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) SUBJECT TO APPLICABLE LAWS, PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) AND WHO ARE OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OR THE UNITED KINGDOM, NOT A RETAIL INVESTOR (AS DEFINED HEREIN)).

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "offering circular"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE FOLLOWING OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, 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 SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT. 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.

Confirmation of your representation: In order to be eligible to view the offering circular or make an investment decision with respect to the securities described therein, investors must be either (1) QIBs or (2) persons who are not U.S. persons (as defined in Regulation S) and who are outside the United States in an offshore transaction outside the United States in reliance on Regulation S; provided that investors resident in a member state of the European Economic Area (the "EEA") or the United Kingdom are not retail investors (as defined herein). The offering circular is being sent at your request. By accepting the e-mail or other electronic transmission and accessing the offering circular, you shall be deemed to have represented to each of the initial purchasers (as defined in the attached offering circular), being the senders of the offering circular, that:

(1) you consent to delivery of such offering circular by electronic transmission, and

(2) either:

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

(b) you or any customers you represent are a non-U.S. person; and the e-mail address that you gave us and to which the attached offering circular has been delivered is not located in the United States, its territories and possessions, any state of the United States or the District of Columbia; "possessions" include Puerto Rico, the United States Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands; and if you are in a member state of the EEA or the United Kingdom, you are not a retail investor. The expression "retail investor" in relation to any member state of the EEA means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). The expression "retail investor" in relation to the United Kingdom means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 and any rules or regulations made thereunder to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation").

The attached offering circular 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 transmission and, consequently, the initial purchasers, any person who controls the initial purchasers, Trident TPI Holdings, Inc. (the "Issuer") or any of its subsidiaries, nor any director, officer, employer, employee or agent of theirs, or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the attached offering circular distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.

You are reminded that the attached offering circular has been delivered to you on the basis that you are a person into whose possession the attached offering circular 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 attached offering circular to any other person. You may not transmit the attached offering circular (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 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 to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any place where such offers, solicitations or sales 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 of 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.

Restrictions: The attached offering circular is being furnished in connection with an offering exempt from registration under the U.S. Securities Act. Nothing in this electronic transmission constitutes an offer of securities for sale in the United States.

Prohibition of sales to EEA retail investors: The notes described in the attached offering circular are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor (as defined above in relation to the EEA) in the EEA. 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.

The attached offering circular has been prepared on the basis that any offer of the notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the notes. The attached offering circular is not a prospectus for the purposes of the Prospectus Regulation.

Prohibition of sales to United Kingdom retail investors: The notes described in the attached offering circular are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor (as defined above in relation to the United Kingdom) in the United Kingdom. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

The attached offering circular is not being distributed by, nor has it been approved by, an authorized person in the United Kingdom and is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity within the meaning of section 21 of the Financial Services and Markets Act 2000 (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 attached offering circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the offering circular relates is available only to relevant persons and will be engaged in only with relevant persons.

The attached offering circular has been prepared on the basis that any offer of the notes in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation and the FSMA from the requirement to publish a prospectus for offers of the notes. The attached offering circular is not a prospectus for the purposes of the UK Prospectus Regulation.

CONFIDENTIAL

TEKNIPLEX

Materials Science Solutions

$620,000,000

12.750% Senior Notes due December 31, 2028

Trident TPI Holdings, Inc.

This offering circular relates to the offering of $620,000,000 aggregate principal amount of 12.750% Senior Notes due December 31, 2028 (the "notes") to be issued by Trident TPI Holdings, Inc. (the "Issuer"), a Delaware corporation that is controlled by Genstar Capital Partners LLC (collectively with its controlled affiliates and funds managed or advised by it or its controlled affiliates, the "Sponsor"). We plan to use the net proceeds from this offering together with the proceeds of the New Term Loan Facility (as defined herein) (i) to repay all of the outstanding indebtedness in respect of the Dollar Term Loan Tranche (as defined herein) and the Euro Term Loan Tranche (as defined herein) (in each case, under the Term Loan Facility (as defined herein)), (ii) to repay certain outstanding indebtedness under the ABL Facility (as defined herein), (iii) to redeem all of our outstanding 2024 Notes (as defined herein) and 2025 Notes (as defined herein), (iv) to pay fees and expenses related to the foregoing and the offering of the notes hereby and (v) for general corporate purposes. See "Use of Proceeds".

Interest on the notes will be payable in cash semi-annually in arrears on June 30 and December 31 of each year, beginning on December 31, 2023. The notes will mature on December 31, 2028.

The Issuer's obligations under the notes will be guaranteed on a senior unsecured basis by all of its existing and future wholly owned domestic subsidiaries that will guarantee (or otherwise be an obligor under) the Senior Secured Credit Facilities (as defined herein), subject to certain exceptions. The notes and the guarantees will be equal in right of payment with all of the Issuer's and the guarantors' senior debt (including borrowings under the Senior Secured Credit Facilities) and senior in right of payment to all of the Issuer's and the guarantors' future subordinated debt, if any, in each case, without giving effect to collateral arrangements. The notes and the guarantees will be effectively subordinated to all of the Issuer's and the guarantors' obligations that are secured, including borrowings under each of the ABL Facility and the Term Loan Facility, for so long as the obligations under the ABL Facility and the Term Loan Facility are secured, to the extent of the value of the assets securing such obligations. The notes and the guarantees will be structurally subordinated to all of the liabilities of the Issuer's subsidiaries that do not guarantee the notes. See "Description of Notes".

The notes will be issued only in denominations of $2,000 and integral multiples of $1,000. The Issuer has the option to redeem all or a portion of the notes at any time and from time to time on or after December 31, 2025 at the redemption price set forth in this offering circular. In addition, the Issuer may redeem up to 40% of the aggregate principal amount of the notes at any time and from time to time before December 31, 2025, at a redemption price of 112.75% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, subject to certain conditions. The Issuer may also redeem all or a portion of the notes at any time and from time to time before December 31, 2025 at a redemption price of 100% of the principal amount of the notes redeemed plus accrued and unpaid interest, if any, to, but excluding, the redemption date, plus a "make-whole" premium. On or prior to June 30, 2024, the Issuer may redeem all or a portion of the notes upon a change of control at the redemption price of 109% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, subject to certain conditions described herein. If we experience certain kinds of changes of control, the Issuer may be required to repurchase the notes from holders on the terms and at the redemption prices described herein. See "Description of Notes."

The notes will be evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company.

See "Risk Factors" beginning on page 40 to read about important factors you should consider before buying the notes.

Offering Price of the notes: 98.939%

The offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from May 3, 2023. If the notes are delivered after May 3, 2023, accrued interest must be paid by the purchaser until the time of delivery at the time of the first intended payment date.

The notes and the related guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and are being offered and sold in the United States only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The notes are not transferable except in accordance with the restrictions described under "Transfer Restrictions".

The initial purchasers expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York, for the accounts of their participants, on May 3, 2023.

Joint Book-Running Managers

Goldman Sachs & Co. LLC **Jefferies** **BMO Capital Markets** **Credit Suisse**

Offering Circular dated April 25, 2023.

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

We and the initial purchasers are offering to sell the notes only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this offering circular is accurate as of any date other than the date on the front cover of this offering circular. Neither the delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this offering circular.

NOTICE TO INVESTORS

This offering circular is a confidential document that the Issuer is providing only to prospective purchasers of the notes. You should read this offering circular in its entirety before making a decision on whether to purchase any notes. You expressly agree, by accepting delivery of this offering circular, that:

- this offering circular contains highly confidential information concerning the Company (as defined herein);
- you will hold the information contained or referred to in this offering circular in confidence;
- you will not make copies of this offering circular or any documents referred to herein; and
- none of the Company, the Sponsor (each as defined herein) or the initial purchasers are giving you any legal, business, financial or tax advice.

The agreements set forth in the preceding sentence are intended to be for our benefit and for the benefit of the Sponsor and the initial purchasers.

We have prepared this offering circular and are solely responsible for its contents. You are responsible for making your own examination of the Issuer and your own assessment of the merits and risks of investing in the notes. By purchasing any notes, you will be deemed to have acknowledged that:

- you have reviewed this offering circular in its entirety;
- you have been afforded an opportunity to request from the Issuer, and to review, and have received, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering circular;
- you have not relied upon the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision;
- this offering is being made in reliance upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering and does not comply in important respects with the rules of the Securities and Exchange Commission (the "SEC") that would apply to an offering document relating to a public offering of securities; and
- no person has been authorized to give information or to make any representation concerning the Company, this offering or the notes, other than as contained in this offering circular, in connection with your examination of the Issuer and the terms of this offering.

Certain information in this offering circular has been prepared by the Company based on information we have or have obtained from sources we believe to be reliable. Summaries of documents contained in this offering circular may not be complete. The information set forth in this offering circular is current only as of the date hereof. Our business, financial condition and results of operation may have changed after such dates or may change (together with any other information included in this offering circular) after the date of this offering circular. You should consult your own legal, tax and business advisors regarding an investment in the notes. Information contained in this offering circular is not legal, tax or business advice. You should base your decision to invest in the notes solely on information contained in this offering circular. None of the Issuer, the Sponsor or the initial purchasers has authorized anyone to provide you with any information other than the information contained in this offering circular.

This offering is being made in the United States in reliance upon an exemption from registration under the Securities Act for an offer and sale of the notes that does not involve a public offering. This offering circular is being provided only to persons reasonably believed to be qualified institutional buyers under Rule 144A and to non-U.S. persons outside the United States in reliance on Regulation S for informational use solely in connection with investors' consideration of the purchase of the notes. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "Transfer Restrictions" and "Plan of Distribution".

Each prospective purchaser of the notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Sponsor or the initial purchasers shall have any responsibility therefor.

You may not distribute this offering circular to any person, other than a person retained to advise you in connection with the purchase of the notes that is subject to an obligation of confidentiality substantially similar to the obligations set forth herein. The Issuer and the initial purchasers may reject any offer to purchase the notes in whole or in part, sell less than the entire principal amount of the notes offered hereby or allocate to any purchaser less than all of the notes for which it has subscribed.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering circular. Nothing contained in this offering circular is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. The initial purchasers assume no responsibility for the accuracy, adequacy or completeness of any such information.

The notes have not been and will not be registered with or approved by the SEC.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM OR IN A TRANSACTION NOT SUBJECT THERETO. PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

CERTAIN DEFINITIONS

Unless otherwise indicated or the context otherwise requires, references to (i) the “Issuer” refer to Trident TPI Holdings, Inc. only and (ii) the terms “we”, “our”, “us”, “the Company”, and “Tekni-Plex” refer to Trident TPI Holdings, Inc. and its consolidated subsidiaries, as the context requires.

In addition, as used in this offering circular:

“2024 Notes” refers to the $345.0 million aggregate principal amount of 9.250% senior notes due 2024 that were previously issued on July 24, 2019.

“2024 Notes Indenture” refers to the indenture governing the 2024 Notes.

“2025 Notes” refers to the $260.0 million aggregate principal amount of 6.625% senior notes due 2025 that were previously issued on October 17, 2017.

“2025 Notes Indenture” refers to the indenture governing the 2025 Notes.

“ABL Credit Agreement” refers to the credit agreement governing the ABL Facility.

“ABL Facility” refers to our senior secured asset-based revolving credit facility in an aggregate principal committed amount of up to $126.0 million.

“Acquisition Transactions” refers, collectively, to the Grupo Phoenix Transaction, the M-Industries Transaction, the Keyes Packaging Transaction, the JPG Transaction, the Fibro Corporation Transaction and the Ematec Transaction.

“Amended Term Loan Credit Agreement” refers to the Term Loan Credit Agreement, as amended pursuant to the Term Loan Amendment.

“Amended Term Loan Facility” refers to, collectively, the Term Loan Facility and the New Term Loan Facility.

“Dollar Term Loan Tranche” refers to our Dollar-denominated tranche under the Term Loan Facility in an aggregate outstanding principal amount of approximately $598.1 million as of December 31, 2022.

“Ematec” refers to Ematec paques Moldeados de America Tecnologias, S. DE R.L. DE C.V.

“Ematec Transaction” refers to the Company’s acquisition of all outstanding equity interests in Ematec on November 1, 2022.

“Euro” or “€” refers to the single currency of the member states of the European Union participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time.

“Euro Term Loan Tranche” refers to our Euro-denominated tranche under the Term Loan Facility in an aggregate outstanding principal amount of approximately €236.6 million as of December 31, 2022.

“Fibro Corporation Transaction” refers to the Company’s acquisition of assets and licensed technologies of Fibro Corporation on January 18, 2022.

“Grupo Phoenix” refers to Phoenix Capital Ltd. (BVI) and its direct and indirect subsidiaries, as reorganized subsequent to the closing of the Grupo Phoenix Transaction.

“Grupo Phoenix Transaction” refers to the Company’s acquisition of all outstanding equity interests in Grupo Phoenix on September 17, 2021.

“Holdings” refers to Trident Intermediate, Inc., the parent company of the Issuer.

“initial purchasers” refers to Goldman Sachs & Co. LLC, Jefferies LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC.

“JPG” refers to Johnson Plastic Group, S.A. de C.V.

“JPG Transaction” refers to the Company’s acquisition of all outstanding equity interests in JPG on October 1, 2021.

“Keyes Packaging” refers to Keyes Packaging Group.

“Keyes Packaging Transaction” refers to the Company’s acquisition of all outstanding equity interests in Keyes Packaging on September 23, 2021.

“M-Industries” refers to M-Industries, LLC.

“M-Industries Transaction” refers to the Company’s acquisition of all outstanding equity interests in M-Industries on August 9, 2021.

“New Term Loan Facility” collectively refers to our new dollar-denominated tranche B-5 under the Term Loan Facility in an aggregate initial principal amount equal to the dollar-equivalent of $880.0 million.

“notes” refers to the $620.0 million aggregate principal amount of senior notes due December 31, 2028 offered hereby.

