assets – direct | **—** | **0.2** | **0.2** |
| Allocated amortisation of intangible assets | **0.6** | **12.5** | **13.1** |
| Depreciation of property, plant and equipment – direct | **5.2** | **53.2** | **58.4** |
| Allocated depreciation of property, plant and equipment | **2.0** | **3.9** | **5.9** |
| EBITDA | **121.4** | **496.1** | **617.5** |
| Adjusted EBITDA | **131.9** | **518.2** | **650.1** |
| **2016** | | | |
| Turnover | 602.6 | 2,429.1 | 3,031.7 |
| Operating profit | 92.1 | 478.5 | 570.6 |
| Non-underlying items before tax | 7.3 | 21.3 | 28.6 |
| Underlying operating profit | 99.4 | 499.8 | 599.2 |
| Significant non-cash charges: | | | |
| Amortisation of intangible assets – direct | — | 0.1 | 0.1 |
| Allocated amortisation of intangible assets | 0.7 | 13.3 | 14.0 |
| Depreciation of property, plant and equipment – direct | 4.9 | 52.4 | 57.3 |
| Allocated depreciation of property, plant and equipment | 2.7 | 3.2 | 5.9 |
| EBITDA | 96.9 | 534.3 | 631.2 |
| Adjusted EBITDA | 107.6 | 578.7 | 686.3 |
| **2015** | | | |
| Turnover | 628.1 | 2,666.8 | 3,294.9 |
| Operating profit | 105.4 | 439.2 | 544.6 |
| Non-underlying items before tax | 5.6 | 83.6 | 89.2 |
| Underlying operating profit | 111.0 | 522.8 | 633.8 |
| Significant non-cash charges: | | | |
| Allocated amortisation of intangible assets | 0.8 | 12.6 | 13.4 |
| Depreciation of property, plant and equipment – direct | 4.8 | 55.4 | 60.2 |
| Allocated depreciation of property, plant and equipment | 1.8 | 4.1 | 5.9 |
| EBITDA | 110.0 | 497.9 | 607.9 |
| Adjusted EBITDA | 118.4 | 604.6 | 723.0 |

EBITDA and Adjusted EBITDA can be reconciled to net profit as follows:

| | € million 2017 | € million 2016 | € million 2015 |
|---|---|---|---|
| Net profit | **565.1** | 422.5 | 453.6 |
| Taxation | **(14.7)** | 142.8 | 91.0 |
| Net interest cost | **8.5** | 8.5 | 3.1 |
| Amortisation of intangible assets – direct | **0.2** | 0.1 | — |
| Depreciation of property, plant and equipment – direct | **58.4** | 57.3 | 60.2 |
| **EBITDA** | **617.5** | 631.2 | 607.9 |
| Non-underlying items | **5.9** | 28.6 | 89.2 |
| Portugese Joint Venture adjustment | **7.5** | 6.5 | 6.4 |
| Allocated amortisation of intangible assets | **13.1** | 14.0 | 13.4 |
| Allocated depreciation of property, plant and equipment | **5.9** | 5.9 | 5.9 |
| Finance costs related to pension and similar obligations | **0.2** | 0.1 | 0.2 |
| **Adjusted EBITDA** | **650.1** | 686.3 | 723.0 |

The Portugese Joint Venture adjustment reflects the recognition of the non-Unilever share of net profit of the joint venture and the interest, tax, depreciation and amortisation relating to that joint venture.

## 3. OPERATING COSTS AND NON-UNDERLYING ITEMS

### BRAND AND MARKETING INVESTMENT

Brand and Marketing investment includes costs incurred for the purpose of building and maintaining brand equity and awareness. These include media, advertising production, promotional materials and engagement with consumers. These costs are charged to the income statement as incurred.

### RESEARCH AND DEVELOPMENT

Expenditure on research and development includes staff costs, material costs, depreciation of property, plant and equipment and other costs directly attributable to research and product development activities. These costs are charged to the income statement as incurred.

### NON-UNDERLYING ITEMS

Non-underlying items include restructuring costs and other one-off items within operating profit, and other significant and unusual items within net profit but outside of operating profit, which the Spreads Business collectively terms non-underlying items due to their nature and/or frequency of occurrence. These items are significant in terms of nature and/or amount and are relevant to an understanding of the Spreads Business' financial performance.

Restructuring costs are charges associated with activities planned by management that significantly change either the scope of the business or the manner in which it is conducted.

| | € million 2017 | € million 2016 | € million 2015 |
|---|---|---|---|
| Turnover | **2,904.9** | 3,031.7 | 3,294.9 |
| Cost of sales | **(1,823.0)** | (1,837.3) | (1,971.9) |
| of which: Distribution costs | **(191.4)** | (202.2) | (213.2) |
| Gross profit | **1,081.9** | 1,194.4 | 1,323.0 |
| Selling and administrative expenses | **(526.5)** | (623.8) | (778.4) |
| of which: Brand and Marketing Investment | **(211.2)** | (269.0) | (314.5) |
| Research and Development | **(48.6)** | (52.1) | (51.3) |
| Operating profit | **555.4** | 570.6 | 544.6 |

Operating costs include other indirect central costs (primarily related to the sales force, general marketing and merchandising) and general corporate expenses (primarily related to finance, legal, information technology, human resources, communications, and audit) that have been allocated to the Spreads Business given that it operated as part of the wider Unilever group. Allocations have been made on the basis of direct usage when identifiable or as a proportion of revenue when not.

Indirect central costs and general corporate expenses allocated by Unilever to the Spreads Business reduced from € 91.3 million in 2016 to € 67.2 million in 2017 (2015: € 197.1 million) as a result of the Spreads Business incurring many of the costs directly after the incorporation part way through 2015 of the BCS group of legal entities (note 1).

**GROSS PROFIT AND OPERATING COSTS**

NON-UNDERLYING ITEMS

| | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|
| Restructuring costs | **(5.9)** | (28.6) | (89.2) |
| Non-underlying items within operating profit | **(5.9)** | (28.6) | (89.2) |
| Tax impact of non-underlying items within operating profit | **1.1** | 7.5 | 24.3 |
| Impact of US tax reform | **19.2** | — | — |
| Non-underlying items after tax | **14.4** | (21.1) | (64.9) |

Non-underlying items attributable to non-controlling interests are less than € 1 million.

Restructuring costs include an amount of € 1.6 million allocated from Unilever in 2017 (2016: € 4.5 million; 2015: € 9.2 million).

Restructuring costs incurred in 2015 included € 49.8 million arising from the consolidation of multiple US factories into one facility at New Century. See note 8.

OTHER

Other significant cost items within operating costs include:

| | Notes | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| Staff costs | 4A | **(225.8)** | (212.8) | (214.5) |
| Raw and packaging materials and goods purchased for resale | | **(1,291.7)** | (1,250.4) | (1,353.5) |
| Amortisation of intangible assets – direct | 7 | **(0.2)** | (0.1) | — |
| Allocated amortisation of intangible assets* | | **(13.1)** | (14.0) | (13.4) |
| Depreciation of property, plant and equipment – direct | 8 | **(58.4)** | (57.3) | (60.2) |
| Allocated depreciation of property, plant and equipment* | | **(5.9)** | (5.9) | (5.9) |
| Exchange (losses)/gains: | | **(3.4)** | (1.0) | (0.5) |
| On underlying transactions | | **(2.7)** | (0.8) | (0.6) |
| On covering forward contracts | | **(0.7)** | (0.2) | 0.1 |
| Lease rentals: | | **(15.5)** | (17.1) | (17.1) |
| Minimum operating lease payments | | **(15.7)** | (17.3) | (17.4) |
| Less: Sub-lease income relating to operating lease agreements | | **0.2** | 0.2 | 0.3 |

* Allocated depreciation and amortisation charges relate to shared buildings, plant and equipment and software assets utilised by the Spreads Business but not included on the balance sheet in these combined carve-out financial statements.

## 4. EMPLOYEES

### 4A. STAFF AND MANAGEMENT COSTS

| Staff costs | Notes | € million 2017 | € million 2016 | € million 2015 |
|---|---|---|---|---|
| Wages and salaries | | **161.5** | 152.5 | 158.7 |
| Social security costs | | **18.6** | 19.2 | 18.4 |
| Other pension costs | 4B | **25.6** | 27.7 | 21.7 |
| Share-based compensation allocated costs | 4C | **20.1** | 13.4 | 15.7 |
| | | **225.8** | 212.8 | 214.5 |

| Key management compensation | € million 2017 | € million 2016 | € million 2015 |
|---|---|---|---|
| Salaries and short-term employee benefits | **1.8** | 1.5 | 1.5 |
| Post-employment benefits | **0.1** | 0.2 | 0.2 |
| Share-based benefits | **0.8** | 0.7 | 0.7 |
| | **2.7** | 2.4 | 2.4 |

Key management are defined as the members of the Spreads Business management team.

### 4B. PENSIONS AND SIMILAR OBLIGATIONS

For defined benefit plans, operating and finance costs are recognised separately in the income statement. Ongoing operating cost in the income statement is the cost of one additional year of pension benefits promised to employees for defined benefit plans or contributions paid for defined contribution plans. In addition, there are also costs and/or credits arising from one-off events such as past service benefit changes, settlements and curtailments. These one-off events are fully recognised as they occur in operating cost. The amount charged or credited to finance costs is broadly calculated by applying the liability interest rate to the defined benefit deficit or surplus at the year end. Any differences between the expected interest on assets and the actual return achieved by the pension fund, and any changes in the liabilities over the year due to changes in financial and demographic assumptions or experience within the plans, are recognised immediately in the combined carve-out statement of comprehensive income at the end of the year.

Charges to the income statement which are shown in these accounts are split between (i) defined benefit pension and other benefit plans which will transfer (recorded on the combined carve-out balance sheet), and (ii) defined contribution, and defined benefit and other benefit plans which will not transfer (not recorded on the combined carve-out balance sheet). The finance cost shown in the income statement is only for the plans that will transfer.

For defined benefit plans which will transfer with the Spreads Business as part of the Transaction, balance sheet surplus or deficit comprises the total of the market value of plan assets less the present value of the defined benefit liabilities. Liabilities relating to Unilever employees that are expected to transfer with the Spreads Business are calculated using a discount rate based on high-quality corporate bonds, or a suitable alternative where there is no active corporate bond market.

For defined benefit plans which will not transfer with the Spreads Business as part of the Transaction, no assets or liabilities are recognised on the balance sheet. The income statement charge includes dedicated pension charges for dedicated Spreads employees and an estimation based on revenue for other employees. Corporate pension charges have been allocated to the Spreads business.

All defined benefit plans are subject to regular actuarial review using the projected unit method, either by external consultants or by actuaries employed by Spreads Business.

For defined contribution plans, the charges to the income statement are the Spreads Business' contributions payable in accordance with the plan rules in each country. The Spreads Business' obligation is limited to the contributions paid into the plans.

### DESCRIPTION OF PLANS – DEFINED CONTRIBUTION

Unilever increasingly operates defined contribution plans. The assets are held in external funds and do not impact Unilever's balance sheet. Unilever's obligation in respect of these plans is limited to the amount that it is required to contribute to the fund for employees in accordance with the plan rules in each country. Employees then receive the accumulated balance of these contributions when they retire. Some of the employees of the Spreads Business are members of such defined contribution schemes.

The principal defined contribution plans in relation to the Spreads Business operated by Unilever are the country-wide defined contribution plans operated in the UK and the US, and a collective defined contribution plan operated in the Netherlands. These plans have been set up according to the relevant requirements of each country.

### DESCRIPTION OF PLANS – DEFINED BENEFIT

In certain countries, Unilever operates defined benefit pension plans together with other post-employment benefits. The pension payable at retirement is based on employee pensionable remuneration and length of service. Some of the employees of the Spreads Business were members of such defined benefit schemes.

The majority of defined benefit plans are either career average, final salary or hybrid plans which operate on a funded basis. Benefits are determined by the plan rules and are linked to inflation in some countries.

Defined benefit plan surplus or deficit has been recognised on the balance sheet in these combined carve-out financial statements for the following countries: Belgium, Finland, France, Germany, Greece, Mexico, Spain, Switzerland and Turkey.

No assets or liabilities are recognised in these combined carve-out financial statements for defined benefit plans that will not transfer with the Spreads Business as part of the Transaction.

### ASSUMPTIONS

Assumptions under IAS 19 are set by reference to market conditions at the valuation date with the objective of presenting the assets and liabilities of the pensions and other post-employment benefit plans at their fair value on the balance sheet. The actuarial assumptions used to calculate the benefit liabilities vary according to the country in which the plan is situated. Demographic assumptions, such as mortality rates, are set having regard to the latest trends in life expectancy (including expectations of future improvements), plan experience and other relevant data. These assumptions are reviewed and updated as necessary as part of the periodic actuarial valuation of the pension plans.

### INCOME STATEMENT

| The charge to the income statement comprises: | Notes | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| **Charged to operating profit:** | | | | |
| Defined benefit pension and other benefit plans which will transfer | | **(0.2)** | (0.3) | (0.4) |
| Defined benefit plans which will not transfer, defined contribution and other benefit plans | | **(25.4)** | (27.4) | (21.3) |
| Total operating cost | 4A | **(25.6)** | (27.7) | (21.7) |
| Finance cost for defined benefit plans which will transfer | | **(0.2)** | (0.1) | (0.2) |
| Net impact on the income statement (before tax) | | **(25.8)** | (27.8) | (21.9) |

## STATEMENT OF COMPREHENSIVE INCOME

Amounts recognised in the statement of comprehensive income on the re-measurement of the net defined benefit liability relating to schemes which will transfer.

| | Notes | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| Return on plan assets excluding amounts included in net finance income/(cost) | | **0.2** | — | 0.2 |
| Actuarial gains / (losses) arising from changes in financial assumptions | | 0.5 | (0.9) | 0.4 |
| Actuarial gains arising from changes in demographic assumptions | | **—** | 0.2 | — |
| Experience gains / (losses) arising on pension plan and other benefit plan liabilities | | **0.1** | (0.1) | — |
| Total of defined benefit gains / (losses) recognised in other comprehensive income | 6C | 0.8 | (0.8) | 0.6 |

## BALANCE SHEET

The assets, liabilities and surplus/(deficit) position of the pension and other post-employment benefit plans at the balance sheet date in relation to the schemes which will transfer were:

| | **€ million 31 Dec 2017** | | € million 31 Dec 2016 | | € million 31 Dec 2015 | | € million 1 Jan 2015 | |
|---|---|---|---|---|---|---|---|---|
| | **Pension plans** | **Other post-employment benefit plans** | Pension plans | Other post-employment benefit plans | Pension plans | Other post-employment benefit plans | Pension plans | Other post-employment benefit plans |
| Fair value of assets | **2.6** | **—** | 2.3 | — | 2.1 | — | 1.8 | — |
| Present value of liabilities | **(6.3)** | **(1.0)** | (6.7) | (1.1) | (5.7) | (1.0) | (5.5) | (1.1) |
| Net liabilities | **(3.7)** | **(1.0)** | (4.4) | (1.1) | (3.6) | (1.0) | (3.7) | (1.1) |
| Pension liability net of assets | **(3.7)** | **(1.0)** | (4.4) | (1.1) | (3.6) | (1.0) | (3.7) | (1.1) |
| Of which in respect of: | | | | | | | | |
| Funded plans in surplus: | | | | | | | | |
| Liabilities | **(0.5)** | — | (0.5) | — | (0.3) | — | (0.3) | — |
| Assets | **0.7** | **—** | 0.6 | — | 0.5 | — | 0.5 | — |
| Aggregate surplus | **0.2** | **—** | 0.1 | — | 0.2 | — | 0.2 | — |
| Pension asset net of liabilities | **0.2** | **—** | 0.1 | — | 0.2 | — | 0.2 | — |
| Funded plans in deficit: | | | | | | | | |
| Liabilities | **(2.7)** | **—** | (2.7) | — | (2.5) | — | (2.4) | — |
| Assets | **1.9** | **—** | 1.7 | — | 1.6 | — | 1.3 | — |
| Pension liability net of assets | **(0.8)** | **—** | (1.0) | — | (0.9) | — | (1.1) | — |
| Unfunded plans: | | | | | | | | |
| Pension liability | **(3.1)** | **(1.0)** | (3.5) | (1.1) | (2.9) | (1.0) | (2.8) | (1.1) |

## CASH FLOW

Unilever uses a centralised approach to cash management and financing its operations. Transactions between Unilever and the Spreads Business are accounted for through net parent (deficit) / investment. Accordingly, none of the cash, cash equivalents, debt or related interest expense at the corporate level has been assigned to the Spreads Business in these combined carve-out financial statements, with the exception of cash held by the Baking, Cooking and Spreads legal entities being divested as part of the Transaction. Cash outflow with respect to defined benefit and defined contribution schemes is assumed to equal the combined carve-out income statement charge.

4C. SHARE-BASED COMPENSATION PLANS

As at 31 December 2017, Unilever had share-based compensation plans in the form of performance shares, share options and other share awards. The employees of the Spreads Business participated in the Unilever plans. In addition, the Spreads Business also received an allocation of share-based compensation charges with respect to corporate employees of Unilever.

The total allocated charge for the year ended 31 December 2017, 2016 and 2015 is shown below and relates to equity-settled plans:

| Allocated Income statement charge | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|
| Performance share plans | **20.1** | 13.4 | 15.7 |

**PERFORMANCE SHARE PLANS**

Performance share awards are made under the Management Co-Investment Plan (MCIP) and the Global Share Incentive Plan (GSIP). MCIP share awards and GSIP share awards until 2015 are the same for all Unilever managers, GSIP share awards from 2016 are different for managers employed by BCS legal entities and other Unilever managers. The increased charge in 2017 is due to improved performance of the Spreads Business.

The MCIP allows certain Unilever managers to invest up to 60% (up to 100% from 2017) of their annual bonus in shares in Unilever and to receive a corresponding award of performance-related shares. The awards vest after three years (four years from 2017) between 0% and 200% of grant level, depending on the satisfaction of performance metrics. The performance metrics are underlying sales growth, operating cash flow and core operating margin improvement (underlying operating margin improvement from 2017) for Unilever. There is an additional target based on relative total Unilever shareholder return (TSR) for senior executives.

Under GSIP, certain Unilever managers receive annual awards of NV and PLC shares. For managers other than those employed by BCS legal entities, the awards vest after three years between 0% and 200% of grant level, depending on the satisfaction of performance metrics. The performance metrics are underlying sales growth, operating cash flow and core operating margin improvement (underlying operating margin improvement from 2017) for Unilever. There is an additional target based on relative total Unilever shareholder return (TSR) for senior executives. Managers employed by BCS legal entities received GSIP awards as described above until 2015. From 2016, all awards granted to them will vest in February 2019 between 50% and 1,000% of grant level, depending on one performance metric. The performance metric is the increase in the valuation of BCS's business, as valued by a discounted cashflow and terminal value model, for the period from 1 January 2016 to 31 December 2018.

| Share award value information | **31 Dec 2017** | 31 Dec 2016 | 31 Dec 2015 | 1 Jan 2015 |
|---|---|---|---|---|
| Fair value per share award during the year | **€42.59** | €35.43 | €33.17 | €27.80 |

## 5. NET FINANCE COSTS

Net finance costs comprise finance costs, finance income and finance costs in relation to pensions and similar obligations.