“Parent” refers to Tekni-Plex Parent, Inc., f/k/a Trident Parent, Inc., the parent company of Holdings and the ultimate parent company of the Issuer.

“Rollover Investors” refers to certain members of management and other equity investors whose equity investments in ASP TPI Holdings, Inc. were “rolled over” into Parent pursuant to that certain Agreement and Plan of Merger, dated as of August 29, 2017, by and among Parent, Holdings, Trident Merger Sub, Inc., the Company and the stockholder representative, as amended.

“Senior Secured Credit Facilities” refers to the ABL Facility and the Term Loan Facility, together.

“Sponsor” refers collectively to Genstar Capital Partners LLC and its controlled affiliates and funds managed or advised by it or its controlled affiliates.

“Term Loan Amendment” means the proposed amendment to the Term Loan Credit Agreement, which is expected to, among other things, provide for the New Term Loan Facility.

“Term Loan B-3 Tranche” refers to our Dollar-denominated tranche under the Term Loan Facility in an aggregate outstanding principal amount of approximately $795.4 million as of December 31, 2022.

“Term Loan B-4 Tranche” refers to our Dollar-denominated tranche under the Term Loan Facility in an aggregate outstanding principal amount of approximately $125.0 million as of December 31, 2022.

“Term Loan Credit Agreement” refers to the credit agreement governing the Term Loan Facility.

“Term Loan Facility” collectively refers to our existing senior secured term loan facilities consisting of the Dollar Term Loan Tranche, the Euro Term Loan Tranche, the Term Loan B-3 Tranche and the Term Loan B-4 Tranche.

“USD”, “U.S. Dollar”, “Dollar” or “$” refers to the lawful currency of the United States.

MARKET AND INDUSTRY DATA

Market data used throughout this offering circular is based on the good faith estimates of management, which in turn are based upon management's industry experience and knowledge of the markets in which we participate. Key position data used throughout this offering circular reflects our best estimates relating to our specific product lines within our divisions and is on the basis of Net Sales for the periods indicated. We also obtained market, industry and other data from third parties. Although we believe that the good faith estimates and determinations of management are reliable, neither we nor the initial purchasers can guarantee the accuracy or completeness of this information, and the initial purchasers have not independently verified this information. In addition, although industry publications, studies and surveys generally state that information therein has been obtained from sources believed to be reliable, they do not guarantee the accuracy or completeness of such information. While we believe that each of these studies and publications is reliable, neither we nor the initial purchasers have independently verified market and industry data from third-party sources.

PRESENTATION OF FINANCIAL INFORMATION

Historical Financial Statements of the Company

Unless otherwise indicated, the financial information contained in this offering circular has been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

The Company's audited consolidated financial statements included elsewhere in this offering circular were audited by Grant Thornton LLP, independent auditors, as set forth in their independent auditor's report included elsewhere in this offering circular.

The interim financial information of the Company presented in this offering circular has been derived from the Company's unaudited financial statements for the six-month periods ended December 31, 2021 and December 31, 2022 included elsewhere in this offering circular. Our financial results for the six months ended December 31, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2023, and you should not assume the financial results for any past periods indicate results for any future period.

In addition, we have presented in this offering circular certain summary financial information for the twelve months ended December 31, 2022, which we calculated by taking the results of operations of the Company for the fiscal year ended June 30, 2022 and adding to it the results of operations of the Company for the six months ended December 31, 2022 and deducting from it the results of operations of the Company for the six months ended December 31, 2021. The financial information for the twelve months ended December 31, 2022 does not comply with GAAP and is not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2023, and should not be used as the basis for or prediction of an annualized calculation. This data has been prepared solely for the purpose of this offering circular and is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

In the context of any discussion of the Company's historical financial information in this offering circular, any reference to a year relates to the Company's fiscal year ended on June 30 of that year.

NON-GAAP, COMBINED AND AS ADJUSTED FINANCIAL MEASURES AND INFORMATION

EBITDA, Management Adjusted EBITDA, Combined Net Sales, Combined Adjusted EBITDA, free cash flow and Combined Free Cash Flow, as well as any ratios related thereto (collectively, the "non-GAAP measures") are presented in this offering circular as supplemental measures of our performance. These non-GAAP measures are not required by, or presented in accordance with, GAAP or SEC rules regarding the presentation of non-GAAP and pro forma financial information. These are not measures of our financial performance under GAAP. The non-GAAP measures presented herein have been prepared by us and were not reviewed or audited by our auditors.

The SEC has adopted rules to regulate the use in filings with the SEC and in public disclosures of non-GAAP financial measures that are derived on the basis of methodologies other than in accordance with GAAP. These rules govern the manner in which non-GAAP financial measures are publicly presented and require, among other things, a presentation with equal or greater prominence of the most comparable financial measure or measures calculated and presented in accordance with GAAP, as well as a statement disclosing the purposes for which the registrant's management uses the non-GAAP financial measure. These rules also prohibit, among other things, exclusions of charges or liabilities that require cash settlement or would have required cash settlement absent an ability to settle in another manner from non-GAAP liquidity measures and adjustment of a non-GAAP performance measure to eliminate or smooth items identified as non-recurring, infrequent or unusual, when the nature of the charge or gain is such that it is reasonably likely to occur. The non-GAAP measures presented in this offering circular do not comply with the SEC rules governing the presentation of non-GAAP financial measures that are applicable to SEC registrants and filings with the SEC.

Our management uses these non-GAAP measures for planning and forecasting future periods. In particular, EBITDA and Management Adjusted EBITDA are presented exclusively as a supplemental disclosure because management believes that EBITDA and Management Adjusted EBITDA are widely used to measure performance, and as a basis for valuation, and is therefore useful in measuring performance at a consolidated or segment level as well. EBITDA is defined as net income (loss) before interest expense, taxes, depreciation and amortization. Management Adjusted EBITDA further adjusts EBITDA to eliminate the impact of certain non-cash items, closures, exit and carrying costs, other non-recurring costs, merger and acquisition costs, foreign exchange (gains) and losses and certain other defined addbacks. In addition, because we have historically reported EBITDA and Management Adjusted EBITDA, we believe their inclusion provides consistency in our financial reporting. However, the presentation of this additional information should not be considered in isolation or as a substitute for net income, cash flows from operating activities and other statement of operations or cash flows data prepared in accordance with GAAP as a measure of liquidity or profitability. Because of these limitations, you should rely primarily on our GAAP results and use the non-GAAP measures only supplementally. For more information and reconciliations of these non-GAAP measures to the most closely comparable financial measures calculated in accordance with GAAP, see "Summary — Summary Financial Information — Summary Non-GAAP Financial Information and Combined Data".

We have also presented Combined Net Sales, Combined Adjusted EBITDA and Combined Free Cash Flow to further present the impact of certain acquisitions. Combined Net Sales represents Net Sales adjusted to give effect to the Acquisition Transactions for the periods presented. Combined Adjusted EBITDA represents Management Adjusted EBITDA adjusted to give effect to the Acquisition Transactions and the unrealized synergies of each of the Acquisition Transactions for the periods presented. Combined Free Cash Flow represents Combined Adjusted EBITDA less capital expenditures. Management believes Combined Net Sales, Combined Adjusted EBITDA and Combined Free Cash Flow represent useful metrics for investors to assess the operating performance and liquidity trends of the Company in light of the Acquisition Transactions. The presentation of Combined Net Sales, Combined Adjusted EBITDA and Combined Free Cash Flow have been prepared solely in connection with the Acquisition Transactions for the purpose of this offering circular and are not prepared in the ordinary course of our financial reporting practices. For more information and reconciliations of these non-GAAP measures to the most closely comparable financial measures calculated in accordance with GAAP, see "Summary — Summary Financial Information — Summary Non-GAAP Financial Information and Combined Data".

The adjustments made in calculating the non-GAAP measures included herein are based on assumptions and estimates that may prove to be inaccurate. The presentation of the non-GAAP measures included herein should not be construed as an inference that the Company's future results will be unaffected by non-recurring items, that the acquired businesses would have had the same results if they had been owned by us for the entire period, that we will be able to make similar acquisitions in the future. See "Risk Factors — Risks Related To The Notes and This Offering — The unaudited as adjusted and other non-GAAP financial information presented in this offering circular is based on management estimates and assumptions that may prove to be incorrect".

We also present certain financial information as of December 31, 2022 on an as adjusted basis to give further effect to the Refinancing (as defined herein), assuming issuance of the notes offered hereby at par and placing excess proceeds from the Refinancing on our balance sheet as described in "Use of Proceeds". See "Capitalization".

In addition, our calculation and presentation of non-GAAP measures in this offering circular differs from the calculation of Consolidated EBITDA and related financial measures contained in the section entitled "Description of Notes" of this offering circular and the related indenture. Accordingly, the non-GAAP measures in this offering circular do not provide precise indications as to the level of our adherence to the financial covenants of the indenture relating to the notes offered hereby, the 2024 Notes Indenture, the 2025 Notes Indenture, the Senior Secured Credit Facilities or the New Term Loan Facility.

This unaudited as adjusted or combined information is provided for illustrative purposes only and does not purport to represent what our actual results of operations or financial position would have been if the issuance of the notes offered hereby and the application of the proceeds thereof had occurred at the beginning of the period considered (or, for balance sheet information, at the end of such period). The unaudited as adjusted or combined data set forth in this offering circular is based upon available information and certain assumptions and estimates that we believe are reasonable. The unaudited as adjusted or combined financial data has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act relating to the preparation of pro forma information or GAAP. Neither the assumptions underlying the adjustments nor the resulting as adjusted information have been audited or reviewed in accordance with any generally accepted auditing standards.

FINANCIAL INFORMATION BY DIVISION

At the beginning of fiscal year 2022, we reorganized our lines of business into two divisions: Healthcare and Consumer Products. Previously, we had been organized in three lines of business: Healthcare, Specialty Packaging and Food Packaging. In this offering circular, we have presented financial information for our current business divisions for each of the fiscal years ended June 30, 2020, June 30, 2021 and June 30, 2022. Such presentation for fiscal year 2020 has been recast to reflect our two current divisions and prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

TRADEMARKS, TRADENAMES AND SERVICE MARKS

We own or have rights to trademarks, trade names and service marks that we use in conjunction with the operation of our business. In addition, our name, logo and website name and address are our service marks or trademarks. Each trademark, trade name and service mark of any other company appearing in this offering circular belongs to its holder.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

From time to time, including in this offering circular and, in particular, the sections captioned "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", we make forward-looking statements. Disclosures that use words such as we "believe", "expect", "intend", "estimate", "anticipate", "will", "may", "might", "could", "predict", "potential", "continue", "projects" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect our current expectations and are based upon data available to us at the time the statements were made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. These risks, as well as other risks and uncertainties, are detailed in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this offering circular. All forward-looking statements in this offering circular are qualified by these cautionary statements and are made only as of the date of this offering circular. Any such forward-looking statements, whether made in this offering circular or elsewhere, should be considered in context with the various disclosures made by us about our business. The following risks related to our business, among others, could cause actual results to differ materially from those described in the forward-looking statements:

- our substantial leverage after giving effect to the Refinancing, could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our divisions, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under the notes or the Senior Secured Credit Facilities;
- despite our substantial indebtedness, we may still be able to incur significantly more debt; the incurrence of additional debt could increase the risks associated with our substantial leverage, including our ability to service our indebtedness;
- we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful;
- the ABL Credit Agreement, the Amended Term Loan Credit Agreement and the indenture governing the notes will restrict our ability and the ability of most of our subsidiaries to engage in certain types of business and financial transactions;
- we are owned and controlled by the Sponsor, whose interests may conflict with yours as a creditor;
- if we are unable to successfully identify and integrate acquisitions, we may not realize any or all of the anticipated synergies or financial and strategic benefits of these acquisitions, and our results of operations could be adversely affected;
- we operate globally in highly competitive markets that include participants with greater financial resources, and we may not be able to compete successfully against these participants;
- we are dependent on a limited number of suppliers for certain of our product lines; an inability to source our supplies could lead to reduced sales and increased costs;
- a significant portion of our sales are not under contracts;
- weakened global economic conditions and other external factors, including disruptions in the credit markets and COVID-19 and other widespread public health concerns could have an adverse effect on our business, financial condition, results of operations and cash flows;
- changes in raw material costs and availability, as well as energy supplies and energy costs, can adversely affect our profit margins;
- we are subject to risks associated with our foreign operations and revenues;
- we are subject to a variety of anti-bribery laws;
- failure to comply with economic and trade sanctions, import and export control laws, or similar laws could have a materially adverse effect on our business;

- we are not and will not be subject to the Sarbanes-Oxley Act of 2002;
- we are affected by changes in our markets due to environmental standards — including various environmental statutes, regulations and other legislative developments. If we do not respond appropriately to these changes, it could negatively impact market demand, market share and pricing, any of which could materially adversely affect our business;
- we may be subject to losses due to liabilities or lawsuits related to contaminated land at our current or former facilities or arising out of environmental damage or personal injuries associated with exposure to hazardous substances or the release of hazardous substances;
- we use volatile organic compounds in some of our manufacturing processes;
- our intellectual property rights may be inadequate to protect our business and our efforts to protect our intellectual property rights may not be sufficient;
- we may be subject to legal claims alleging that we, our suppliers, or licensees infringe, misappropriate or otherwise violate the intellectual property rights of others, and our business may be adversely affected;
- certain long-lived assets recorded on our statements of financial position may become impaired, which would result in write-offs of the impaired amounts;
- we face product liability risks and the risk of negative publicity, including if our products fail or if our customers and suppliers are affected by product liability risks or negative publicity;
- we are subject to disputes and litigation in the ordinary course of business, and uncovered losses, uninsured judgments or a rise in insurance premiums may adversely affect our results of operations;
- violation of government regulations or quality programs could harm demand for our products or services;
- a portion of our workforce is unionized, and labor disruptions could increase our costs and prevent us from supplying our customers;
- a slowing pipeline of new products at favorable margins could adversely affect our performance and prospects for future growth;
- a loss of or major disruption in our manufacturing and distribution operations could adversely affect our business;
- the availability and reliability of transportation facilities and fluctuations in transportation costs could affect the demand for our products or impair our ability to supply our products to prospective customers;
- the occurrence of cyber incidents, failures or interruptions of our systems or a deficiency in cybersecurity could impair our ability to conduct our operations;
- failure to comply with laws relating to the processing of data about individuals information may require us to make changes to our products or incur penalties or other liabilities;
- we are dependent on key personnel;
- changes to foreign currency exchange rates could adversely affect our earnings and net asset value;
- risks related to our defined benefit pension plan may adversely affect our results of operations and cash flow;
- we may incur additional tax liabilities related to our operations;
- our business requires that we lease substantial amounts of manufacturing and warehousing space and there can be no assurance that we will be able to renew our leases on favorable terms or at all;
- global climate change and legal, regulatory, or market measures to address climate change, may negatively affect our business, operations and financial results;