Borrowing costs are recognised based on the effective interest method.

| Net finance costs | Note | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|---|
| Finance costs – interest on related party loans with Unilever |  | **(8.5)** | (8.5) | (3.1) |
| Pensions and similar obligations | 4B | **(0.2)** | (0.1) | (0.2) |
|  |  | **(8.7)** | (8.6) | (3.3) |

## 6. TAXATION

6A. INCOME TAX

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in net parent (deficit) / investment.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

The Spreads Business is subject to taxation in the many countries in which it operates. The tax legislation of these countries differs, is often complex and is subject to interpretation by management and the government authorities. These matters of judgement give rise to the need to create provisions for tax payments that may arise in future years. Provisions are made against individual exposures and take into account the specific circumstances of each case, including the strength of technical arguments, recent case law decisions or rulings on similar issues and relevant external advice.

| Tax charge in income statement | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|
| **Current tax** | | | |
| Current year | (140.5) | (135.9) | (137.4) |
| Adjustment in respect of prior periods | 14.3 | 3.1 | 10.6 |
| | (126.2) | (132.8) | (126.8) |
| **Deferred tax** | | | |
| Origination and reversal of temporary differences | 119.4 | (10.8) | 32.0 |
| Changes in tax rates | 21.5 | 0.8 | 3.8 |
| | 140.9 | (10.0) | 35.8 |
| | 14.7 | (142.8) | (91.0) |

The reconciliation between the computed weighted average rate of income tax expense, which is generally applicable to Spreads Business companies, and the actual rate of taxation charged is as follows:

| Reconciliation of effective tax rate | **% 2017** | % 2016 | % 2015 |
|---|---|---|---|
| Computed rate of tax[(a)] | **27** | 25 | 24 |
| Differences due to: | | | |
| Incentive tax credits | **(2)** | (3) | (5) |
| Expenses not deductible for tax purposes | **—** | 1 | 1 |
| Income tax reserve adjustments – current and prior year | **1** | 3 | 3 |
| Impact of US tax reform | **(4)** | — | — |
| Effect of Swiss/Dutch IP transfer | **(24)** | — | — |
| Other | **(1)** | (1) | (6) |
| Effective tax rate | **(3)** | 25 | 17 |

(a) The computed tax rate used is the average of the standard rate of tax applicable in the countries in which Spreads Business operates, weighted by the amount of profit before taxation generated in each of those countries. For this reason the rate may vary from year to year according to the mix of profit and related tax rates.

The Spreads Business tax rate has been reduced by incentive tax credits, the benefit from preferential tax regimes that have been legislated by the countries and provinces concerned in order to promote economic development and investment. The tax rate has been increased by business expenses which are not deductible for tax, such as entertainment costs and some interest expense, and by charges for uncertain tax positions.

'Other' in 2015 primarily represents the impact of the creation of deferred tax assets arising from changes in the underlying tax bases of intellectual property and other intangible assets transferred at fair value on restructuring of the Spreads Business discussed in footnote (b) of the cash flow statement.

The Swiss/Dutch transfer relates to the creation of a new deferred tax asset arising on the transfer of the European supply chain business from Switzerland to the Netherlands on 1 July 2017. This involved the transfer of profit rights resulting in an intangible asset of € 523 million in BCS Europe BV. The intangible was created as a result of an intragroup transaction and gives rise to a tax base in the Dutch tax return. A deferred tax asset of € 131 million (€ 523 million at the Dutch tax rate of 25%) was recognised in the balance sheet on 1 July 2017. The balance as at 31 December 2017 is € 124 million. Refer to note (d) in the combined carve-out cash flow statement.

Impact of US tax reform – On 22 December, HR1, formerly known as the Tax Cuts and Jobs Act, was signed into law in the United States. This resulted in a tax benefit of € 19.2 million, primarily due to a re-measurement of deferred tax asset and liabilities at the new tax rate of 21%.

The Spreads Business' future tax charge and effective tax rate will be affected by several factors, including changes in tax laws and their interpretation and still to be determined tax reform proposals in the EU and Switzerland, as well as the impact of acquisitions, disposals and the future legal structure of the Spreads Business.

6B. DEFERRED TAX

Deferred tax is recognised using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the balance sheet of the Spreads Business. Certain temporary differences are not provided for as follows:

- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, at the year end.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

| **Movements in 2017** | **€ million As at 1 January 2017** | **€ million Income statement** | **€ million Other** | **€ million As at 31 December 2017** |
|---|---|---|---|---|
| Pensions and similar obligations | **0.9** | **—** | **(0.2)** | **0.7** |
| Provisions | **3.6** | **0.5** | **(1.2)** | **2.9** |
| Intangible assets | **4.2** | **127.3** | **—** | **131.5** |
| Property, plant and equipment | **(68.0)** | **13.1** | **5.8** | **(49.1)** |
| | **(59.3)** | **140.9** | **4.4** | **86.0** |

| **Movements in 2016** | € million As at 1 January 2016 | € million Income statement | € million Other | € million As at 31 December 2016 |
|---|---|---|---|---|
| Pensions and similar obligations | 0.7 | 0.2 | — | 0.9 |
| Provisions | 2.9 | 0.7 | — | 3.6 |
| Intangible assets | 9.8 | (3.1) | (2.5) | 4.2 |
| Property, plant and equipment | (57.8) | (7.8) | (2.4) | (68.0) |
| | (44.4) | (10.0) | (4.9) | (59.3) |

| **Movements in 2015** | € million As at 1 January 2015 | € million Income statement | € million Other | € million As at 31 December 2015 |
|---|---|---|---|---|
| Pensions and similar obligations | 0.8 | — | (0.1) | 0.7 |
| Provisions | 4.1 | (1.2) | — | 2.9 |
| Intangible assets | (26.9) | 31.0 | 5.7 | 9.8 |
| Property, plant and equipment | (59.5) | 6.0 | (4.3) | (57.8) |
| | (81.5) | 35.8 | 1.3 | (44.4) |

As the Spreads Business is not a separate legal group and has not previously prepared standalone financial statements, it is not possible to prepare or disclose an analysis of deferred tax attributable to various components of equity. The net liabilities of the Spreads Business are represented by the cumulative investment of Unilever in the Spreads Business and disclosed as net parent (deficit) / investment. Therefore, there are no deferred tax liabilities recognised in respect of the aggregate amount of temporary differences associated with undistributed Spreads Business earnings.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the combined carve-out balance sheet:

| **Deferred tax assets and liabilities** | **Assets**<br>**€ million**<br>**31 Dec 2017** | **Liabilities**<br>**€ million**<br>**31 Dec 2017** | **Total**<br>**€ million**<br>**31 Dec 2017** |
|---|---|---|---|
| Pensions and similar obligations | **0.3** | **0.4** | **0.7** |
| Provisions | **1.1** | **1.8** | **2.9** |
| Intangible assets | **147.1** | **(15.6)** | **131.5** |
| Property, plant and equipment | **(3.3)** | **(45.8)** | **(49.1)** |
| | **145.2** | **(59.2)** | **86.0** |
| Of which deferred tax to be recovered/(settled) after more than 12 months | **97.6** | **(52.0)** | **45.6** |

| **Deferred tax assets and liabilities** | **Assets**<br>€ million<br>31 Dec 2016 | **Liabilities**<br>€ million<br>31 Dec 2016 | **Total**<br>€ million<br>31 Dec 2016 |
|---|---|---|---|
| Pensions and similar obligations | 0.4 | 0.5 | 0.9 |
| Provisions | 1.4 | 2.2 | 3.6 |
| Intangible assets | 25.7 | (21.5) | 4.2 |
| Property, plant and equipment | (3.3) | (64.7) | (68.0) |
| | 24.2 | (83.5) | (59.3) |
| Of which deferred tax to be recovered/(settled) after more than 12 months | 20.5 | (71.8) | (51.3) |

| **Deferred tax assets and liabilities** | **Assets**<br>€ million<br>31 Dec 2015 | **Liabilities**<br>€ million<br>31 Dec 2015 | **Total**<br>€ million<br>31 Dec 2015 |
|---|---|---|---|
| Pensions and similar obligations | 0.3 | 0.4 | 0.7 |
| Provisions | 1.3 | 1.6 | 2.9 |
| Intangible assets | 31.7 | (21.9) | 9.8 |
| Property, plant and equipment | (2.1) | (55.7) | (57.8) |
| | 31.2 | (75.6) | (44.4) |
| Of which deferred tax to be recovered/(settled) after more than 12 months | 21.7 | (65.3) | (43.6) |

| **Deferred tax assets and liabilities** | **Assets**<br>€ million<br>1 Jan 2015 | **Liabilities**<br>€ million<br>1 Jan 2015 | **Total**<br>€ million<br>1 Jan 2015 |
|---|---|---|---|
| Pensions and similar obligations | 0.4 | 0.4 | 0.8 |
| Provisions | 1.6 | 2.5 | 4.1 |
| Intangible assets | — | (26.9) | (26.9) |
| Property, plant and equipment | (0.8) | (58.7) | (59.5) |
| | 1.2 | (82.7) | (81.5) |
| Of which deferred tax to be recovered/(settled) after more than 12 months | 0.4 | (72.3) | (71.9) |

6C. TAX ON OTHER COMPREHENSIVE INCOME

Income tax is recognised in other comprehensive income for items recognised directly in net parent (deficit) / investment.

Tax effects of the components of other comprehensive income were as follows:

| | **€ million Before tax 2017** | **€ million Tax (charge)/ credit 2017** | **€ million After tax 2017** | € million Before tax 2016 | € million Tax (charge)/ credit 2016 | € million After tax 2016 | € million Before tax 2015 | € million Tax (charge)/ credit 2015 | € million After tax 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Remeasurements of defined benefit pension plans | **0.8** | **(0.2)** | **0.6** | (0.8) | 0.2 | (0.6) | 0.6 | (0.2) | 0.4 |
| Currency retranslation gains | **3.6** | **—** | **3.6** | 63.6 | — | 63.6 | 8.6 | — | 8.6 |
| Fair value gains/(losses) on financial instruments | **(4.0)** | **0.7** | **(3.3)** | 0.4 | (0.5) | (0.1) | 6.3 | (0.3) | 6.0 |
| | **0.4** | **0.5** | **0.9** | 63.2 | (0.3) | 62.9 | 15.5 | (0.5) | 15.0 |

## 7. INTANGIBLE ASSETS

### INTANGIBLE ASSETS

Separately purchased intangible assets are initially measured at cost, being the purchase price as at the date of acquisition.

Indefinite-life intangible assets mainly comprise trademarks and brands. These assets are not amortised but are subject to a review for impairment annually, or more frequently if events or circumstances indicate this is necessary. Any impairment is charged to the income statement as it arises.

Finite-life intangible assets comprise software. These assets are amortised on a straight-line basis in the income statement over the period of their expected useful lives, or the period of legal rights if shorter. None of the amortisation periods exceed ten years.