- increasing scrutiny and changing expectations from investors, customers, and governments with respect to our Environmental, Social and Governance (“ESG”) practices and commitments may impose additional costs on us or expose us to additional risks and liabilities;
- if our enterprise resource planning or other information technology systems are interrupted, fail to perform as designed or are not effectively maintained, our ability to process transactions and record reliable data may be impaired and our business may otherwise be adversely affected;
- the notes will not be secured by any of our assets and are effectively subordinated to our secured debt; the ABL Facility and the Amended Term Loan Facility are secured and, therefore, the lenders thereunder will have a prior claim on substantially all of our assets and those of our guarantors.
- our management team will have immediate and broad discretion over the use of a portion of the proceeds from the notes offered hereby, and we may use such proceeds in ways with which you disagree;
- the notes will be effectively subordinated to the claims of the creditors of non-guarantor subsidiaries;
- not all of our subsidiaries are guarantors, and, therefore, the notes will be structurally subordinated in right of payment to the indebtedness and other liabilities of our existing and future subsidiaries that do not guarantee the notes; your right to receive payments on the notes could be adversely affected if any of these non-guarantor subsidiaries declare bankruptcy, liquidate or reorganize;
- if we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes;
- on or prior to June 30, 2024, upon the occurrence of a change of control, the notes are subject to a special redemption at the option of the Issuer;
- we may not be able to repurchase the notes upon a change of control;
- we may be unable to repay or repurchase the notes at maturity;
- holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of “substantially all” of our assets;
- the lenders under the Amended Term Loan Facility will have the discretion to release the guarantors under the Amended Term Loan Credit Agreement in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the notes;
- because each guarantor’s liability under its guarantees may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors;
- federal and state fraudulent transfer laws may permit a court to void the notes and the guarantees, subordinate claims in respect of the notes and the guarantees and require note holders to return payments received, and, if that occurs, you may not receive any payments on the notes;
- many of the covenants in the indenture governing the notes and the guarantees of the notes will not apply during any period in which the notes are rated investment grade by Moody’s and S&P Global Ratings;
- a downgrade, suspension or withdrawal of the rating assigned by a rating agency to our company or the notes, if any, could cause the liquidity or market value of the notes to decline;
- there are restrictions on your ability to transfer or resell the notes without registration under applicable securities laws;

- your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop, or if developed, be maintained, for the notes;
- the trading market for the notes may be adversely affected by future resales of the notes by the initial purchasers or other factors;
- we do not intend to offer to register the notes or to exchange the notes in a registered exchange offer;
- we are not providing all of the information that would be required if this offering were being registered with the SEC;
- the unaudited, as adjusted and other non-GAAP financial information presented in this offering circular is based on management estimates and assumptions that may prove to be incorrect;
- the notes will be held in book-entry form and, therefore, holders must rely on the procedures of the relevant clearing systems to exercise their rights and remedies;
- the expected phase out of LIBOR could impact the interest rates paid on our variable rate indebtedness and cause our interest expense to increase; and
- the Notes will be treated as issued with original issue discount for U.S. federal income tax purposes.

For a further discussion of certain of these risks, uncertainties and other factors, see "Risk Factors" beginning on page 40.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those results and developments suggested by the forward-looking statements contained in this offering circular. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this offering circular, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place considerable weight on such forward-looking statements in making your investment decision. The forward-looking statements included in this offering circular are made only as of the date hereof. We undertake no obligation to make a public indication of changes in, update or revise any of our forward-looking statements, whether as a result of new information, future events or otherwise.

SUMMARY

This summary is not complete and may not contain all of the information that may be important to you. You should read the entire offering circular carefully, including the information set forth in "Risk Factors", "Presentation of Financial Information", "Non-GAAP, Combined and As Adjusted Financial Measures and Information" and the historical consolidated financial statements and related notes thereto included elsewhere in this offering circular, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ based on certain factors, including those set forth in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information".

Overview

We are a leading global provider of technically sophisticated materials science solutions to many of the world's largest Healthcare and Consumer brands. Our solutions are aimed at delivering better patient outcomes, protecting products and strengthening brands. We operate our business through two key market-focused divisions: Healthcare and Consumer Products. Our divisions serve targeted end market segments where advanced materials science solutions drive value and are increasingly required to meet rapidly evolving patient and consumer needs with exacting performance requirements. These targeted end markets include medical, pharmaceutical and diagnostics markets in Healthcare, and fresh foods and food service, household and beauty and personal care markets in Consumer Products. We are an "enabler" for our customers as we partner with them to help them achieve their specific market needs, product and performance goals and commitments through innovative materials science solutions. Examples of our primary solutions offerings for Healthcare include medical device solutions such as critical care tubing, medical grade compounds and barrier products; pharmaceutical barrier solutions such as unit and multi-dose containers and clean room and high-barrier films; and diagnostic solutions such as customizable films and dosing applications. Examples of our primary Consumer Products solutions include fresh food solutions around the "perimeter of the store" such as drink pods, dairy containers, meat and produce trays, and egg cartons; integrated performance solutions around "center of the aisle" such as dispensing components and closure liners; and food service solutions such as paper and plastic containers for concessions, food delivery and takeout applications. Our customers include many Fortune 500 companies that leverage our solutions to manufacture, market or package a wide range of end products, some examples include metered dose inhalers, intravenous drug delivery medical tubing, prescription and over-the-counter ("OTC") drug medication, caps and closures for jars and bottles, aerosol valves, pumps and trigger sprayers and fresh foods such as eggs, dairy, protein and produce.

We focus on product categories in non-discretionary end-markets poised for growth, where we believe we can achieve sustainable, competitive advantages. Because our solutions are typically critical to our customers' offerings, we are generally able to pass through price increases and decreases to address changes in the cost of raw materials. We often custom develop our specific customer applications leveraging a unique complement of materials and substrate and process technologies versatility that helps foster entrenched customer relationships. In addition, many of the solutions we produce become integral components in our customers' end product applications, which may be subject to regulatory requirements and/or lengthy and stringent approval processes by various governmental agencies such as the United States Food and Drug Administration (the "FDA"). We believe that we are able to maintain our outstanding positions due to our unique solutions orientation as well as our market-driven focus, our broad capabilities, technical know-how and intellectual property development, manufacturing efficiency, consistent quality and customer service.

Our business and operations are currently diversified into our Healthcare and Consumer Products divisions. Within these divisions, we maintain long-term relationships with a broad base of customers who are leaders in their respective industries, and we enjoy relationships of longer than 25 years with many of our top customers. We serve over 3,500 customers in over 80 countries. Our five largest customers accounted for 19.2% of Net Sales for the twelve months ended December 31, 2022, with our largest customer accounting for 10.6% of Net Sales.

Management has realigned our strategy and culture around our two divisions. Both divisions are committed to growing both organically and through strategic acquisitions with an emphasis on enabling differentiated customer success through innovative materials science solutions. Our organic growth is driven by favorable, non-discretionary demand trends across our global markets, our continued focus on international expansion and our significant investments in innovation to develop new solutions and capabilities. This growth is further supported by our strategic initiatives in sales and marketing, operational cost reductions, productivity improvements, and procurement. In addition to our organic growth drivers, we have completed 20 acquisitions since 2014. Our dedicated mergers and acquisitions ("M&A") team continues to focus on evaluating and executing new investment opportunities with specific strategies to drive growth across our divisions as well as into adjacent, non-core areas where we can leverage our existing expertise. We believe that we are well-positioned to capitalize on significant and sustainable growth opportunities across our two divisions.

Strategic Transformation

The appointment of Chief Executive Officer, Brenda Chamulak, in July 2021 marked the beginning of a comprehensive strategic transformation of our business, transitioning the business from a focus on legacy products and operations to a renewed focus on market-driven, innovative solutions and accelerated growth. The strategy has taken hold across the organization in large part due to reorganizing our business from a house of multiple siloed business units and more than twelve brands to two market-oriented primary divisions under one Tekni-Plex branded house. We also engaged experienced Chief Executive Officers for each primary division to identify talent gaps and create global leadership teams with fresh perspectives to drive our strategic transformation. In the second half of fiscal year 2022, we launched a fundamental strategy shift, integrating commercial excellence initiatives with superior operations and our unique complement of existing substrates and materials science capabilities coupled with an array of process technologies to deliver materials science solutions that address complex customer challenges in diverse end markets. The market-oriented solutions-based strategy allows us to protect and grow our core business and accelerate target market penetration by:

- *Developing Higher Order Solutions:* Leveraging comprehensive materials / substrates capabilities, process technologies and value-added services platforms ("toolkit") and superior innovation to address prevailing market needs and customer challenges.
- *Enhancing Customer Connectivity:* Consultative research and development ("R&D") partnership approach creating greater customer intimacy and scale while promoting greater and more timely access to key decision makers.
- *Driving High Value Opportunities:* Expert customer value management driving customer adoption and satisfaction, protecting core business and ensuring we are the first point of call for new opportunities; and
- *Fueling Innovation & Strengthening Toolkit:* Integrating market and customer insights into our innovation pipeline — bolstering our portfolio of materials / substrates capabilities, process technologies, value-added services and professionalized sales forecasting and analytics systems.

As part of this strategic transformation, we have advanced our sustainability initiative with an increased use of renewable and bio-based materials, such as fiber, paper, polyactide and recycled polyethylene terephthalate ("rPET"). The strategic transformation has yielded strong results with the business achieving financial results in-kind with significant business momentum, commercial pipeline growth and new business wins aligned with strategic direction of both primary divisions. In the twelve months ended December 31, 2022, we launched over 150 new solutions and have established a commercial pipeline that we believe is worth approximately $1.0 billion. Our commercial pipeline is bolstered by our revamped go-to-market strategy, which is geared towards growing our market share with existing customers, and onboarding our recent acquisitions.

Fiscal Year 2022 & 2023 Transactions

On August 9, 2021, we acquired all of the outstanding equity interests of M-Industries. M-Industries is a leader in container vented lining technology and is one of only a few manufacturers worldwide that provide complex vented lining solutions for products that require air pressure regulation due to ingredients, filling methods, and/or the way they are shipped and stored. The purchase price for M-Industries was $24.1 million.

We believe that the M-Industries Transaction strengthened our materials science capabilities to help protect our customers' brands and products by increasing the global scope of solutions we are able to provide our customers, including venting expertise and technical packaging, each of which has a particular value-add for e-commerce and home delivery channels.

On September 17, 2021, we acquired all of the outstanding equity interests of Grupo Phoenix. Grupo Phoenix is a rigid packaging solutions leader providing both plastic and paper products to global brands in a variety of vertical markets, including dairy, desserts, coffee, beverages, ice cream, soups, spreads, cosmetics and household cleaning. The purchase price for Grupo Phoenix was $675.7 million.

We believe that the Grupo Phoenix Transaction placed us in a stronger position to broaden our market-focused, customer-driven innovations, particularly in food and beverage markets, aiming to provide and enhance our sustainable solutions offerings. The Grupo Phoenix Transaction allows us to provide existing and new customers with enhanced product offerings, higher levels of service and offer a stronger value proposition. Enhancements include greater materials science versatility, broader technical support and more diverse strategic problem solving, thus expanding our portfolio of solutions geared to store perimeter fresh foods and niche center aisle high performance products and strengthening our ability to provide sustainable solutions for packaging, food service and disposable consumer products.

The Grupo Phoenix Transaction also bolsters our ability to help customers create differentiated brand-enhancing product design. This complementary business profile, together with the potential for accelerated innovation and new product offerings across both divisions, was a significant aspect of our strategic rationale for the Grupo Phoenix Transaction.

On September 23, 2021, we acquired all of the outstanding equity interests of Keyes Packaging. Keyes Packaging is a leading provider of protective packaging for the food and beverage industry. Keyes Packaging is comprised of two lines of business: Keyes Fibre and Wrap Pack. Keyes Fibre is among a limited number of suppliers that produce molded fiber trays for packaging and shipping apples, avocados, eggs and wine bottles. Keyes Packaging has the largest molded fiber plant on the West Coast of the United States, located in North America's largest apple and pear growing regions. Wrap Pack produces fruit and vegetable specialty-tissue protective wrap for storing and shipping pears, apples and citrus fruit. The purchase price for Keyes Packaging was $82.2 million.

We believe that the Keyes Packaging Transaction strengthened our sustainable offerings to food and beverage industry customers as we increase our tray and flat portfolio, and we believe the Keyes Packaging Transaction is a strong strategic fit within our broader fiber- and paper-based packaging business.

On October 1, 2021, we acquired all of the outstanding equity interests of JPG. JPG is a precision extrusion manufacturer specializing in precision extrusions for medical device applications. JPG provides complete extrusion solutions into a variety of medical device applications for interventional and therapeutic procedures. The purchase price for JPG was $16.1 million.

We believe that the JPG Transaction expanded our Healthcare division's medical device capabilities and broadened our Healthcare division's global footprint by adding a presence in Mexico by building upon our innovative patient care solutions platform centered on materials science and process technologies while bringing us closer to key customers in target regions.