Intangibles include only brands which will transfer to KKR as part of the Transaction.

| Movements during 2017 | € million Indefinite-life Intangible assets | € million Software | € million Total |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2017 | **87.0** | **0.9** | **87.9** |
| Currency retranslation | **(5.2)** | **—** | **(5.2)** |
| 31 December 2017 | **81.8** | **0.9** | **82.7** |
| **Accumulated amortisation** | | | |
| 1 January 2017 | **—** | **(0.1)** | **(0.1)** |
| Amortisation for the year | **—** | **(0.2)** | **(0.2)** |
| 31 December 2017 | **—** | **(0.3)** | **(0.3)** |
| Net book value 31 December 2017 | **81.8** | **0.6** | **82.4** |
| **Movements during 2016** | | | |
| **Cost** | | | |
| 1 January 2016 | 87.1 | — | 87.1 |
| Additions | — | 0.9 | 0.9 |
| Currency retranslation | (0.1) | — | (0.1) |
| 31 December 2016 | 87.0 | 0.9 | 87.9 |
| **Accumulated amortisation** | | | |
| 1 January 2016 | — | — | — |
| Amortisation for the year | — | (0.1) | (0.1) |
| 31 December 2016 | — | (0.1) | (0.1) |
| Net book value 31 December 2016 | 87.0 | 0.8 | 87.8 |
| **Movements during 2015** | | | |
| **Cost** | | | |
| 1 January 2015 | 84.8 | — | 84.8 |
| Additions | — | — | — |
| Currency retranslation | 2.3 | — | 2.3 |
| 31 December 2015 | 87.1 | — | 87.1 |
| **Accumulated amortisation** | | | |
| 1 January 2015 and 31 December 2015 | — | — | — |
| Net book value 31 December 2015 | 87.1 | — | 87.1 |

## IMPAIRMENT CHARGES

Material indefinite-life intangible assets have been tested for impairment. No impairments were identified. This assessment was based on the assessment of fair value, less costs to sell. The Spreads Business has determined that the business is a single cash generating unit.

## 8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost including eligible borrowing costs less depreciation and accumulated impairment losses.

Depreciation is provided on a straight-line basis over the expected average useful lives of the assets. Residual values are reviewed at least annually. Estimated useful lives by major class of assets are as follows:

- Freehold buildings (no depreciation on freehold land) . . . . . . . . . 40 years
- Leasehold land and buildings . . . . . . . . . . . . . . . . . . . . . . . . . . . . 40 years (or life of lease if less)
- Plant and equipment . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 2–20 years

Property, plant and equipment includes:

- land and buildings (or share of those land and buildings) that are transferring to KKR as part of the Transaction;
- plant and machinery at the above sites where directly attributable to Spreads or, where shared, in proportion to its estimated use by the Spreads Business based on production cost ratios; and
- plant and machinery at other sites that are not transferring to KKR where directly attributable to Spreads.

Property, plant and equipment is subject to review for impairment if triggering events or circumstances indicate that this is necessary. If an indication of impairment exists, the assets or cash generating unit's recoverable amount is estimated and any impairment loss is charged to the income statement as it arises.

| **Movements during 2017** | **€ million Land and buildings** | **€ million Plant and equipment** | **€ million Total** |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2017 | **175.7** | **913.4** | **1,089.1** |
| Additions | **2.1** | **32.4** | **34.5** |
| Disposals | **—** | **(11.7)** | **(11.7)** |
| Currency retranslation | **(10.6)** | **(52.8)** | **(63.4)** |
| 31 December 2017 | **167.2** | **881.3** | **1,048.5** |
| **Accumulated depreciation** | | | |
| 1 January 2017 | **60.1** | **441.1** | **501.2** |
| Depreciation charge for the year | **3.0** | **55.4** | **58.4** |
| Disposals | **—** | **(8.5)** | **(8.5)** |
| Currency retranslation | **(3.2)** | **(19.2)** | **(22.4)** |
| 31 December 2017 | **59.9** | **468.8** | **528.7** |
| Net book value 31 December 2017[a] | **107.3** | **412.5** | **519.8** |
| Includes payments on account and assets in course of construction | **1.5** | **19.4** | **20.9** |

| **Movements during 2016** | € million Land and buildings | € million Plant and equipment | € million Total |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2016 | 176.9 | 890.6 | 1,067.5 |
| Additions | 1.0 | 44.8 | 45.8 |
| Disposals | — | (14.7) | (14.7) |
| Currency retranslation | (2.2) | (7.3) | (9.5) |
| 31 December 2016 | 175.7 | 913.4 | 1,089.1 |
| **Accumulated depreciation** | | | |
| 1 January 2016 | 58.5 | 401.2 | 459.7 |
| Depreciation charge for the year | 2.9 | 54.4 | 57.3 |
| Disposals | — | (8.1) | (8.1) |
| Currency retranslation | (1.3) | (6.4) | (7.7) |
| 31 December 2016 | 60.1 | 441.1 | 501.2 |
| Net book value 31 December 2016[a] | 115.6 | 472.3 | 587.9 |
| Includes payments on account and assets in course of construction | 4.4 | 24.5 | 28.9 |

| Movements during 2015 | € million Land and buildings | € million Plant and equipment | € million Total |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2015 | 174.9 | 869.1 | 1,044.0 |
| Additions | 16.8 | 74.5 | 91.3 |
| Disposals | (19.4) | (84.2) | (103.6) |
| Currency retranslation | 4.6 | 31.2 | 35.8 |
| 31 December 2015 | 176.9 | 890.6 | 1,067.5 |
| **Accumulated depreciation** | | | |
| 1 January 2015 | 62.5 | 393.5 | 456.0 |
| Depreciation charge for the year | 3.1 | 57.1 | 60.2 |
| Disposals | (8.3) | (56.7) | (65.0) |
| Currency retranslation | 1.2 | 7.3 | 8.5 |
| 31 December 2015 | 58.5 | 401.2 | 459.7 |
| Net book value 31 December 2015[a] | 118.4 | 489.4 | 607.8 |
| Includes payments on account and assets in course of construction | 9.6 | 31.8 | 41.4 |

[a] Includes € 7.2 million (2016: € 7.3 million; 2015: € 6.8 million) of freehold land.

Land and Buildings relate to sites that are transferring to KKR as part of the Transaction. These sites are Helsingborg, Kleve, Nassaukade, New Century, Piraeus, Pratau, Purfleet, Rexdale, Corlu, Katowice, Tultitlan, Cikarang, Nairobi, Tema, Vridi and Agbara.

In 2015 the additions balance of € 91.3 million includes € 42.3 million of plant and equipment and € 14.5 million of land and buildings relating to the US Spreads Business. These additions relate to the new US factory at New Century following the closure of the Baltimore and Sunnydale factories referred to in note 3. These sites were sold during 2015 for consideration of € 2.9 million resulting in a loss on disposal of € 22.6 million.

The Spreads Business has commitments to purchase property, plant and equipment of € 3.6 million (2016: € 3.7 million; 2015: € 3.4 million).

## 9. OTHER NON-CURRENT ASSETS

Joint ventures are undertakings in which the Spreads Business has an interest and which are jointly controlled by the Spreads Business and one or more other parties. Interests in joint ventures are accounted for using the equity method and are stated in the combined carve-out balance sheet at cost, adjusted for the movement in the Spreads Business' share of their net assets and liabilities. The Spreads Business' share of the profit or loss after tax of joint ventures is included in the Spreads Business' combined carve-out profit before taxation.

| | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Interest in net assets of joint venture | **13.2** | 11.5 | 12.2 | 11.5 |
| Long-term trade and other receivables | **2.0** | 1.9 | 3.9 | 1.3 |
| | **15.2** | 13.4 | 16.1 | 12.8 |

Interest in net assets of joint ventures relate to the Spreads Business managed through Unilever Jerónimo Martins, referred to as the Portuguese joint venture throughout these combined carve-out financial statements. As part of the Transaction KKR will acquire 100% interest of the Spreads Business of Unilever Jerónimo Martins.

| Movements during 2017, 2016 and 2015 | € million 2017 | € million 2016 | € million 2015 |
|---|---|---|---|
| **Portuguese Joint Venture** | | | |
| 1 January | **11.5** | 12.2 | 11.5 |
| Dividends paid | **(1.1)** | (2.9) | (1.7) |
| Share of net profit | **3.7** | 3.3 | 3.3 |
| Other movements | **(0.9)** | (1.1) | (0.9) |
| 31 December | **13.2** | 11.5 | 12.2 |

The Portuguese joint venture has no significant contingent liabilities to which the Spreads Business is exposed, and the Spreads Business has no significant contingent liabilities in relation to its interests in the Portuguese joint venture.

Outstanding balances with the Portuguese joint venture are shown in note 19.

## 10. INVENTORIES

Inventories are valued at the lower of weighted average cost and net realisable value. Cost comprises direct costs and, where appropriate, a proportion of attributable production overheads. Net realisable value is the estimated selling price less the estimated costs necessary to make the sale.

| Inventories | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Raw materials and consumables | **51.4** | 53.4 | 53.3 | 47.9 |
| Finished goods and goods for resale | **72.4** | 75.5 | 85.7 | 74.8 |
| | **123.8** | 128.9 | 139.0 | 122.7 |

Inventories with a value of € 2.9 million (2016: € 3.6 million; 2015: € 3.8 million; 1 January 2015: € 4.5 million) are carried at net realisable value, this being lower than cost. During 2017, € 2.2 million (2016: € 2.8 million; 2015: € 3.5 million) was charged to the income statement for damaged, obsolete and lost inventories. In 2017 € 1.3 million (2016: € 1.5 million; 2015: € 1.8 million ) of prior year inventory provisions were utilised during the year and € 2.6 million (2016: € 2.6 million; 2015: € 2.5 million) was released to the income statement.

## 11. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortised cost, using the effective interest method and net of any impairment losses or at fair value.

Concentrations of credit risk with respect to trade receivables are limited due to the Spreads Business' customer base being large and diverse. The Spreads Business' historical experience of collecting receivables, supported by the level of default, is that credit risk is low across territories and so trade receivables are considered to be a single class of financial assets. Balances are considered for impairment on an individual basis rather than by reference to the extent that they become overdue.

| Trade and other current receivables | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade receivables | **159.9** | 172.5 | 177.6 | 197.4 |
| Prepayments and accrued income | **12.6** | 14.4 | 17.3 | 15.3 |
| Other receivables | **44.7** | 54.6 | 60.5 | 39.3 |
| Trading and other receivables due from Unilever | **—** | 0.3 | — | — |
| | **217.2** | 241.8 | 255.4 | 252.0 |

Other receivables comprise financial assets of € 28.0 million (2016: € 28.1 million; 2015: € 26.1 million; 1 January 2015: € 22.0 million), and non-financial assets of € 16.7 million (2016: € 26.8 million; 2015: € 34.4 million; 1 January 2015: € 17.3 million). Financial assets include supplier and customer deposits, employee advances and certain derivatives. Non-financial assets mainly consist of reclaimable sales tax.

| Ageing of trade receivables | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Total trade receivables | **171.3** | 184.3 | 187.4 | 207.4 |
| Less impairment provision for trade receivables | **(11.4)** | (11.8) | (9.8) | (10.0) |
| | **159.9** | 172.5 | 177.6 | 197.4 |
| Of which: | | | | |
| Not overdue | **131.1** | 111.6 | 125.8 | 151.6 |
| Past due less than three months | **24.9** | 47.9 | 42.5 | 35.6 |
| Past due more than three months but less than six months | **4.7** | 9.2 | 5.0 | 5.8 |
| Past due more than six months but less than one year | **4.1** | 6.7 | 4.9 | 5.3 |
| Past due more than one year | **6.5** | 8.9 | 9.2 | 9.1 |
| Impairment provision for trade receivables | **(11.4)** | (11.8) | (9.8) | (10.0) |
| | **159.9** | 172.5 | 177.6 | 197.4 |

| Impairment provision for trade and other receivables – current and non-current impairments | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|
| 1 January | **(11.8)** | (9.8) | (10.0) |
| Charged to income statement | **(1.7)** | (3.2) | (2.3) |
| Reductions/releases | **1.1** | 1.2 | 2.3 |
| Currency retranslation | **1.0** | — | 0.2 |
| 31 December | **(11.4)** | (11.8) | (9.8) |

## 12. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are initially recognised at fair value less any directly attributable transaction costs.

Trade payables are subsequently measured at amortised cost, using the effective interest method.

The subsequent measurement of other liabilities depends on the type of liability:

- Accruals are subsequently measured at amortised cost, using the effective interest method.
- Social security and sundry taxes are subsequently measured at amortised cost, using the effective interest method.
- Others are subsequently measured either at amortised cost, using the effective interest method or at fair value, with changes in fair value being recognised in other comprehensive income.

| Trade payables and other liabilities | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade payables | **569.9** | 598.2 | 604.5 | 547.8 |
| Accruals | **141.1** | 142.4 | 157.3 | 126.9 |
| Social security and sundry taxes | **9.1** | 11.9 | 15.5 | 20.6 |
| Others | **31.4** | 34.7 | 29.5 | 30.7 |
| Trading and other payables balances due to Unilever | **22.7** | 2.8 | 5.0 | — |
| | **774.2** | 790.0 | 811.8 | 726.0 |
| **Due after more than one year** | | | | |
| Accruals | **0.3** | 0.6 | 0.7 | 0.2 |
| | **0.3** | 0.6 | 0.7 | 0.2 |
| Total trade payables and other liabilities | **774.5** | 790.6 | 812.5 | 726.2 |

## 13. CAPITAL AND FUNDING

### NET PARENT (DEFICIT) / INVESTMENT

As the Spreads Business is not a separate legal group and has not previously prepared standalone financial statements, it is not meaningful to disclose share capital or an analysis of reserves. The net assets of the Spreads Business are represented by the cumulative investment of Unilever in the Spreads Business and disclosed as net parent (deficit) / investment.

### SHARE-BASED COMPENSATION

Unilever operates a number of share-based compensation plans involving options and awards of ordinary shares of Unilever NV and Unilever PLC. Details of these plans are given in note 4C. The Spreads Business received an allocation of shared based compensation charges with respect to corporate employees of Unilever.

### DERIVATIVE FINANCIAL INSTRUMENTS

The Spreads Business' use of, and accounting for, derivative instruments is explained in note 14.

### SUBSIDIARIES WITH NON-CONTROLLING INTERESTS

The Spreads Business operates within a number of legal entities in which non-controlling interests exist. The most significant non-controlling interests are held in legal entities located in Brazil, Indonesia and Nigeria.

### DIVIDENDS

The legal entities within the Spreads Business have not paid or declared dividends to Unilever.

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

| | | | Non-cash movement | | |
|---|---|---|---|---|---|
| | Opening balance at 1 January € million | Cash movement € million | Non-cash loan settlement € million | Foreign exchange changes € million | Closing balance at 31 December € million |
| **2017** | | | | | |
| Bank overdrafts | **5.1** | **4.6** | **—** | **(1.0)** | **8.7** |
| Related party loans with Unilever[(a)] | **1,072.8** | **428.2** | **(523.0)** | **(36.9)** | **941.1** |
| Total | **1,077.9** | **432.8** | **(523.0)** | **(37.9)** | **949.8** |

| | | | Non-cash movement | | |
|---|---|---|---|---|---|
| | Opening balance at 1 January € million | Cash movement € million | Non-cash loan settlement € million | Foreign exchange changes € million | Closing balance at 31 December € million |
| **2016** | | | | | |
| Bank overdrafts | 3.7 | 1.2 | — | 0.2 | 5.1 |
| Related party loans with Unilever | 1,283.1 | (156.0) | — | (54.3) | 1,072.8 |
| Total | 1,286.8 | (154.8) | — | (54.1) | 1,077.9 |

| | | | Non-cash movement | | |
|---|---|---|---|---|---|
| | Opening balance at 1 January € million | Cash movement € million | Non-cash loan settlement € million | Foreign exchange changes € million | Closing balance at 31 December € million |
| **2015** | | | | | |
| Bank overdrafts | 4.6 | (0.9) | — | — | 3.7 |
| Related party loans with Unilever | — | 1,288.9 | — | (5.8) | 1,283.1 |
| Total | 4.6 | 1,288.0 | — | (5.8) | 1,286.8 |

(a) Non-cash movements primarily relate to foreign exchanges gains and losses and accrued interest. On 15 Nov 2017, UNUS Holdings BV injected €523 million of capital into BCS Europe BV (via a number of Spreads intermediary holding companies) which was used to settle the loan. No cash transferred as part of this transaction and accordingly this is also shown as a non-cash movement above.

## 14. TREASURY RISK MANAGEMENT

### DERIVATIVES AND HEDGE ACCOUNTING

Derivatives are measured at fair value with any related transaction costs expensed as incurred. The treatment of changes in the value of derivatives depends on their use as explained below.

### (I) CASH FLOW HEDGES[a]

Certain derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in net parent (deficit) / investment. Any ineffective elements of the hedge are recognised in the income statement. If the hedged cash flow relates to a non-financial asset, the amount accumulated in net parent (deficit) / investment is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts deferred in net parent (deficit) / investment are taken to the income statement at the same time as the related cash flow.

When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in net parent (deficit) / investment until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the income statement. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the income statement immediately.

### (II) DERIVATIVES FOR WHICH HEDGE ACCOUNTING IS NOT APPLIED

Derivatives not classified as hedges are held in order to hedge certain balance sheet items. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the income statement.

Unilever treasury department provides central deposit taking, funding and foreign exchange management services for the Unilever Group's operations, including those of the Spreads Business. The department is governed by standards and processes of the Unilever Group which are approved by the Unilever Leadership Executive (ULE). In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of activity. Performance of Unilever treasury department is monitored closely by senior management and reviews are undertaken periodically by corporate audit.

Unilever treasury department's activities in relation to the Spreads Business, are designed to:

- protect the Spreads Business' financial results and position from the financial risks mentioned below;
- maintain market risks within acceptable parameters, while optimising returns (see note 14B); and
- provide adequate and sufficient funding to the Spreads Business.

Unilever treasury department maintains a list of approved financial instruments. The use of any new instrument must be approved by the Unilever Chief Financial Officer. The use of leveraged instruments is not permitted.

The Spreads Business' capital requirements have been centrally managed by Unilever, who has provided funding so as to safeguard the Spreads Business' ability to continue as a going concern and to optimise returns to Unilever. The Spreads Business is not subject to financial covenants in any of its significant financing agreements.

The Spreads Business does not have its own credit rating. Unilever Group's long-term credit rating is A+/A1 (February 2018) and short-term credit rating is A1/P1 (February 2018). Unilever Group aim to maintain a competitive balance sheet which management consider to be the equivalent of a credit rating of A/A2 in the long-term.

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[a] Applying hedge accounting has not led to material ineffectiveness being recognised in the income statement for 2017, 2016 and 2015.

The Spreads Business is exposed to the following financial risks that arise from its use of financial instruments, the management of which is described in the following sections:

- liquidity risk (see note 14A);
- market risk (see note 14B); and
- credit risk (see note 15B).

14A. MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Spreads Business will face in meeting its obligations associated with its financial liabilities. In conjunction with Unilever Treasury the Spreads Business' approach to managing liquidity is to ensure that it has sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Spreads Business is reliant on Unilever Treasury to meet its obligations associated with its financial liabilities in both normal and stressed conditions.

The financial liabilities of the Spreads Business at the balance sheet date are mainly loans payable to Unilever (note 14B) and trade payables (note 12) which are mostly short term in nature. The financial assets of the Spreads Business at the balance sheet date are mainly trade receivables (note 11) from reputable customers which are short term in nature.

The Spreads Business has maintained a positive cash balance throughout 2015, 2016 and 2017. This was the result of cash delivery from the business, coupled with the proceeds from loans provided by the Unilever Group.