On January 18, 2022, we acquired select assets and licensed technologies of Fibro Corporation. Fibro Corporation develops and manufactures innovative molded-fiber packaging solutions geared to the fresh food marketplace. Fibro Corporation's advanced pulp technologies are the driver behind a revolutionary, smooth-finish, fiber-based egg carton that allows for easier and more precise package printing, improved product protection, and a more streamlined packaging line operation. The purchase price for the Fibro Corporation assets was $23.4 million.

We believe that the Fibro Transaction helped position us as the only U.S. supplier of egg cartons manufactured in foam polystyrene, polyethylene terephthalate (“PET”) and fiber-based materials. The Fibro Transaction furthers our strategy of achieving sustainability-minded, material agnosticism across a broad spectrum of packaging solutions. We believe these solutions will be extremely attractive to high-growth fresh foods markets, especially in the perimeter of the store.

On November 1, 2022, we acquired all of the outstanding equity interests of Ematec. Ematec is a leading provider of molded fiber packaging solutions for eggs, produce, food service, and other fresh food items. Molded fiber is a renewable bio-based material derived from 100% natural, typically-recycled paper and cardboard fibers, making it highly attractive to brands seeking to expand their bio-based packaging offerings. Ematec also offers a line of post-consumer rPET plastic containers such as egg cartons and clamshells. The purchase price for Ematec was $165.0 million.

We believe Ematec’s portfolio of sustainable molded cellulose pulp packaging solutions and its position as a leading provider of molded fiber egg cartons further strengthens our outstanding position as a solutions provider of diverse materials in the fresh foods industry. Ematec’s proven ability to develop and commercialize sustainable packaging solutions bolsters our commitment to leadership in the fresh foods and food service categories, reinforcing our strategy to focus on helping our customers win in the perimeter of the store — leveraging a powerful fiber solution with the combined strengths of Keyes Packaging, Fibro Corporation, Ematec and Tekni-Plex.

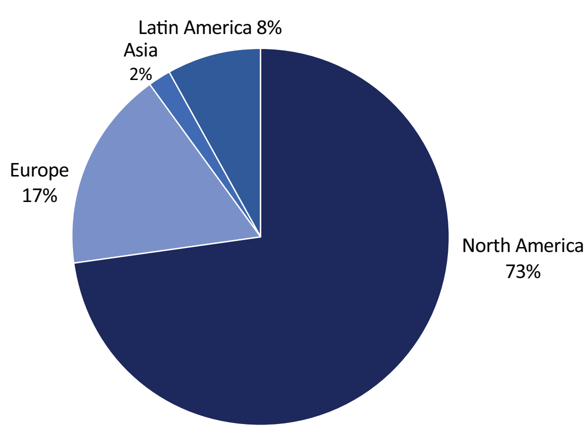
For the twelve months ended December 31, 2022, we generated Net Sales of $1,852.3 million, Combined Net Sales of $1,919.5 million and Combined Adjusted EBITDA of $374.5 million, representing 41.7% year-over-year growth in Net Sales, 13% year-over-year growth in Combined Net Sales, and 14% year-over-year growth in Combined Adjusted EBITDA. For the twelve months ended December 31, 2022, Combined Adjusted EBITDA reflects a margin of 19.5%. For a further discussion of Combined Net Sales and Combined Adjusted EBITDA, see “— Summary of Non-GAAP Financial Information and Combined Data”.

Our Divisions

In this offering circular, we present certain information by our primary divisions: Healthcare and Consumer Products. We believe that this presentation provides useful additional information regarding the performance of these distinct divisions.

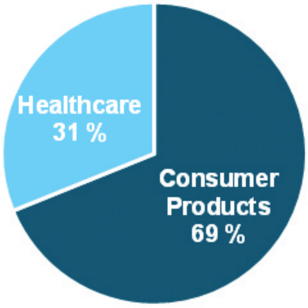
The charts below illustrate our diversification by division as a percentage of Combined Net Sales and Combined Adjusted EBITDA, and our diversification by manufacturing location as a percentage of Combined Net Sales and our quarterly Combined Net Sales trend, for the period presented.

COMBINED NET SALES BY MANUFACTURING LOCATION (For the twelve months ended December 31, 2022)(1)

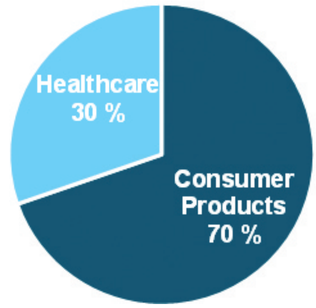


(1) Net Sales by manufacturing location for the twelve months ended December 31, 2022 were: North America 72%, Europe 17%, Latin America 9%, and Asia 2%.

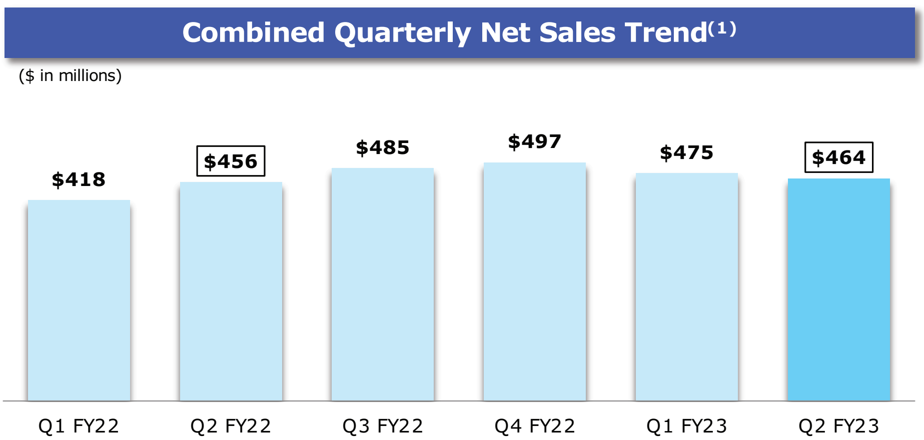
COMBINED NET SALES BY DIVISION (For the twelve months ended December 31, 2022)[(1)]



COMBINED ADJUSTED EBITDA BY DIVISION (For the twelve months ended December 31, 2022)



(1) Net Sales by division for the twelve months ended December 31, 2022 were $597.9 million for our Healthcare division and $1,254.4 million for our Consumer Products division.



(1) Net Sales for Q1 FY22 were $303.4 million, Q2 FY22 were $437.8 million, Q3 FY22 were $464.5 million, Q4 FY22 were $476.3 million, Q1 FY23 were $454.2 million and Q2 FY23 were $457.3 million.

The following table summarizes our Net Sales, Combined Net Sales, Combined Adjusted EBITDA and certain key business information with respect to our primary divisions for the periods presented:

	Healthcare	Consumer Products
Twelve months ended December 31, 2022:		
Net Sales	$597.9 million	$1,254.4 million
Combined Net Sales[(1)]	$598.0 million	$1,321.5 million
Combined Adjusted EBITDA[(2)]	$123.4 million	$285.2 million
% Margin	20.6%	21.6%
Six months ended December 31, 2021:		
Net Sales	$254.4 million	$486.8 million
Combined Net Sales[(1)]	$257.8 million	$616.0 million
Combined Adjusted EBITDA[(2)]	$53.1 million	$121.2 million
% Margin	20.6%	19.7%

	Healthcare	Consumer Products
Six months ended December 31, 2022:		
Net Sales	$290.0 million	$621.5 million
Combined Net Sales[(1)]	$290.0 million	$648.1 million
Combined Adjusted EBITDA[(2)]	$56.9 million	$139.8 million
% Margin	19.6%	21.6%

(1) For a reconciliation of our Combined Net Sales by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "— Summary Financial Information".

(2) For a reconciliation of our Combined Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "— Summary Financial Information".

Material Science Solutions Toolkit

Materials and Substrates Capabilities	• Proprietary compounds • PET / Paraxylene ("PX") • Copolymers • Polychlorotrifluoroethylene • rPET • Recycled Polystyrene • Aluminum, foil • Rubber	• Aclar • Cyclic Olefin Copolymer ("COC"), Cyclic Olefin Polymer • Ethylene-vinyl alcohol copolymer • Old newspaper / Old corrugated containers • Styrenic Block Copolymers • Recycled polypropylene • Polystyrene • Paper, paperboard • Bio-polymers	• Polyethylene • Polyvinyl chloride ("PVC") / Polyvinylidene chloride • Silicones • Coatings • Tyvek • Polypropylene • High density polyethylene Non-woven • Fiber / pulp
Process Technologies	• Cleanroom production • Injection molding • Die Cutting • Adhesive / extrusion lamination • Decorating and finishing • Flexo / offset gravure printing • Foam extrusion and thermoforming	• Grid coating • Polymer compounding • Multi-layer film extrusion • Filing machine manufacturing • Air knife boating • Silicone processing • Slitting • Contract filling • Pad machines	• Tube extrusion • Blow molding • Vented liners • Calendaring • Specialty sealants • Injection molding / IML • Sleeves • Solution / extrusion coating

		Consumer Products	
	Healthcare	Fresh Foods Solutions	Integrated Performance Solutions
Value Added Services	• Technical sales & marketing • Process engineering • Global Innovation Center	• Materials engineering • Quality / regulatory • Dedicated R&D • Lifecycle analysis	• Global supply chain • Device sub-assembly • Equipment design
Market Expertise	• Medical device • Diagnostics • Pharmaceutical	• Fresh foods • Shelf-stable food and beverage • Food service	• Beauty, personal, and home care • Consumer healthcare • Nutraceuticals
Product Lines	• Critical care medical tubing • Laminated and coated pharmaceutical and medical device barrier coated paper and films • Medical compounds (resin) • Unit and multi-dose containers for pharmaceutical applications • Custom films for pharmaceutical and medical component manufacturing	• Packaging for fresh food products • Packaging for commercial food packaging • Packaging for food service • Packaging for single-use consumer products industries	• Aerosol, trigger sprayer and dispensing pump components • Closure liners • Films for foil laminated pouches • Foil lidstock • PVC tape films • Dropper bulbs
Key Positions	We believe we hold: • A leading position in the United States for vinyl medical compounds • A leading position in the United States for vinyl medical tubing • A leading position in the United States and Europe for pharmaceutical high barrier films	We believe we hold: • A leading position in the United States for coffee drink pods • A leading position in the United States for rigid packaging for eggs	We believe we hold: • A leading position in aerosol inner gaskets • A leading position in the United States for coextruded foamed polyethylene closure liners

	Healthcare	Consumer Products — Fresh Foods Solutions	Consumer Products — Integrated Performance Solutions
Examples of Uses	• Cardiovascular procedures • Drug delivery • Dialysis tubing • Intravenous (“IV”) tubing • Catheters • Wound care films • Vinyl and TPE compounds for medical devices • Oral dose pharmaceutical packaging • Pharmaceutical drug manufacturing	• Drink pods • Dairy & non-dairy cups • Spreads & dips containers • Lids, foils & domes • Fresh produce trays • Protein trays • Egg cartons • Food service containers • Retail food containers • Single-use beverage cups • Single-use cutlery • Fiber-based alternatives	• Plastic and rubber gaskets for: ◦ Aerosol containers ◦ Trigger sprayers ◦ Pumps • Nutraceutical containers • Dispensing tubing • Closure liners and seals for: ◦ Plastic bottles ◦ Glass and metal containers • Foil laminated pouches for oral, topical and transdermal drugs
Representative Customers	• AbbVie • Agilent • Bayer • B Braun • BD (Becton Dickinson) • Cardinal Health • Fresenius • Hologic • ICU Medical • Medline • Medtronic • Merck • Novartis • Pfizer • 3M	• noosa • Cal-Maine Foods • Danone • Eggland’s Best • Hillandale Farms • Keurig Dr Pepper • Kraft Heinz • Miller Poultry • Premio • Rose Acre Farms • Smithfield • Trillium Farms • Tyson Foods • Voskos • Walmart • Aptar Group	• Bunzl • Berry Plastics • Coster • General Mills • Lindal Group • MFA • Mold-Rite Plastics • Precision Global • Silgan Specialty • Summit Packaging Systems • VBC Packaging

Healthcare (31% of Combined Net Sales for the twelve months ended December 31, 2022)

Our Healthcare division deploys world-class materials science expertise to deliver value in creating medical device, pharmaceutical and diagnostics solutions. With a deep understanding of the needs of end users, our offerings enable innovative patient care solutions. We supply mission-critical, high-value components, materials and solutions to medical device manufacturers, pharmaceutical companies and diagnostics providers. Our Healthcare division partners with customers to deliver patient care solutions that strive to make the world healthier.

We believe that we are a leading global manufacturer of medical tubing, medical compounds and medical and pharmaceutical barrier solutions. Our Healthcare manufacturing footprint consists of 20 manufacturing facilities, including eight ISO-certified cleanrooms, in the United States, Costa Rica, Northern Ireland, Belgium, Italy and China, which allows us to manufacture our products in close proximity to our customers throughout the world.

The following table summarizes our Net Sales and Management Adjusted EBITDA with respect to our Healthcare division for the periods presented:

Healthcare Operating Performance ($ in millions)

	Fiscal Year Ended			Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2022
Net Sales	$451.1	$425.2	$562.3	$597.9
Management Adjusted EBITDA(1)	$105.2	$ 98.2	$122.6	$125.9
% Margin	23.3%	23.1%	21.8%	21.1%

(1) For a reconciliation of our Management Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "— Summary Financial Information".

Medical Device Solutions

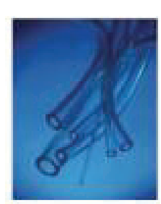
We offer an extensive line of medical-grade components which include tubing and compounds engineered to deliver the ideal solution for specific medical device application objectives. Our engineered medical compounds are suitable for extrusion, injection and blow molding processes and are highly customizable to meet specific medical application requirements. Our precision medical tubing solutions are suitable for a wide range of single-use medical device applications. These include IV administration, hemodialysis devices, insulin delivery, cardiopulmonary bypass equipment and wound drains, among others. For the twelve months ended December 31, 2022, our medical device solutions represented approximately 40% of the Combined Net Sales of our Healthcare division.