The following table shows contractually based undiscounted cash flows, including expected interest payments, which are payable under financial liabilities at the balance sheet date:

| Undiscounted cash flows | Notes | € million Due within 1 year | € million Due between 1 and 2 years | € million Due between 2 and 3 years | € million Total | € million Net carrying amount as shown in balance sheet |
|---|---|---|---|---|---|---|
| **31 December 2017** | | | | | | |
| **Non-derivative financial liabilities:** | | | | | | |
| Bank overdrafts | | **(8.7)** | **—** | **—** | **(8.7)** | **(8.7)** |
| Related party loans with Unilever | | **(946.7)** | **—** | **—** | **(946.7)** | **(941.1)** |
| Trade payables excluding social security and sundry taxes | 12 | **(760.7)** | **(0.3)** | **—** | **(761.0)** | **(761.0)** |
| | | **(1,716.1)** | **(0.3)** | **—** | **(1,716.4)** | **(1,710.8)** |
| **Derivative financial liabilities:** | | | | | | |
| Foreign exchange derivatives: | | | | | | |
| Derivative contracts – receipts | | **121.3** | **—** | **—** | **121.3** | |
| Derivative contracts – payments | | **(124.0)** | **—** | **—** | **(124.0)** | |
| Commodity derivatives: | | | | | | |
| Derivative contracts – payments | | **(1.9)** | **—** | **—** | **(1.9)** | |
| | | **(4.6)** | **—** | **—** | **(4.6)** | **(4.4)** |
| Total | | **(1,720.7)** | **(0.3)** | **—** | **(1,721.0)** | **(1,715.2)** |
| **31 December 2016** | | | | | | |
| **Non-derivative financial liabilities:** | | | | | | |
| Bank overdrafts | | (5.1) | — | — | (5.1) | (5.1) |
| Related party loans with Unilever | | (861.7) | (222.1) | — | (1,083.8) | (1,072.8) |
| Trade payables excluding social security and sundry taxes | 12 | (774.2) | (0.6) | — | (774.8) | (774.8) |
| | | (1,641.0) | (222.7) | — | (1,863.7) | (1,852.7) |
| **Derivative financial liabilities:** | | | | | | |
| Foreign exchange derivatives: | | | | | | |
| Derivative contracts – receipts | | 77.7 | — | — | 77.7 | |
| Derivative contracts – payments | | (79.5) | — | — | (79.5) | |
| Commodity derivatives: | | | | | | |
| Derivative contracts – payments | | (2.6) | — | — | (2.6) | |
| | | (4.4) | — | — | (4.4) | (3.9) |
| Total | | (1,645.4) | (222.7) | — | (1,868.1) | (1,856.6) |
| **31 December 2015** | | | | | | |
| **Non-derivative financial liabilities:** | | | | | | |
| Bank overdrafts | | (3.7) | — | — | (3.7) | (3.7) |

| Undiscounted cash flows | Notes | € million Due within 1 year | € million Due between 1 and 2 years | € million Due between 2 and 3 years | € million Total | € million Net carrying amount as shown in balance sheet |
|---|---|---|---|---|---|---|
| Related party loans with Unilever | | (1,080.4) | (5.2) | (213.5) | (1,299.1) | (1,283.1) |
| Trade payables excluding social security and sundry taxes | 12 | (794.0) | (0.7) | — | (794.7) | (794.7) |
| | | (1,878.1) | (5.9) | (213.5) | (2,097.5) | (2,081.5) |
| **Derivative financial liabilities:** | | | | | | |
| Foreign exchange derivatives: | | | | | | |
| Derivative contracts – receipts | | 104.4 | — | — | 104.4 | |
| Derivative contracts – payments | | (105.6) | — | — | (105.6) | |
| Commodity derivatives: | | | | | | |
| Derivative contracts – payments | | (1.5) | — | — | (1.5) | |
| | | (2.7) | — | — | (2.7) | (2.3) |
| Total | | (1,880.8) | (5.9) | (213.5) | (2,100.2) | (2,083.8) |
| **1 January 2015** | | | | | | |
| **Non-derivative financial liabilities:** | | | | | | |
| Bank overdrafts | | (4.6) | — | — | (4.6) | (4.6) |
| Trade payables excluding social security and sundry taxes | 12 | (699.5) | (0.2) | — | (699.7) | (699.7) |
| | | (704.1) | (0.2) | — | (704.3) | (704.3) |
| **Derivative financial liabilities:** | | | | | | |
| Foreign exchange derivatives: | | | | | | |
| Derivative contracts – receipts | | 139.7 | — | — | 139.7 | |
| Derivative contracts – payments | | (142.2) | — | — | (142.2) | |
| Commodity derivatives: | | | | | | |
| Derivative contracts – payments | | (3.6) | — | — | (3.6) | |
| | | (6.1) | — | — | (6.1) | (5.9) |
| Total | | (710.2) | (0.2) | — | (710.4) | (710.2) |

These contractually agreed undiscounted cash flows reflect the portion of total Unilever cash flows relevant to the Spreads Business. The Spreads Business is not always the contractual owner.

14B. MANAGEMENT OF MARKET RISK

Spreads Business' size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Commodity price risk

  The key commodities used by the Spreads Business are rapeseed oil, soybean oil, sunflower oil, palm oil, palm stearin and palm kernel oil. Management aims to minimise the impact of commodity market volatility on (gross) margin and allow time to take corrective pricing action ('pricing horizons'). Commodity hedging is undertaken based on 100% of the volume exposure around the pricing horizon, although hedging can be undertaken up to 52 weeks with approval and within limits.

- Currency risk

  The Spreads Business is exposed to movements in the underlying currency of transacted commodity prices that are mainly denominated in USD. A layered hedging approach up to 12 months is used to hedge the foreign currency transaction exposure. Because of the Spreads Business' global reach, it is also subject to the risk that changes in foreign currency rate impact the Spreads Business' sales and purchases.

The above risks may affect the Spreads Business' income and expenses, or the value of its financial instruments. The Spreads Business' objective in managing market risk is to maintain it within acceptable parameters, while optimising returns. Generally, the Spreads Business applies hedge accounting to manage the volatility in profit and loss arising from market risk.

The Spreads Business' exposure to, and management by Unilever of, these risks is explained below. It often includes derivative financial instruments, the uses of which are described in note 14C.

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY AND HEDGING STRATEGY | SENSITIVITY TO THE RISK |
|---|---|---|
| **(I) COMMODITY PRICE RISK** | | |
| The Spreads Business is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials.<br><br>At 31 December 2017, the Spreads Business had hedged its exposure to future commodity purchases with commodity derivatives valued at € 89.6 million (2016: € 145.9 million; 2015: € 78.5 million; 1 January 2015: € 76.4 million). | Unilever treasury uses commodity forward contracts to hedge against this risk in the Spreads Business. All commodity forward contracts hedge future purchases of raw materials and the contracts are settled either in cash or by physical delivery.<br><br>Commodity derivatives are generally designated as hedging instruments in cash flow hedge accounting relations. All commodity forward contracts are done in line with approvals from the Global Commodity Executive which is chaired by the Chief Supply Chain Officer (CSCO) of the Unilever Group. | A 10% increase in commodity prices as at 31 December 2017 would have led to a € 9.0 million gain (2016: € 14.6 million gain; 2015: € 7.8 million gain, 1 January 2015: € 7.6 million gain) on the commodity derivatives in the cash flow hedge reserve. |
| **(II) CURRENCY RISK**<br>**Currency risk on sales and purchases** | | |
| Because of the Spreads Business' global reach, it is subject to the risk that changes in foreign currency rate impact the Spreads Business' sales and purchases. The Spreads Business is also exposed to movements in the underlying currency of transacted commodity prices that are mainly denominated in USD.<br><br>At 31 December 2017, the exposure to the Spreads Business from companies holding financial assets and liabilities other than in their functional currency amounted to € 2.2 million (2016: € 4.1 million; 2015: € 4.1 million; 1 January 2015: € 0.9 million). | Unilever treasury manages currency exposures in the Spreads Business within prescribed limits, mainly through the use of forward foreign currency exchange contracts.<br><br>Operating companies manage foreign exchange exposures within prescribed limits. Local compliance is monitored centrally.<br><br>The aim of the approach to management of currency risk is to leave the Spreads Business with no material residual risk. This aim has been achieved in all years presented. | As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Spreads Business has calculated the impact of a 10% change in exchange rates.<br><br>**Impact on income statement**<br>A 10% strengthening of the euro against key currencies to which the Spreads Business is exposed would have led to approximately an additional € 0.2 million gain in the income statement (2016: € 0.4 million gain; 2015: € 0.4 million gain). A 10% weakening of the euro against these currencies would have led to an equal but opposite effect. |

**Impact on net parent investment / (deficit) – trade-related cash flow hedges**

A 10% strengthening of the euro against key currencies would have led to a € 9.2 million loss (2016: € 0.9 million loss; 2015: € 1.5 million loss) on hedges used to cover future trade cash flows to which cash flow hedge accounting is applied. A 10% weakening of the euro against other currencies would have led to a € 10.1 million gain (2016: € 1.0 million gain; 2015: € 1.7 million gain) on hedges used to cover future trade cash flows to which cash flow hedge accounting is applied.

The following table shows the net debt and fixed rate interest exposures:

| | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Cash and cash equivalents | **27.0** | 21.7 | 13.0 | 11.7 |
| Bank overdrafts | **(8.7)** | (5.1) | (3.7) | (4.6) |
| Current related party loans with Unilever (note 19) | **(941.1)** | (855.9) | (1,074.6) | — |
| **Current financial liabilities** | **(949.8)** | (861.0) | (1,078.3) | (4.6) |
| Non-current related party loans with Unilever (note 19) | **—** | (216.9) | (208.5) | — |
| **Net debt** | **(922.8)** | (1,056.2) | (1,273.8) | 7.1 |
| Of which: fixed rate | **(941.1)** | (1,072.8) | (1,283.1) | — |

Related party loans consist of loans between BCS legal entities and Unilever Finance International AG. At 31 December 2017, related party loans with Unilever Finance International AG are repayable within 1 year and are interest bearing with rates between (0.02%) and 2.48%.

14C. DERIVATIVES AND HEDGING

The Spreads Business does not use derivative financial instruments for speculative purposes. The uses of derivatives and the related values of derivatives are summarised in the following table. Derivatives used to hedge:

| | € million<br>Trade and other receivables | € million<br>Trade payables and other liabilities | € million<br>Total |
|---|---|---|---|
| **31 December 2017** | | | |
| **Foreign exchange derivatives** | | | |
| Cash flow hedges | **3.0** | **(2.5)** | **0.5** |
| **Commodity contracts** | | | |
| Cash flow hedges | **3.4** | **(1.9)** | **1.5** |
| Total assets / (liabilities) | **6.4** | **(4.4)** | **2.0** |
| **31 December 2016** | | | |
| **Foreign exchange derivatives** | | | |
| Cash flow hedges | 4.6 | (1.3) | 3.3 |
| **Commodity contracts** | | | |
| Cash flow hedges | 5.3 | (2.6) | 2.7 |
| Total assets / (liabilities) | 9.9 | (3.9) | 6.0 |
| **31 December 2015** | | | |
| **Foreign exchange derivatives** | | | |
| Cash flow hedges | 5.9 | (0.8) | 5.1 |
| **Commodity contracts** | | | |
| Cash flow hedges | 2.0 | (1.5) | 0.5 |
| Total assets / (liabilities) | 7.9 | (2.3) | 5.6 |
| **1 January 2015** | | | |
| **Foreign exchange derivatives** | | | |
| Cash flow hedges | 3.5 | (2.3) | 1.2 |
| **Commodity contracts** | | | |
| Cash flow hedges | 1.7 | (3.6) | (1.9) |
| Total assets / (liabilities) | 5.2 | (5.9) | (0.7) |

The derivatives in the cash flow hedging relationships are expected to have an impact on the profit and loss within 12 months. A € 6.0 million credit (2016: € 5.6 million credit; 2015: € 0.7 million debit) was recycled from the net parent (deficit) / investment to the income statement during the year.

## 15. INVESTMENT AND RETURN

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the combined carve-out balance sheet include deposits and short-term deposits. To be classified as cash and cash equivalents, an asset must:

- be readily convertible into cash;
- have an insignificant risk of changes in value; and
- have a maturity period of three months or less at acquisition.

15A. FINANCIAL ASSETS

The Spreads Business aims to protect the value of financial investments while maximising returns. The fair value of financial assets is the same as the carrying amount for 31 December 2017, 31 December 2016, 31 December 2015 and 1 January 2015. The Spreads Business' cash resources are shown below.

| Financial assets[(a)] | € million 31 Dec 2017 | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | **6.5** | 7.3 | 0.8 | — |
| Short-term deposits with maturity of less than three months | **20.5** | 14.4 | 12.2 | — |
| Other cash equivalents | **—** | — | — | 11.7 |
| | **27.0** | 21.7 | 13.0 | 11.7 |

(a) For the purposes of note 15A, financial assets exclude trade and other current receivables which are covered in note 11.

| Cash and cash equivalents reconciliation to the cash flow statement | € million 31 Dec 2017 | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Cash and cash equivalents per balance sheet | **27.0** | 21.7 | 13.0 | 11.7 |
| Less: bank overdrafts | **(8.7)** | (5.1) | (3.7) | (4.6) |
| Cash and cash equivalents per cash flow statement | **18.3** | 16.6 | 9.3 | 7.1 |

15B. CREDIT RISK

Credit risk is the risk of financial loss to the Spreads Business if a customer or counter-party fails to meet its contractual obligations. The Spreads Business' trade receivables are short term in nature and largely comprise amounts receivable from reputable customers. Additional information in relation to credit risk on trade receivables is given in note 11. These risks are generally managed by local Unilever controllers. Credit risk related to the use of treasury instruments is managed on a total Unilever basis. This risk arises from transactions with financial institutions involving cash and cash equivalents, deposits and derivative financial instruments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. To reduce this risk, Unilever has concentrated its main activities with a limited number of counter-parties which have secure credit ratings. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by Unilever's treasury department. Netting agreements are also put in place with Unilever's principal counter-parties. In the case of a default, these arrangements would allow Unilever to net assets and liabilities across transactions with that counter-party.

Further details in relation to the Spreads Business' exposure to credit risk are shown in note 11.

## 16. FINANCIAL INSTRUMENTS FAIR VALUE RISK

ASSETS AND LIABILITIES CARRIED AT FAIR VALUE

Derivatives and other cash equivalents are valued using valuation techniques with market observable inputs (level 2). There are no derivatives and other cash equivalents valued at quoted prices for identical instruments (level 1) or not based on observable market data (level 3). The models incorporate various inputs including the credit quality of counter-parties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities.

OTHER FINANCIAL ASSETS AND LIABILITIES

Cash and short-term deposits, trade and other current receivables, overdrafts, trade payables and other current liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Related party loans with Unilever and non-current receivables and payables have a fair value considered to be materially equal to the carrying value based on the net present value of the anticipated future cash flows associated with these instruments using rates currently available for debt on similar terms, credit risk and remaining maturities.

## 17. PROVISIONS

Provisions are recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable.

| Provisions | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Due within one year | **9.7** | 14.1 | 10.4 | 12.2 |
| Due after one year | **4.0** | 8.2 | 2.2 | 5.2 |
| Total provisions | **13.7** | 22.3 | 12.6 | 17.4 |

| Movements during 2017 | **€ million Restructuring** | **€ million Other** | **€ million Total** |
|---|---|---|---|
| 1 January 2017 | **16.4** | **5.9** | **22.3** |
| Income Statement: | | | |
| Charges | **4.8** | **4.9** | **9.7** |
| Releases | **(9.8)** | **(0.6)** | **(10.4)** |
| Currency translation | **(0.2)** | **(0.5)** | **(0.7)** |
| Utilisation | **(6.2)** | **(1.0)** | **(7.2)** |
| 31 December 2017 | **5.0** | **8.7** | **13.7** |
| **Movements during 2016** | | | |
| 1 January 2016 | 6.0 | 6.6 | 12.6 |
| Income Statement: | | | |
| Charges | 28.6 | 1.3 | 29.9 |
| Releases | (1.5) | (1.3) | (2.8) |
| Utilisation | (16.7) | (0.7) | (17.4) |
| Currency translation | — | — | — |
| 31 December 2016 | 16.4 | 5.9 | 22.3 |
| **Movements during 2015** | | | |
| 1 January 2015 | 12.5 | 4.9 | 17.4 |
| Income Statement: | | | |
| Charges | 66.6 | 4.2 | 70.8 |
| Releases | (1.4) | (1.2) | (2.6) |
| Utilisation | (71.5) | (1.3) | (72.8) |
| Currency translation | (0.2) | — | (0.2) |
| 31 December 2015 | 6.0 | 6.6 | 12.6 |

Restructuring provisions primarily include people costs such as redundancy costs and cost of compensation where manufacturing, distribution or selling agreements are to be terminated.

## 18. COMMITMENTS AND CONTINGENT LIABILITIES

Lease payments under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at the lower of fair value at the date of commencement of the lease and the present value of the minimum lease payments. Subsequent to initial recognition, these assets are accounted for in accordance with the accounting policy relating to that specific asset. The corresponding liability is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the income statement and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Contingent liabilities are either possible obligations that will probably not require a transfer of economic benefits, or present obligations that may, but probably will not, require a transfer of economic benefits. It is not appropriate to make provisions for contingent liabilities, but there is a chance that they will result in an obligation in the future. Contingent liabilities are disclosed at the risk adjusted best estimate of the amount that would be required to settle the liability as at the balance sheet date. Where a risk weighting is not available, the maximum exposure is reported.

| **Operating lease and other commitments fall due as follows:** | **€ million Operating leases 2017** | € million Operating leases 2016 | € million Operating leases 2015 | **€ million Other commitments 2017** | € million Other commitments 2016 | € million Other commitments 2015 |
|---|---|---|---|---|---|---|
| Within 1 year | **5.1** | 4.3 | 4.1 | **7.2** | 7.4 | 9.7 |
| Later than 1 year but not later than 5 years | **3.7** | 6.4 | 8.5 | **13.1** | 13.3 | 17.3 |
| Later than 5 years | **0.1** | 0.1 | 0.9 | **1.2** | 0.3 | 0.1 |
| | **8.9** | 10.8 | 13.5 | **21.5** | 21.0 | 27.1 |

The Spreads Business has no material finance leases.

Other commitments principally comprise commitments under contracts to purchase materials and services. They do not include commitments to purchase property, plant and equipment, which are reported in note 8.

## CONTINGENT LIABILITIES

During 2016, one of Unilever's subsidiaries in Israel became the subject of an application for certification of a class action claim based upon allegations as to unfair pricing in the margarine market. The claim, which has not been certified by the court, would if so certified be for approximately € 33 million. Unilever and the Spreads Business intends to robustly defend this claim and believe that the likelihood that it will ultimately prevail is low, however there can be no guarantee of success in court. We believe our position is strong and so the matter has not been provided for and is considered to be a contingent liability. There have been no changes to this assessment in 2017.

On 12 March Unilever Elais Hellas S.A, a Unilever subsidiary in Greece, received a Statement of Objections from the Hellenic Competition Commission for alleged violations of competition law in the margarines sector from 1996 until today. Unilever and the Spreads business are still assessing the implications arising from what is a very complex case. We intend to defend these allegations robustly, though there are no guarantees of success and therefore the matter has not been provided for and is considered to be a contingent liability. Due to the complex nature of the case, which is still under investigation, we are currently unable to assess the level of any potential fine. Should the allegations be upheld, the maximum fine which could be levied under Greek law is 10% of turnover, which for Unilever Elais Hellas S.A. would be approximately €40 million.

## 19. RELATED PARTY TRANSACTIONS

A related party is a person or entity that is related to the Spreads Business. These include both people and entities that have, or are subject to, the influence or control of the Spreads Business.

The ultimate controlling party of the Spreads Business is Unilever.

There are a number of indirect central costs that have been allocated to these combined carve-out financial statements to reflect the fact that the Spreads Business operated as part of the wider Unilever Group. These costs primarily relate to the sales force, general marketing and merchandising, and general corporate expenses related to finance, legal, information technology, human resources, communications, and audit. These expenses have been allocated to the Spreads Business on the basis of direct usage when identifiable, with the remainder allocated on the basis of revenue.

Transactions with Unilever can be summarised as follows:

| Transactions with Unilever | **€ million 2017** | € million 2016 | € million 2015 |
|---|---|---|---|
| Indirect and general corporate expenses – allocations from Unilever | **67.2** | 91.3 | 197.1 |
| Finance costs – interest on loans with Unilever | **(8.5)** | (8.5) | (3.1) |

The following related party balances existed with the Unilever Group or the Portuguese joint venture at:

| Related party balances | **€ million 31 Dec 2017** | € million 31 Dec 2016 | € million 31 Dec 2015 | € million 1 Jan 2015 |
|---|---|---|---|---|
| Loan balances payable to Unilever | **(941.1)** | (1,072.8) | (1,283.1) | — |
| Trading and other receivables balances due from Unilever | **—** | 0.3 | — | — |
| Trading and other payables balances due to Unilever | **(22.7)** | (2.8) | (5.0) | — |
| Trading and other balances due from the Portuguese joint venture | **0.9** | 0.9 | 1.3 | — |

On 1 July 2017 USCC AG transferred 100% of the profit rights relating to BCS to BCS Europe BV for consideration of € 523 million. This acquisition was funded by a € 523 million loan from Unilever Finance International AG. Refer to note (d) in the cashflow statement for further details.

## LOAN BALANCES PAYABLE TO UNILEVER

Loan balances payable to Unilever consist of loans between BCS legal entities and the Unilever Group. Related party loans with non-BCS entities of Unilever are repayable within 1 year and are interest bearing with rates between (0.02%) and 2.48%.