We believe that we are a leading global supplier of medical compounds, which are the primary materials used in the production of medical tubing and disposable medical devices. The devices that include our compounds are used in hemodialysis, infusion, respiratory care, urology and cardiovascular applications. We supply a broad array of compounds which include both vinyl and non-vinyl compounds, such as Cellene®, a line of thermoplastic elastomer compounds, and other TPE and non-phthalate compounds.

PVC Compounds

High Performance PVC Compounds

Cellene™



Other TPE Compounds

We sell our compounds to some of the largest healthcare and medical device manufacturers in the world, including Becton Dickinson, ICU Medical, Fresenius and B Braun. In addition, the majority of the raw materials used in the production of our medical tubing is supplied by our medical compounds business. We manufacture our compounds in the United States, Northern Ireland and China.

We believe that we are a leading supplier of medical tubing in the United States. We supply a broad array of medical tubing products, such as vinyl, TPE, silicone, thermoplastic polyurethane and phthalate-free medical tubing, and specialize in high-quality, close tolerance and tight tolerance tubing, such as multi-layer tubing, silicone tubing, cardiovascular tubing, micro-extrusion tubing and coextruded medical tubing, for various surgical procedures and related medical applications. These applications include chemotherapy, intravenous therapy, hemodialysis therapy, cardiovascular procedures such as coronary bypass surgery, suction and aspiration products, neurovascular surgeries, dialysis, pressure monitoring and insulin therapy, unstable drug delivery, as well as tubing used for interventional vascular procedures. We sell our medical tubing primarily to manufacturers of medical devices such as Becton Dickinson, ICU Medical, Smith + Nephew and Medtronic.

Multi-Layer Tubing

Silicone Tubing

Cardiovascular

Microextrusion Tubing

PowerPath

We have developed medical tubing products, including microbore tubing and silicone formulations. Microbore tubing can be used to regulate the delivery of critical intravenous fluids without the need for more expensive drip control devices. Medical professionals are able to precisely control the drug delivery speed simply by selecting the proper diameter tube, each of which is color-coded, potentially improving accuracy and reducing cost. More importantly, as home healthcare trends continue, we believe the use of microbore tubing may help eliminate critical dosage errors on the part of non-professional caregivers and patients. We also produce a variety of highly engineered tubing constructions using acetal for interventional catheter construction, Pebax and nylon for other medical tubing products.

We manufacture the majority of our medical tubing using proprietary materials from our own medical compound operations. We manufacture medical tubing in the United States, Europe, Costa Rica and China.

Pharmaceutical & Medical Device Barrier Solutions

We offer a diverse complement of top and bottom sterilizable web packaging materials, flexible films, lidding foils and pouch materials for medical device applications and thermoformable blister barrier films (blister packs), flexible films, lidding foils and pouch materials for pharmaceutical, animal health and other healthcare and personal care applications.

We believe that we are a top supplier for clear high-barrier plastic films for pharmaceutical blister packaging in the United States and Europe. We believe that we are also one of the global leaders in providing Super-B films, a lower cost alternative to certain high barrier polychlorotrifluoroethylene films, such as Honeywell Aclar®, for pharmaceutical blister packaging. In addition, we also supply mid-barrier and low-barrier films used in pharmaceutical blister packaging, as well as our proprietary, high performance PX films used in applications such as medical device trays. For the twelve months ended December 31, 2022, our barrier solutions represented approximately 60% of the Combined Net Sales of our Healthcare division.

Pharma Blister Pack

Medical Device Tray

PVC Packing Tape

These low-, mid- and high-barrier pharmaceutical films are typically used for solid, oral-dosed pharmaceuticals, and to protect drugs from moisture ingress. Blister packaging is a preferred packaging form when dispensing/handling can negatively affect shelf life or drug efficacy, or when uniform dose packaging is needed. The advantages of transparent blisters, as opposed to opaque foil-based materials, include the ability to visually inspect the contents of the blister, enabling users to ensure product integrity and ensure that they are handling or consuming the correct pharmaceuticals.

Our pharmaceutical barrier solutions are sold to major pharmaceutical companies such as Novartis, Bayer, Eli Lilly, AbbVie/Abbott and AC Folien (or their designated contract packagers). We manufacture pharmaceutical barrier films primarily in the United States and Europe.

As part of our medical device barrier solutions, we offer a broad portfolio of sterilizable medical device packaging substrates, including coated and uncoated DuPont Tyvek®, heat-seal and coldseal coated paper and films, medical grade laminates, die-cut lids and labels, printed roll stock and extrusion laminations. We believe we are a leading supplier of coated and uncoated DuPont Tyvek® for sterilizable barrier packaging in the United States. Our solutions are primarily used to package medical devices and medical components to ensure safe delivery of products and patient safety. Our medical device barrier solutions are sold to major medical device companies such as BD, Medtronic, 3M and Cardinal Health.

Diagnostics

We offer a growing portfolio of customizable film solutions, components and unit & multi-dose containers for various applications in diagnostic products. Our solutions offerings for diagnostics continue to grow as the market for faster diagnosis of medical conditions, at-home and rapid testing continue to gain traction. These applications include endovascular tubing, laparoscopy tubing, arthroscopy tubing, diagnosis reagent unit-dose packaging, contract filling, COC based extrusions and custom film extrusions & laminations.

Consumer Products (69% of Combined Net Sales for the twelve months ended December 31, 2022)

Our Consumer Products division specializes in advanced materials science solutions for companies in the food and beverage and consumer packaged goods industries with a focus on protecting products, strengthening brands, and innovating sustainably. Our Consumer Products division serves companies around the world in sectors including beauty and personal care, household items, and food and beverage. With an expanding selection of material-diverse solutions, bolstered in recent years by a series of strategic acquisitions, our Consumer Products division creates next-generation packaging solutions that address real-world challenges in the markets we serve. Most notably, we are focused on developing more sustainable solutions that continue to provide product safety and consumer satisfaction. The Consumer Products division is organized into two units: the fresh foods solutions unit, focused on innovative fresh foods packaging solutions, which represented 65% of our Combined Net Sales for our Consumer Products division for the twelve months ended December 31, 2022, and the integrated performance solutions unit, focused on dispensing and sealing solutions, which represented 35% of our Combined Net Sales for our Consumer Products division for the twelve months ended December 31, 2022.

Our Consumer Products division focuses on collaborating with customers to deliver innovative and sustainable solutions with superior speed-to-market. Our materials and substrates capabilities include paper, plastic, molded fiber, aluminum, rubber, post-consumption materials and bio-polymers. Our process technologies expertise includes thermoforming and injection, paper forming, high barrier, high tolerance precision molding, extrusion and co-extrusion, lamination, decoration and finishing, shelf life product preservation and sustainability and recyclability.

We believe we are a leading domestic manufacturer of coffee drink pods. In addition, we believe we are a leading domestic supplier of egg cartons, which are increasingly diversified across PET, rPET, molded fiber and polystyrene substrate formats. We also provide solutions for protecting fresh food products such as dairy, chicken, beef, sausage, apples and pears and various food service applications.

We have an extensive molded-fiber and paper product line, bolstered by recent acquisitions (including, Grupo Phoenix, Keyes Packaging, Fibro Corporation and Ematec) in addition to a growing rPET product line to address growing demand for sustainable packaging formats. We operate manufacturing facilities throughout the world, many of which are either safe quality food or British retail consortium certified for the production of items used for food packaging. These facilities are strategically located to minimize our freight costs and optimize logistics for customers.

We believe that we are a leading global supplier of aerosol inner gasket dispensing components and closure liners. We continually work to expand our closure liner product portfolio, through developing new proprietary solutions, such as EdgePull, Luxe® seals, wine and spirit liners, and dual side liners, as well as through strategic acquisitions.

The following table summarizes our Net Sales and Management Adjusted EBITDA with respect to our Consumer Products division for the periods presented:

Consumer Products Operating Performance ($ in millions)

	Fiscal Year Ended			Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2022
Net Sales	$589.7	$649.9	$1,119.6	$1,254.4
Management Adjusted EBITDA(1)	$135.7	$156.8	$ 230.9	$ 271.7
% Margin	23.0%	24.1%	20.6%	21.7%

(1) For a reconciliation of our Management Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "— Summary Financial Information".

Coffee and Drink Pods

We believe we are a leading manufacturer of coffee pods in the United States, with over 10 billion pods manufactured in fiscal year 2022. We serve as a long-term R&D and commercial partner to Keurig Dr Pepper, creating the first 100% recyclable K-Cup by solving complex technical challenges and introducing a new substrate compatible with customers' ultra-high volume filling lines around the globe. Our scaled operations, process technology expertise and materials science capabilities enables us to meet exacting technical requirements, quality standards and volume levels at full production.

Plastic, Paper and Aluminum Cups, Containers, Lids, Foils & Domes

We offer a wide range of cups, containers, lids, foils and domes for use in a variety of end market applications, including coffee drinks, dairy products, spreads and dips, pet food and food service, among others. Our broad breadth of capabilities in thermoforming, injection molding, multilayer barrier extrusion, aluminum impact extrusion, fiber and paper combined with one-stop-shop decorating and finishing offset printing, shrink sleeving, foil lidding and cardboard overwrap delivers differentiated value proposition to Consumer Products customers. Products are collaboratively designed with customers, and developed and produced in accordance with exacting performance thresholds, such as weight, stability, strength, thermic transmission, oxygen permeability, shelf-life preservation, recyclability, shipping feasibility, fill-speeds, intuitive end consumer functionality, and on-shelf branding, among others.

Our solutions-based offering and outstanding innovation capabilities underpin long-term customer partnerships and complex supply relationships. In the case of many customers, we deliver complete solutions, such as foil, cup and decoration, instead of individual components, and develop fully sustainable (e.g., up to 100% recyclable) products by solving numerous physical, material and design constraints. This differentiated value proposition leverages our unique complement of in-house materials and substrates capabilities, process technologies and value added services.

Our customers include Keurig Dr Pepper, Danone and noosa. We manufacture and sell our packaging solutions through our strategically located facilities around the globe.

Molded Fiber, Plastic and Foam Protective Packaging

We believe that we are a leading manufacturer of protective fresh produce trays, meat and poultry trays and egg cartons in the United States, utilizing a growing portfolio of materials and substrates across PET, rPET, molded-fiber and foam polystyrene. We have produced protective packaging products for over 50 years, leveraging unique materials science and process technology expertise specifically aimed at providing maximum protection. We believe we maintain one of the industry's broadest and most complex product line, with a full range of material substrates, carton sizes, designs, colors, silkscreen graphics, labels and universal product codes.

In terms of economic and functional characteristics, our products are able to offer a combination of protection, high strength, minimum material content and effective moisture barrier performance at competitive value for select customers. Our product offerings also offer dimensional consistency that enhances high speed mechanical feeding of cartons into automated package filling operations. We also produce thermoformed hinged-lid food service containers, as well as agricultural packaging products such as pear and apple trays. Our protein tray operations produce thermoformed meat and poultry trays used for pre-packaged meat and poultry products. Our packaging offers fresh, clean, sanitary, lightweight packaging for food products that break or bruise easily.

Our customers include Cal-Maine Foods, Rose Acre Farms, Tyson Foods, Hickman's Family Farms, Hillandale Farms, Midwest Foods Association, H.R. Spinner and Walmart. We manufacture and sell packaging solutions through our strategically located facilities around the globe.

Molded-Fiber, Paper and Other Targeted Sustainable Alternatives

Molded fiber is a renewable bio-based material derived from 100% natural, typically recycled paper and cardboard fibers, making it highly attractive to brands seeking to expand their bio-based packaging offerings. We have made significant investments in developing differentiated molded-fiber capabilities and capacity with an emphasis on protecting and growing our core business. Current offerings are predominantly focused on egg cartons, produce trays, wine shippers and food service solutions.

GeoPack®
we serve the planet

In addition to an expanding portfolio of molded-fiber and paper solutions, we continue to build capabilities in sustainability-minded plastics — especially those comprising significant amounts of post-consumer recycled content, or composed of more recyclable resins such as PET. Recently, we have expanded our GeoPack product family, which addresses various combinations of materials science sustainability's "4 Rs" — reduce, recycle, reuse and renew — including biodegradable or compostable materials, post-consumer recycled content, recyclability, renewable substrates and legislation compliance.

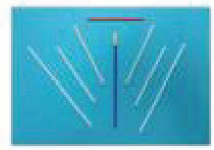
Engineered Packaging Components

We believe that we are one of the world's leading manufacturers of aerosol valve and dispenser pump gaskets, which we have manufactured for over 50 years using proprietary formulations and manufacturing processes. These formulations are designed to provide consistent functional performance throughout the entire shelf life of the product, by incorporating chemical resistance characteristics appropriate to the package contents. We have developed unique formulations to service customers in a wide variety of applications. Our products include dip tubes, which transmit the contents of the container to the nozzle; specialized, molded or punched rubber-based valve gaskets that serve to control the release of the contents from the container; and rubber, plastic and foamed gaskets used to seal the container closed. We utilize our specialty rubber and plastic extrusion capabilities to manufacture a variety of specialty compounds, such as droppers and brush applicator wipers. We have also developed proprietary methods for achieving extremely accurate thickness control, superior surface finish and the elimination of internal imperfections prevalent in other processing methods.


Molded Products


Punched Gaskets

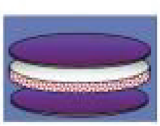

Extruded Dip Tubes & Extension Tubes


Other

Our customers include Aptar Group, Lindal, Summit Packaging Systems, Coster, Precision Valve and Silgan Specialty for pharmaceutical, healthcare, personal care, household, chemical and food and beverage applications. Our manufacturing and sales operations are located in the United States, Belgium, Italy and China.