Loan balances as at 31 December 2017:

| Borrowing entity | Currency | Maturity date | Interest rate % | **€ million 31 Dec 2017** |
|---|---|---|---|---|
| Unilever BCS Sourcing US Inc | USD | 19/12/2018 | 2.48 | **190.2** |
| Unilever BCS Limited | GBP | 29/06/2018 | 0.77 | **237.9** |
| *Unilever BCS Europe B.V. | EUR | 01/03/2018 | 0.22 | **478.0** |
| *Unilever BCS Europe B.V. | EUR | 01/03/2018 | (0.02) | **29.1** |
| Unilever BCS España SL | EUR | 29/06/2018 | 0.84 | **5.0** |
| Interest payable to Unilever Finance International AG | | — | — | **0.9** |
| **Total** | | | | **941.1** |

Loan balances as at 31 December 2016:

| Borrowing entity | Currency | Maturity date | Interest rate % | € million 31 Dec 2016 |
|---|---|---|---|---|
| Unilever BCS Sourcing US Inc | USD | 19/12/2018 | 2.48 | 216.9 |
| Unilever BCS España SL | EUR | 22/12/2017 | 1.24 | 5.0 |
| *Unilever BCS Europe B.V. | EUR | 01/03/2017 | 0.24 | 547.8 |
| *Unilever BCS Limited | GBP | 02/03/2017 | 0.74 | 126.5 |
| *Unilever BCS Limited | GBP | 20/01/2017 | 0.75 | 175.1 |
| Interest payable to Unilever Finance International AG | | — | — | 1.5 |
| **Total** | | | | 1,072.8 |

Loan balances as at 31 December 2015:

| Borrowing entity | Currency | Maturity date | Interest rate % | € million 31 Dec 2015 |
|---|---|---|---|---|
| Unilever BCS Sourcing US Inc | USD | 19/12/2018 | 2.48 | 208.5 |
| *Unilever BCS Limited | GBP | 20/01/2016 | 0.84 | 305.5 |
| Unilever BCS Europe B.V. | EUR | 02/03/2016 | 0.21 | 37.6 |
| *Unilever BCS Europe B.V. | EUR | 02/03/2016 | 0.25 | 547.7 |
| *Unilever BCS UK Limited | GBP | 20/01/2016 | 0.84 | 176.6 |
| *Unilever BCS France SAS | EUR | 20/01/2016 | 0.61 | 6.5 |
| Interest payable to Unilever Finance International AG | | — | — | 0.7 |
| **Total** | | | | 1,283.1 |

* The maturity date for these loans have subsequently been extended at maturity with revised interest rate terms. Spreads loan balances are all payable to Unilever Finance International AG.

At 1 January 2015 the Spreads Business had no related party loans payable with Unilever.

PORTUGUESE JOINT VENTURE

Sales by the Spreads Business of Unilever to the Spreads Business within Unilever Jerónimo Martins joint venture were € 18.2 million in 2017 (2016: € 18.4 million; 2015: € 18.9 million). These sales relate to finished goods produced in European factories and distributed in Portugal. Sales from the Spreads Business within the Unilever Jerónimo Martins joint venture to the Spreads Business of Unilever were € 10.6 million in 2017 (2016: € 10.3 million; 2015: € 7.2 million). These sales relate to finished goods produced in Portuguese factories and sold to the Spreads Business in other European countries. Balances owed by the Spreads Business within the Unilever Jerónimo Martins Spreads Business joint venture to the Spreads Business of Unilever at 31 December 2017 were € 0.9 million (2016: € 0.9 million; 2015: € 1.3 million; 1 January 2015: € - million).

## 20. BRANDS / PRODUCTS

The combined carve-out income statement reflects the financial performance of the Spreads Business, which includes:

- Unilever-owned which will transfer as part of the Transaction, either together with all their individually associated spreads and non-spreads product categories (column (a)), or excluding certain non-spreads associated product categories (column (b));
- Spreads product categories associated with Unilever-owned brands that are expected to transfer as part of the Transaction (column (c)); and
- Licenced brands for which Spreads associated product are expected to transfer as part of the Transaction together with the relevant related licence rights (column (d)).

These brands are listed in the table below, which excludes the Spreads brands that only contribute to the results and performance of joint-venture operations equity accounted for in these combined carve-out financial statements.

| (a) Unilever-owned brands transferring with Spreads and non-spreads product categories | | | | (b) Unilever-owned brands transferring all but certain non-spreads product categories | (c) Unilever-owned brands retained by Unilever but underlying Spreads product categories transferring | (d) Licenced brands for which Spreads associated products only are transferring |
|---|---|---|---|---|---|---|
| Altis | Doriana | Marvello | Sana | Becel | Bestfoods | Bertolli |
| Apica | Dorina | Mata | Sanella | Effi | Carte D’or | Blue Bonnet |
| Artizan | Du Darfst | Mazola | SB | Flora | Elais | Chefade |
| Artua | Elanthi | Meadowland | Shedd’s | Iberia | Garde D’or | Fleischmanns |
| Atlanta | Elmlea | Meister | Sol | Sais | Hellmann’s | |
| Astra | Eversweet | Melba | Sola | | Knorr | |
| Banda Azul | Foglia d’Oro | Milda | Solo | | Ligeresa | |
| Beta | Fruit d’Or | Mirasol | Solon | | Lukull | |
| Betafrit | Frytol | Mleczna | Sonja | | Vaqueiro | |
| Black and White Pig | Gold | Mom’s | SPRY | | | |
| Blue Band | Golden Ray | Mrs Filbert’s | Stork | | | |
| Bona (Foods) | Gradina | Natacha | Summer County | | | |
| Bonella | Green Label | Nea Fytini | Super Fresco | | | |
| Botterram | Hera | Olivio | Thea | | | |
| Brio | Homa | Oma | Tradycyjne roslinne | | | |
| Brummel & Brown | ICBINB! | Perla | Tulicreme | | | |
| Carrancedo | Imperial | Phase | Tulipan | | | |
| Cocos | Kaliakra | Planta | Unicool | | | |
| Cookeen | Kasia | Planta Fin | Vegetaline | | | |
| Country Crock | Krona | Primavera | Vitam | | | |
| Crème Bonjour | Kultarypsi | Pro Activ | Windmill | | | |
| Cremefine | La Danesa | Promise | Zas | | | |
| Croma | La Perfecta | Pure Blends | Zeeuws Meisje | | | |
| Delfina | Latta | Pyshka | | | | |
| Delicata | Liga | Rama | | | | |
| Delma | Marga* | Real Ease | | | | |

* Marga also operates under the names of Flex, Rocio and Carrancedo .

The above brands and product categories are transferring to KKR as part of the Transaction.

## 21. LEGAL ENTITIES

The Spreads Business is not operated on a worldwide basis from within separate legal entity structures. As such these combined carve-out financial statements include balances from the majority of Unilever legal entities to the extent that they are attributable to the Spreads Business, as set out in the basis of preparation. In 2015 aspects of the Spreads Business were restructured into a newly created group of Baking, Cooking and Spreads (BCS) group of legal entities in certain regions of the world.

The legal entities included in these financial statements are listed below:

| % | Country of Incorporation | Name of Undertaking |
|---|---|---|
| 100 | Belgium | Unilever BCS Belgium NV/SA |
| 100 | Canada | Unilever BCS Canada Inc |
| 100 | Finland | Unilever BCS Finland Oy |
| 100 | France | Unilever BCS France SAS |
| 100 | Germany | Unilever BCS Deutschland GmbH |
| 100 | Germany | Unilever BCS Verwaltungs GmbH |
| 100 | Germany | Unilever BCS IP Deutschland GmbH & Co. OHG |
| 100 | Germany | Unilever BCS Deutsh I L GmbH & Co. OHG |
| 100 | Netherlands | Unilever BCS Nederland B.V. |
| 100 | Netherlands | Unilever BCS Sourcing Nederland B.V. |
| 100 | Netherlands | Unilever BCS Holdings BV |
| 100 | Poland | Unilever BCS Polska sp. z o.o. |
| 100 | Spain | Unilever BCS Spain, S.L.U. |
| 100 | Sweden | Unilever BCS Sverige AB |
| 100 | Sweden | Unilever BCS Sourcing Sverige AB |
| 100 | Switzerland | Unilever BCS Schweiz GmbH |
| 100 | UK | Unilever BCS UK Limited |
| 100 | USA | Unilever BCS Sourcing US Inc |
| 100 | USA | Unilever BCS US Inc |
| 100 | UK | Unilever BCS UK Services Limited |
| 100 | Ireland | Unilever BCS Ireland Limited |
| 100 | Austria | Unilever BCS Austria GmbH |
| 100 | Netherlands | Unilever BCS Europe B.V. |
| 100 | Netherlands | Unilever BCS Research and Development B.V. |
| 100 | Denmark | Unilever BCS Danmark A/S |
| 100 | Italy | Unilever BCS Italia S.r.l. |
| 100 | Czech Republic | Unilever BCS CR spol s.r.o. |
| 100 | Slovakia | Unilever BCS Slovensko Spol s.r.o. |
| 100 | Bulgaria | Unilever BCS Bulgaria EOOD |
| 100 | Netherlands | Unilever BCS NL Holdings Two B.V. |
| 100 | UK | Unilever BCS Limited |
| 100 | Hungary | Unilever BCS Hungary KFt |
| 100 | Germany | Unilever BCS Deutschland Immobilien Leasing GmbH & Co. OHG |
| 100 | Germany | Unilever BCS IP Deutschland GmbH & Co. OHG |
| 100 | Greece | Trade Name: ΕΛΑΝΘΗ ΑΝΩΝΥΜΗ ΒΙΟΜΗΧΑΝΙΚΗ ΚΑΙ ΕΜΠΟΡΙΚΗ ΕΤΑΙΡΙΑ ΤΡΟΦΙΜΩΝ (in English "ELANTHI INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF FOODS") Distinctive Title: ΕΛΑΝΘΗ ΑΒΕΕ "ELANTHI S.A.") |
| 100 | Canada | Rexdale Property Inc. |

All of the above legal entities are transferring to KKR as part of the Transaction.

## 22. EVENTS AFTER THE BALANCE SHEET DATE

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of these events is adjusted within the financial statements. Otherwise, events after the balance sheet date of a material size or nature are disclosed below.

There were no material events after the balance sheet date.

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