Closure Liners

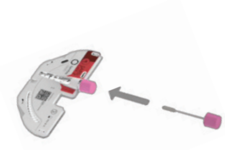
We believe that we are a leading global producer of sophisticated extruded, co-extruded and laminated cap-liners and seals, known as closure liners, for glass, metal and plastic containers. We believe that we are also a leading global supplier of foam, non-induction liners. We also supply pressure sensitive and induction heat seal liners, and we have developed new wine and spirit liner products. Closure liners perfect the seal between a container and its closure, and are an integral part of the container/closure package. Without the sealing effect of the liner, most container/closure packages would not be secure enough to protect the contents from contamination, leakage, tamper evidence or loss of product efficacy.


Foam & Solid Closure Liners


Pressure Sensitive Liners


Induction Heat Seal Liners


Luxe® seals


Sealing Film

Our customers for closure liners include Berry, Mold-Rite, VBC Packaging and Silgan Specialty. We manufacture closure liners in the United States, Belgium, India, Germany and Brazil.

Films for Foil Laminated Pouches

We are a supplier of multi-ply barrier films for foil laminated pouches, primarily for pharmaceutical applications. Our customers are North American contract packers, with whom we have enjoyed long-term relationships. The stringent requirements for these pouches require us to work closely with our customers and may lead to long-term relationships. We manufacture these pouches in the United States.

Our Competitive Strengths

Materials-Science Driven Sustainable Value Proposition

We provide high value-added materials science solutions to our customers. We partner directly with our customers to develop highly customized solutions aimed at solving our customers' most challenging needs. This unique positioning allows us to develop deep and long-standing relationships with our customers. Our robust materials science expertise and global intellectual property portfolio drive innovation and new product development supported by a deep bench of in-house materials scientists, chemical engineers, mechanical engineers and process technology engineers. Our consultative R&D partnership model and end-to-end solutions support our customers through material development, quality testing, process engineering, data analysis, regulatory approval and manufacturing ramp-up.

Our materials science-based approach also positions us as an "enabler" for our customers as they seek to solve their most challenging problems and meet their specific goals and objectives, in particular regarding their sustainability objectives. Often our customers will seek to partner with us to help innovate and develop solutions that achieve their product performance objectives while also improving the products sustainability profile.

Among the Leaders in Stable End Markets and Essential Product Categories

We have a strong presence across both our primary divisions in the United States and internationally. Sales of substantially all of our products are traditionally stable throughout economic cycles. Some of the stable, long-term trends that drive demand across our key product categories include: aging and growing populations, increasing incidence of chronic diseases, trends toward less invasive surgical techniques, increasing demand for healthcare and certain of our consumer products in developing economies, new applications for dispensing packaging, drug patent expiration and the resulting conversion to use of generic drugs (which allows for greater competition and increased sales opportunities for our business), growth in disposable income in developing economies, increasing per capita fresh food consumption and the increasing use of protective packaging by retailers to reduce shrinkage. Our primary divisions have performed well in recent years and have demonstrated solid growth amidst significant disruptions in the global economy, providing us with a reliable source of cash flow.

We have long-standing relationships with many of our customers that are strengthened because certain of our medical packaging and tubing products conform to FDA and U.S. Pharmacopeia (and European equivalent) standards. Our materials and products are used as critical enablers of customers' medical devices and pharmaceutical products, and are also used by our customers as food packaging. For example, in the case of pharmaceuticals and medical devices, the safety and suitability of the solutions we offer may be reviewed as part of the FDA's premarket approval or clearance process for the particular drug or device to the extent that premarket review is required for the product. As a result, once a new medical device or drug offering including our products has gained FDA clearance or approval, we may enjoy a competitive advantage over competing products that are not included in the cleared or approved device or drug in situations where modifying product packaging or other components requires FDA premarket review and authorization. Another source of competitive advantage is that many of our products utilize proprietary formulations that address the specific needs of individual customers that we believe cannot be readily replicated by other suppliers. We believe these proprietary formulations, coupled with our long-term customer relationships and high quality products and services, allow us to better serve our customers as compared to our competitors. Further, in our Consumer Products division, we believe that the high capital costs and high technical competence required for manufacturing processes encourage customers to partner with us on a long-term basis.

Highly Diversified Business Across Diverse End-Markets and Geographies

We manufacture a broad range of high value-added products for a variety of end markets in approximately 50 countries around the world and are focused on non-cyclical, recession-resistant professional healthcare, food and beverage and personal care and household end markets. Our diverse end markets, stringent product quality requirements and expansive geographic presence all contribute to the resilience of our business.

We operate two primary divisions: Healthcare and Consumer Products. In our Healthcare division, we manufacture engineered medical compounds used in producing single-use medical devices, barrier healthcare films for prescription packaging and OTC drugs and medical tubing. These solutions serve a wide range of essential and increasingly sophisticated healthcare applications. Within our Consumer Products division, our integrated performance solutions business unit includes critical components including aerosol inner gaskets, dispensing tubes, closure liners, industrial specialty films, foil laminated pouches and foil lidstock for a variety of end markets and product applications. We believe that our fresh foods solutions business unit is one of the leading manufacturers of coffee drink pods and egg cartons in the United States while increasingly diversified across an expanding portfolio of materials and substrates and end product applications in attractive segments, such as dairy, spreads and dips, fresh produce, protein and other food and beverage.

A majority of our revenues come from the United States, though we believe we are well-positioned to continue growing in select high-growth international markets, both by serving customers locally (through our manufacturing operations in Latin America, China, India and Costa Rica) as well as shipping from across our global business platform.

Diverse, Long-standing Customer Relationships

We have long-term relationships with our customers — many longer than 25 years. These relationships and our outstanding positions evidence our reputation for delivering exceptional value to our customers. Our customers value our technical capabilities, materials science solutions tailored to their needs, consistent quality, high service levels, global footprint and security of supply. Our highly customized and engineered products, many of which are sold into regulated markets, drive strong relationships, complex supply relationships and very high customer retention.

We maintain a diversified blue-chip customer base comprised of global leaders serving attractive, growing industries and end markets globally. We serve over 3,500 customers in over 80 countries. Our five largest customers accounted for 19.2% of Net Sales for the twelve months ended December 31, 2022, with our largest customer accounting for 10.6% of Net Sales. The majority of our revenue is derived from customer relationships that are strengthened by one or more factors such as a contract, regulatory qualifications, multi-component solutions, proprietary product formulations or proprietary production processes.

Portfolio of Highly Engineered Materials Science Solutions

We produce an extensive offering of highly engineered materials science solutions that are custom developed to meet our customers' unique performance specifications and demanding requirements. In substantially all of our products, there is an element of materials science expertise, knowledge of specifications and regulatory and technical know-how, all of which have been developed over many years of experience.

Our solutions generally represent a small portion of our customers' overall end-product cost. However, these solutions are mission-critical to enable the functionality of the end products and the cost of failure for customers can be very high — particularly for ultra-high volume applications where the cost of unplanned downtime is prohibitive. Many of our products and product features are protected by patents, trade secrets or in-depth manufacturing, regulatory approvals, material science and technical know-how.

Materials-Science Partner in Developing Sustainable Solutions

We are an industry leader in the development, commercialization and manufacturing of sustainable solutions for a host of blue-chip Consumer Products and Healthcare customers. We leverage our full suite of materials science capabilities, application expertise and industry knowledge to develop lasting relationships with our customers who rely on us to help meet their sustainability goals. We deploy a "Sustainability And" strategy, focused on sustainability and adding value to all stakeholders. In one such example, we deployed our materials science expertise to develop a proprietary, fiber-based egg carton design that delivered on customer sustainability objectives, resulting in a sales agreement for greater than $50 million of revenue. We offer over 20 core substrate categories, have seven molded fiber facilities, and are able to offer sustainable alternatives across our solution offerings.

Track Record of Passing Through Raw Material Costs

Fluctuations in our raw material input costs have historically been passed through to customers, and this practice has allowed us to keep gross margins relatively stable during periods of increasing raw material prices.

We are less susceptible to pricing pressure from any one raw material than some of our competitors as a result of our diverse raw material base, as well as our broad supplier base. Our sourcing teams manage the procurement of raw materials across our two primary divisions. These teams enhance our ability to effectively monitor raw material pricing trends, achieve purchasing economies of scale and strengthen relationships with our suppliers. Additionally, our management team holds regular reviews that address the current raw material environment to better address any changes and identify requisite actions. Lastly, our contractual arrangements, customer relationships and market conventions generally allow for price adjustments based on changes in costs.

Proven, Growth-Oriented Management Team

Our executive management team is led by our Chief Executive Officer, Brenda Chamulak, and includes professionals with significant experience in the healthcare and consumer products industries. Our executive management team is focused on driving value creation and leveraging talent across our entire business and is executing a strategic transformation toward market-oriented, materials science solutions to drive growth. We have completed 20 strategic acquisitions since 2014, and we have actively invested in and expanded our human capital resources and capabilities to drive continued commercial success, operational cost reductions and develop and commercialize new products globally.

Our Business Strategies

We seek to take advantage of our competitive strengths and maximize our free cash flow generation by pursuing the following business strategies:

Capitalize on Growth Trends in Our Divisions

We focus on attractive divisions that serve growing end market niches where we have sustainable, competitive advantages. Our divisions feature stable fundamentals, strong organic growth dynamics and non-cyclical recession-resistant trends. As a long-standing player in each of our primary divisions — technologically sophisticated, high value-added healthcare and consumer materials science solutions — supported by strong customer relationships, we have developed a deep understanding of the drivers of our organic growth and we focus on developing products to capitalize on these trends.

Our Healthcare division is focused on the professional side of healthcare and strong growth is driven by aging and growing populations, increasing incidence of chronic diseases, trends toward less invasive surgical techniques and the increasing demand for professional healthcare solutions in developing economies. Many diseases are becoming more manageable, which is driving a trend of more doctor visits, medications and interventional treatments, all of which contribute to organic sales growth. An increasing onus on enabling more effective and shorter procedure recoveries drives demand for medical tubing. Growing emphasis on patient safety and sanitation creates demand for sterile disposable medical device applications. Drug delivery innovation requires new and unique materials science solutions. Increased demand for early screening and testing is fueling diagnostic testing component requirements. We are strategically indexed to such trends given our differentiated ability to combine and adapt materials and process technologies to deliver higher order solutions for our customers. As such, we seek to enhance our medical compound and medical tubing business by providing higher order solutions that meet the evolving and exacting quality needs for these clinical applications. Our customers typically prefer supplies local to where they operate, and we have addressed this market need by expanding our global footprint to produce medical compounds and medical tubing in the United States, Europe, Asia and Costa Rica. We are also positioned to capitalize on the increasing demand for improved healthcare in emerging economies. For pharmaceutical applications, development of new drugs is a lengthy and costly process, which drives preference for proven suppliers with an established track record of quality and regulatory expertise. In addition, we strive to address the market need for higher levels of quality and product cleanliness by expanding cleanroom investments, especially in emerging markets.

Within our Consumer Products division, growth trends in our fresh foods solutions business unit are driven by a strong consumer preference for fresher, healthier options in fast-growing “perimeter-of-store” categories. Fresh food applications across retail, food service and processor channels increasingly require specialized packaging features designed to extend shelf life, protect food and strengthen branding — augmenting end consumer demand with accelerating packaging penetration. Further, secular demand for sustainable materials utilizing fully recyclable, lighter-weight and/or recycled content materials creates an even greater need for materials science solutions which can deliver innovative, effective products to enable differentiated customer success in the marketplace. We are strategically indexed to such trends given our differentiated ability to combine and adapt materials and process technologies to deliver higher order solutions for our customers. Within our Consumer Products division, our integrated performance solutions business unit exhibits growth trends that are driven by consumer preferences for convenience and easy-opening features in their packaging and growth in disposable income. Consumers prefer more convenience in container and closure dispensing systems, so our customers design and develop products to address this market demand. In turn, we develop liners, gaskets, dip tubing and seals that assist our customers in their efforts to improve dispensing solutions. In our integrated performance solutions business unit, we are focused on developing new materials and specifications that respond to our customers’ needs. As such, we focus on maintaining our long-term customer relationships through consistently high quality products, our ability to develop customized solutions, our materials science expertise and our advantaged cost base. We also focus on maintaining our prominent positions in dispensing components and closure liners by providing excellent and reliable product quality and service, together with technical developments that address our customers’ needs. Moreover, we plan to continuously expand into higher margin, higher growth product lines by investing in the development of new and existing products and strengthening our intellectual property portfolio.

Drive Growth through Solutions Approach and Innovation

We have undergone a comprehensive strategic transformation of business strategy and culture, transitioning the business from a legacy focus on products and operations to a renewed focus on market-driven, innovative solutions and accelerated growth. Fundamental to the strategy shift has been a redefined go-to-market strategy integrating commercial excellence initiatives with outstanding operations and our unique complement of existing substrates and materials capabilities and process technologies to deliver materials science solutions that solve higher order customer challenges in diverse end markets. As demonstrated by the below graphic, our market-oriented solutions-based strategy creates a powerful feedback loop to protect and grow our core business and accelerate penetration of our target markets:

The strategic transformation has yielded strong results with the business achieving financial results in-kind with significant business momentum, commercial pipeline growth and new business wins aligned with strategic direction in both of our divisions. Notably, accelerated target market penetration is predominantly driven by gains with existing customers in existing end markets.

We continually seek to drive incremental growth by enhancing our product development capabilities and innovation. Our robust materials science expertise and global intellectual property drive innovation and new product development supported by a deep bench of in-house materials scientists, chemical engineers, mechanical engineers and process technology engineers. Our consultative R&D partnership model and end-to-end solutions support our customers through material development, quality testing, process engineering, data analysis, regulatory approval and manufacturing ramp-up. Our Global Innovation Center provides focused development efforts regarding new products, process and technology improvements and materials enhancements that are closely tied to the strategic growth initiatives of our divisions. The Global Innovation Center has significantly enhanced the development of our intellectual property and product offerings. Since we opened the Global Innovation Center in November 2011, we have commercialized numerous new products across many different categories and we currently have over 280 foreign and domestic patents. Although we maintain and continue to develop our patent and trademark portfolio, we presently do not consider any individual patent or trademark, or any family of patents, to be material to our business. We also protect our products with proprietary formulations and production processes and other trade secrets. Our current development pipeline is aligned across several development “platforms”, such as common materials and/or processes, which helps to drive synergies and communication across our divisions. We intend to continue to develop proprietary products to differentiate ourselves from our competitors and further grow our business as we solve higher order challenges for our customers.

Continue to Grow and Invest in Developing Markets

We believe that there are significant geographic expansion growth opportunities for our business. We continue to strategically position our Healthcare and Consumer Products divisions in Europe, China, India and Latin America in order to better serve our customers as they continue to expand and grow overseas. We have made a number of recent investments that have increased our exposure to these faster-growing products and markets.

In order to better serve our medical tubing customers moving offshore, we made a strategic investment in Costa Rica, which enables us to serve global customers in a lower cost region. Medical device manufacturers continue to build a local presence in Costa Rica and then export single-use medical devices back to the United States. We believe that there is further upside from eventual expansion into silicone tubing, injection molding components and medical device assembly, from which we believe we are positioned to benefit.

We have also invested in a state-of-the-art manufacturing facility in Wujiang, China, which provides medical compounds, medical tubing and dispensing components across our Healthcare and Consumer Products divisions.

Continue to Reduce Costs Through Technical Process Improvement and Operational Excellence

We remain focused on seeking operational excellence by improving manufacturing processes to save costs. Our manufacturing engineering group is focused on increasing productivity and minimizing costs across our business. The group supports our manufacturing plants with safety and continuous improvement projects and large capital project management. Across our divisions, we are continuously evaluating strategic options to lower manufacturing costs, including plant consolidations, production capacity modernization, process control enhancements and automation opportunities. These initiatives are designed to further improve our productivity and on-time delivery globally.

Emphasize Free Cash Flow Generation and EBITDA Growth

Free cash flow generation is a focus of our business. We generate a stable and growing cash flow stream, driven by our diversification and exposure to defensive end markets. From fiscal year 2020 to the twelve months ended December 31, 2022, our Management Adjusted EBITDA has grown from $207.2 million to $359.9 million and our Net Sales increased from $1,040.8 million to $1,852.3 million. Operational savings and production efficiencies have been driven by standardization of manufacturing operations, safety best practice systems, the implementation of operational improvement frameworks, facility consolidation and manufacturing footprint improvements. Increasing productivity and disciplined price management have driven steady gross margins over time, translating to resilient free cash flows. With relatively low capital expenditure requirements — approximately $55 million for fiscal year 2022, $54 million for fiscal year 2021 and $79 million for the twelve months ended December 31, 2022 — our Combined Free Cash Flow has grown from $166 million in fiscal year 2021 to $296 million for the twelve months ended December 31, 2022. Our high-return on investment, focused capital expenditure initiatives in the first half of fiscal year 2023 have helped us accelerate our growth outlook. Based on publicly available information, we believe that we have been able to maintain competitive margins compared to our direct competitors.

Growth in our Combined Net Sales and Combined Adjusted EBITDA can be attributed to the following key factors:

- Strong topline growth driven by increase in organic sales volumes within the Healthcare division and increased pricing levels across both divisions associated with input cost increases;
  - Healthcare: increase was primarily due to a combination of higher organic volumes, particularly in barrier solutions products in the Americas, and higher selling prices associated with rising input costs;
  - Consumer Products: increase was due to higher average selling prices associated with rising input costs across all businesses, partially offset by mixed impact in certain business units;
- Commercial excellence driving pricing opportunities as we reorganized ourselves to be a proactive, market-driven solutions partner under one Tekni-Plex branded house;
- Materials science expertise driving share-of-wallet gains and defending current share with diverse, growing customer base;
- Effective supply chain management, which continues to be a key differentiator for our business; and
- Differentiated value proposition, leveraging proprietary formulations, process versatility, trade secret knowledge base and market expertise.

In addition to significant growth in sales, Combined Adjusted EBITDA and free cash flow that we expect to generate from organic growth and continued cost reductions, we believe that our business platform is well positioned for additional strategic acquisition opportunities. We continue to leverage the customer relationships of recent acquisitions to target market share and geographic expansion opportunities in business lines and regions with high growth potential. We remain well-positioned to pursue our M&A strategy of building upon our divisions while expanding into new verticals and adjacencies. Notably, an increasingly large and integrated global network of facility operations presents growing opportunity for compounding commercial and operational benefits across the enterprise.

Refinancing Transactions

In connection with the offering of the notes, we plan to enter into the Term Loan Amendment, which is expected to provide for (i) the incurrence of the New Term Loan Facility, the net proceeds of which will be used in part to repay in full the outstanding indebtedness in respect of the Dollar Term Loan Tranche and the Euro Term Loan Tranche, and (ii) certain other amendments to the Term Loan Credit Agreement. See "Description of Certain Other Indebtedness — Term Loan Facility". The entry into the Term Loan Amendment, the incurrence of the New Term Loan Facility, the offering of the notes hereby and the application of proceeds therefrom collectively to repay outstanding indebtedness under the ABL Facility, the Term Loan Facility, the 2024 Notes and the 2025 Notes, as applicable, and to pay fees and expenses in connection therewith, are referred to collectively as the "Refinancing".

The Sponsor

Founded in 1988, Genstar Capital Partners LLC ("Genstar") is a private equity firm that works with middle market companies in the industrials, healthcare, software and financial services sectors to expand and grow their businesses. Its investments are focused on opportunities where Genstar has deep industry and domain expertise and can partner with leading management teams to accelerate growth and profitability. It currently has approximately $35 billion in assets under management and operates out of a single office in the heart of San Francisco.

Genstar manages funds with total capital commitments of approximately $35 billion and is currently investing out of its Fund X, which closed in April 2021 with $10.2 billion of committed capital. It has been investing in industrial technology and healthcare companies for over two decades, including Boyd Corporation, Brook + White, Tecomet, Catalent, Pretium Packaging and Infinite Electronics.

Preliminary Financial Information for the Three Months, Nine Months and Twelve Months Ended March 31, 2023

The following selected preliminary unaudited interim consolidated financial information for the three months, nine months and twelve months ended March 31, 2023 is based upon our estimates and remains subject to completion of our financial closing procedures, which will occur after the completion of this offering. Accordingly, our estimated results below are forward-looking statements based solely on information available to us as of the date of this offering circular, and we undertake no obligation to update this information, except as may be required by law. Actual results remain subject to the completion of management's and our audit committee's reviews and our other financial closing procedures, as well as the completion of the preparation of our unaudited consolidated financial data for the three months, nine months and twelve months ended March 31, 2023. During the course of that process, we may identify items that would require us to make adjustments, which may be material, to the information presented below, and other developments may arise between the date of this offering circular and the time our unaudited consolidated financial data for the three months, nine months and twelve months ended March 31, 2023 are completed, and any resulting changes could be material. Accordingly, you should not place undue reliance on this preliminary financial information.

The preliminary financial information included in this offering circular has been prepared solely on the basis of currently available information by and is the responsibility of our management. Our independent certified public accountant, Grant Thornton LLP, has not audited, reviewed, compiled or performed any procedures and does not express an opinion or provide any assurance with respect to the preliminary financial information. Our actual results may vary materially from the preliminary financial information included herein. There can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. See "Cautionary Statement Regarding Forward Looking Statements" in this offering circular.

These preliminary results should be read in conjunction with "Risk Factors", "Cautionary Statement Regarding Forward Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes thereto included in our audited and unaudited financial statements included elsewhere in this offering circular.

	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2023	Twelve Months Ended March 31, 2023	Three Months Ended March 31, 2022	Nine Months Ended March 31, 2022	Twelve Months Ended March 31, 2022
	Estimated	Estimated	Estimated	Actual	Actual	Actual
Net Sales						
Healthcare	$153.6	$ 443.6	$ 602.9	$148.6	$ 403.0	$ 525.7
Consumer Products	309.8	931.4	1,248.4	315.9	802.7	968.0
Total Net Sales	$463.4	$1,375.0	$1,851.3	$464.5	$1,205.7	$1,493.7
Combined Net Sales:						
Healthcare	$153.6	$ 443.6	$ 602.9	$148.7	$ 406.6	$ 531.5
Consumer Products	309.3	957.5	1,294.9	336.0	951.9	1,245.5
Total Combined Net Sales	$463.0	$1,401.1	$1,897.8	$484.7	$1,358.5	$1,777.1
Management Adjusted EBITDA						
Healthcare	$ 33.4	$ 90.3	$ 125.0	$ 34.4	$ 87.9	$ 117.7
Consumer Products	62.1	197.8	266.5	67.3	162.2	198.8
Corporate	(8.0)	(26.7)	(36.6)	(9.1)	(27.4)	(36.3)
Total Management Adjusted EBITDA	$ 87.5	$ 261.4	$ 354.9	$ 92.6	$ 222.7	$ 280.2
Combined Adjusted EBITDA						
Healthcare	$ 33.4	$ 90.3	$ 123.7	$ 33.1	$ 86.2	$ 115.5
Consumer Products	62.5	202.3	275.3	72.4	193.6	253.8
Corporate[(1)]	(8.0)	(26.7)	(34.8)	(7.3)	(22.7)	(29.8)
Total Combined Adjusted EBITDA	$ 87.9	$ 265.9	$ 364.2	$ 98.2	$ 257.1	$ 339.4

(1) Corporate represents certain overhead and other expenses not attributable to other divisions.

Third quarter of fiscal year 2023 Combined Net Sales, Management Adjusted EBITDA and Combined Adjusted EBITDA were impacted by several factors. In both of our divisions, price increases implemented to negate rising input costs were offset by volume declines caused by customer de-stocking efforts as supply chains stabilize post-COVID. In the Healthcare division, we experienced slight growth over the prior year quarter. In the Consumer Products division, customer destocking efforts impacted results more than the positive impact of price increases. Both of our divisions' results were negatively impacted by foreign exchange costs.

Because we have not yet completed our financial closing procedures and because of the forward-looking nature of the estimated Management Adjusted EBITDA and Combined Adjusted EBITDA presented above, we do not have specific quantifications of the amounts that would be required to provide a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Management Adjusted EBITDA and Combined Adjusted EBITDA for the three months, nine months and twelve months ended March 31, 2023. We believe that there is a degree of variability with respect to certain of the GAAP measures and certain adjustments made to arrive at the relevant non-GAAP measure that precludes us from providing an accurate preliminary estimate of a GAAP to non-GAAP reconciliation without unreasonable effort or expense. As a result, we believe that providing estimates of the amounts that would be required to reconcile the amounts of Management Adjusted EBITDA and Combined Adjusted EBITDA to net income would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above. For the definition of Management Adjusted EBITDA and Combined Adjusted EBITDA and related disclosure, including a reconciliation of our historical net income to Management Adjusted EBITDA and Combined Adjusted EBITDA for the year ended June 30, 2022 and the six months ended December 31, 2022, see "—Summary Consolidated Historical Financial Data" in this offering circular.

Set forth below is a reconciliation of (i) our historical net income to Management Adjusted EBITDA and Combined Adjusted EBITDA for the three months, nine months and twelve months ended March 31, 2022, (ii) our EBITDA to Management Adjusted EBITDA and Combined Adjusted EBITDA for the three months, nine months and twelve months ended March 31, 2023 and (iii) our Net Sales to Combined Net Sales for the three months, nine months and twelve months ended March, 31, 2022 and March 31, 2023.

	Three Months Ended March 31, 2022	Nine Months Ended March 31, 2022	Twelve Months Ended March 31, 2022
Healthcare:			
Net income	$ 21.5	$ 67.1	$ 80.1
Interest expense, net	0.9	3.0	4.1
Income taxes	1.0	2.9	7.5
Depreciation & amortization	9.4	28.0	37.6
EBITDA	$ 32.8	$ 101.0	$ 129.4
Total other adjustments(1)	1.5	(13.0)	(11.8)
Management Adjusted EBITDA	$ 34.4	$ 87.9	$ 117.7
Healthcare Acquisition Stand-alone Management Adjusted EBITDA(2)	—	0.6	1.0
Healthcare Acquisition Synergies(3)	0.1	0.7	1.1
Reorganization adjustments(4)	(1.3)	(3.1)	(4.3)
Combined Adjusted EBITDA	$ 33.1	$ 86.2	$ 115.5
Consumer Products:			
Net income	$ 39.5	$ 63.2	$ 80.9
Interest expense, net	7.6	19.9	23.1
Income taxes	4.8	12.0	11.0
Depreciation & amortization	21.5	56.7	70.1
EBITDA	$ 73.4	$ 151.8	$ 185.1
Total other adjustments(1)	(6.0)	10.4	13.7
Management Adjusted EBITDA	$ 67.3	$ 162.2	$ 198.8
Consumer Products Acquisition Stand-alone Management Adjusted EBITDA(5)	4.1	28.3	50.2
Consumer Products Acquisition Synergies(6)	1.4	4.7	6.8
Reorganization adjustments(4)	(0.4)	(1.6)	(2.1)
Combined Adjusted EBITDA	$ 72.4	$ 193.6	$ 253.8
Corporate and Other:			
Net income	$(41.0)	$(102.5)	$(132.1)
Interest expense, net	26.1	72.0	91.3

	Three Months Ended March 31, 2022	Nine Months Ended March 31, 2022	Twelve Months Ended March 31, 2022
Income taxes	6.8	(11.4)	(18.8)
Depreciation & amortization	0.7	2.1	2.8
EBITDA	$ (7.4)	$ (39.9)	$ (56.8)
Total other adjustments(1)	(1.8)	12.4	20.4
Management Adjusted EBITDA	$ (9.1)	$ (27.4)	$ (36.3)
Reorganization adjustments(4)	1.7	4.6	6.4
Combined Adjusted EBITDA	$ (7.3)	$ (22.7)	$ (29.8)

(1) Total other adjustments for our Healthcare and Consumer Products divisions include adjustments for non-cash items, foreign exchange items, non-recurring costs for acquisitions, one-time facility costs and other non-recurring items, each as described below in the reconciliations of our net income (loss) to EBITDA and Management Adjusted EBITDA.

(2) Represents the pre-acquisition Management Adjusted EBITDA of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare Acquisition Stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(3) Represents the expected but unrealized synergies of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(4) Represents costs attributed to the reorganization of the Company's divisions.

(5) Represents the pre-acquisition Management Adjusted EBITDA of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Ematec represents $4.2 million of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA for the three months ended March 31, 2022, and Grupo Phoenix represents $16.1 million and $33.0 million of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA for the nine months and twelve months ended March 31, 2022, respectively. The presentation of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(6) Represents the expected but unrealized synergies of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022. The Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $1.1 million, $3.2 million, and $4.8 million of the Consumer Products acquisition synergies for the three months, nine months and twelve months ended March 31, 2022, respectively. The presentation of Consumer Products acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2023	Twelve Months Ended March 31, 2023
Healthcare:			
EBITDA	$ 31.0	$ 85.8	$119.3
Total other adjustments(1)	2.5	4.5	5.7
Management Adjusted EBITDA	$ 33.4	$ 90.3	$125.0
Reorganization adjustments(2)	—	—	(1.3)
Combined Adjusted EBITDA	$ 33.4	$ 90.3	$123.7
Consumer Products:			
EBITDA	$ 61.6	$174.5	$222.5
Total other adjustments(1)	0.5	23.3	44.0
Management Adjusted EBITDA	$ 62.1	$197.8	$266.5
Consumer Products Acquisition Stand-alone Management Adjusted EBITDA(3)	—	3.7	7.7
Consumer Products Acquisition Synergies(4)	0.4	0.8	1.6
Reorganization adjustments(2)	—	—	(0.5)
Combined Adjusted EBITDA	$ 62.5	$202.3	$275.3

	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2023	Twelve Months Ended March 31, 2023
Corporate and Other:			
EBITDA	$(16.2)	$ (50.1)	$ (49.5)
Total other adjustments(1)	8.2	23.4	12.9
Management Adjusted EBITDA	$ (8.0)	$ (26.7)	$ (36.6)
Reorganization adjustments(2)	—	—	1.8
Combined Adjusted EBITDA	$ (8.0)	$ (26.7)	$ (34.8)

(1) Total other adjustments for our Healthcare and Consumer Products divisions include adjustments for non-cash items, foreign exchange items, non-recurring costs for acquisitions, one-time facility costs and other non-recurring items, each as described below in the reconciliations of our net income (loss) to EBITDA and Management Adjusted EBITDA.

(2) Represents costs attributed to the reorganization of the Company's divisions.

(3) Represents the pre-acquisition Management Adjusted EBITDA of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Ematec represents $3.7 million and $7.7 million of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA for the nine months and twelve months ended March 31, 2023, respectively. The presentation of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(4) Represents the expected but unrealized synergies of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Ematec represents $0.4 million and $0.4 million of the Consumer Products acquisition synergies for the three months and nine months ended March 31, 2023, respectively, and Grupo Phoenix represents $0.9 million of Consumer Products acquisition synergies for the twelve months ended March 31, 2023. The presentation of Consumer Products acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

	Three Months Ended March 31, 2022	Nine Months Ended March 31, 2022	Twelve Months Ended March 31, 2022	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2023	Twelve Months Ended March 31, 2023
Healthcare:						
Healthcare Net Sales	$148.6	$403.0	$ 525.7	$153.6	$443.6	$ 602.9
Healthcare Acquisition Stand-alone Net Sales(1)	—	3.0	5.0	—	—	—
Healthcare Acquisition Synergies(2)	0.1	0.6	0.8	—	—	—
Healthcare Combined Net Sales	$148.7	$406.6	$ 531.5	$153.6	$443.6	$ 602.9
Consumer Products:						
Consumer Product Net Sales	$315.9	$802.7	$ 968.0	$309.8	$931.4	$1,248.4
Consumer Products Acquisition Stand-alone Net Sales(3)	20.1	149.3	277.5	(0.5)	26.1	46.5
Consumer Products Combined Net Sales	$336.0	$951.9	$1,245.5	$309.3	$957.5	$1,294.9

(1) Represents the pre-acquisition net sales of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare Acquisition Stand-alone Net Sales has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

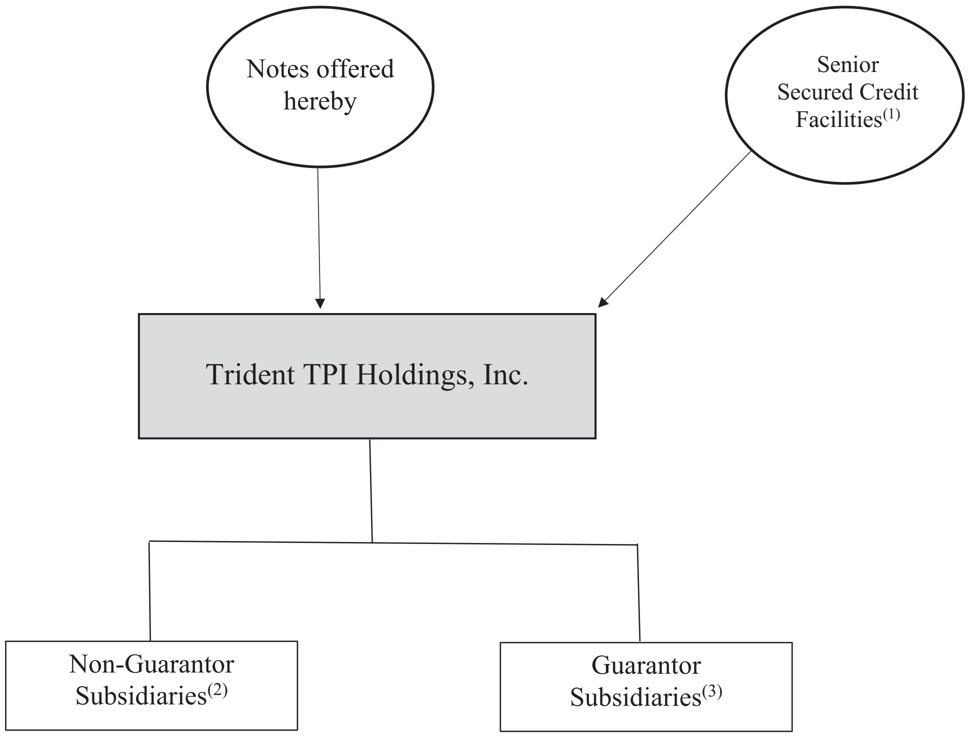
(2) Represents the expected but unrealized synergies of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(3) Represents the pre-acquisition net sales of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the

M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Ematec represents $20.0 million of Consumer Products Acquisition Stand-alone Net Sales for the three months ended March 31, 2022, and Grupo Phoenix represents $85.8 million and $187.0 million of Consumer Products Acquisition Stand-alone Net Sales for the nine months and twelve months ended March 31, 2022, respectively. Ematec represents $27.8 million and $48.8 million of Consumer Products Acquisition Stand-alone Net Sales for the nine months and twelve months ended March 31, 2023, respectively. The presentation of Consumer Products Acquisition Stand-alone Net Sales has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

Our Organizational Structure

The following chart illustrates a simplified organizational structure and principal indebtedness expected to be in place immediately following the Refinancing.



(1) See "Description of Certain Other Indebtedness — New Term Loan Facility" and "Description of Certain Other Indebtedness — ABL Facility".

(2) For the six months ended December 31, 2022 (after giving effect to the subsequent joinder of certain subsidiaries as guarantors of our existing ABL Facility and Term Loan Facility), our non-guarantor subsidiaries represented approximately 36% of our consolidated Net Sales, and as of December 31, 2022, our non-guarantor subsidiaries represented approximately 50% of our consolidated current assets, approximately 47% of our consolidated property, plant and equipment, net and approximately 8% of our consolidated total liabilities.

(3) The Issuer's obligations under the notes will also be guaranteed on a senior unsecured basis by all of its existing and future subsidiaries that will guarantee (or otherwise be an obligor under) the Senior Secured Credit Facilities, subject to certain exceptions. See "Description of Notes".

Corporate Information

Tekni-Plex, Inc. is a Delaware corporation. Our executive offices are located at 460 E. Swedesford Road, Suite 3000, Wayne, PA 19087, and our telephone number at that location is (484) 690-1520. Our website address is www.tekni-plex.com. The information on our website is not a part of this offering circular and is not incorporated by reference into this offering circular.

The Offering

The following summary of the terms of this offering is provided solely for your convenience. This summary contains basic information about the principal terms of the notes and is not intended to be complete. For a more detailed description of the notes, including the definitions for certain terms used in this summary, see "Description of Notes".

Issuer	Trident TPI Holdings, Inc.
Notes offered	$620 million aggregate principal amount of 12.750% Senior Notes due December 31, 2028.
Interest	The notes will bear interest at an annual rate of 12.750%. Interest is payable semi-annually in cash in arrears on June 30 and December 31 of each year, beginning on December 31, 2023.
Maturity date	December 31, 2028
Guarantees	The notes will be guaranteed on a senior unsecured basis by each of the Issuer's existing and future wholly owned domestic subsidiaries to the extent such entities guarantee (or are otherwise an obligor under) our Senior Secured Credit Facilities, subject to certain exceptions. See "Description of Notes — Guarantees". For the six months ended December 31, 2022 (after giving effect to the subsequent joinder of certain subsidiaries as guarantors of our existing ABL Facility and Term Loan Facility), our non-guarantor subsidiaries represented approximately 36% of our consolidated Net Sales, and as of December 31, 2022, our non-guarantor subsidiaries represented approximately 50% of our consolidated current assets, approximately 47% of our consolidated property, plant and equipment, net and approximately 8% of our consolidated total liabilities.
Ranking	The notes and the guarantees will be: • general unsecured senior obligations of the Issuer and the guarantors; • *pari passu* in right of payment with the Issuer's and the guarantors' existing and future senior unsecured indebtedness; • effectively subordinated to Issuer's existing and future secured obligations and those of the guarantors, including the Senior Secured Credit Facilities, to the extent of the value of the assets securing such obligations; • senior in right of payment to any of the Issuer's and the guarantors' future subordinated indebtedness; and • structurally subordinated to all existing and future indebtedness, claims of holders of Preferred Stock and other liabilities of the Issuer's subsidiaries that do not guarantee the notes. As of December 31, 2022, on an as adjusted basis to give effect to the Acquisition Transactions and the Refinancing,

	which includes the offering of the notes and the application of the proceeds thereof (before deducting estimated original issue discount and debt issuance costs), the notes and related guarantees ranked effectively junior to approximately $1,850 million (in dollar equivalent amount) of senior secured indebtedness under our Senior Secured Credit Facilities and domestic capital lease obligations and other debt.
Special redemption	At any time on or prior to June 30, 2024, in the event of a change of control, the Issuer may redeem all or a portion of the notes then outstanding at a redemption price equal to 109% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (the "Special Redemption"); provided that the Special Redemption occurs within 120 days of the change of control, provided further that in the event that such Special Redemption is for less than all outstanding notes, at least $250 million of the aggregate principal of notes (including any additional notes) remains outstanding immediately following such Special Redemption. See "Description of Notes — Optional Redemption".
Optional redemption	We may redeem all or a portion of the notes at any time prior to December 31, 2025 at a price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, plus the applicable premium described under "Description of Notes — Optional Redemption". We have the option to redeem all or a portion of the notes at any time on or after December 31, 2025 at the redemption prices set forth under "Description of Notes — Optional Redemption" plus accrued and unpaid interest to, but excluding, the redemption date. In addition, prior to December 31, 2025, we may redeem on one or more occasions up to 40% of the aggregate principal amount of the notes issued under the indenture subject to certain conditions at a redemption price equal to 112.75% of the principal amount redeemed, plus accrued and unpaid interest to, but excluding, the redemption date with the aggregate principal amount so redeemed not to exceed net cash proceeds from certain equity offerings. See "Description of Notes — Optional Redemption".
Change of control	If a change of control occurs, each holder of notes will have the right to require the Issuer to purchase all or a portion of its notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase subject to certain exceptions. See "Description of Notes — Change of Control".
Certain covenants	The indenture governing the notes will contain covenants that, among other things, will limit the Issuer's ability and the ability of our restricted subsidiaries to: • declare or pay any dividends on the equity interests of the Issuer, or any of its restricted subsidiaries, or purchase, redeem, defease or otherwise acquire or retire for value any such equity interests;

- incur additional indebtedness or issue certain capital stock;
- pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock;
- incur certain liens;
- merge, amalgamate, consolidate or sell all or substantially all of our assets;
- engage in transactions with our affiliates;
- make investments, loans, advances and acquisitions;
- prepay, redeem or repurchase certain debt; and
- enter into agreements restricting our restricted subsidiaries' ability to pay dividends or make other distributions.

These covenants are subject to a number of important limitations and exceptions. See "Description of Notes — Certain Covenants".

Transfer restrictions	The notes have not been, and will not be, registered under the Securities Act and are subject to restrictions on transfer. You may not sell the notes absent the registration thereof or an available exemption from registration. There can be no assurance as to the development or liquidity of any trading market for the notes. See "Transfer Restrictions" and "Plan of Distribution".
No public market	The notes are a new issue of securities for which there is currently no market. Although the initial purchasers have informed us that they intend to make a market in the notes, they are not obligated to do so, and they may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.
Use of proceeds	We plan to use the net proceeds from this offering together with the proceeds of the New Term Loan Facility (i) to repay all of the outstanding indebtedness in respect of the Dollar Term Loan Tranche and the Euro Term Loan Tranche (in each case, under the Term Loan Facility), (ii) to repay certain outstanding indebtedness under the ABL Facility, (iii) to redeem all of the outstanding 2024 Notes and 2025 Notes, (iv) to pay fees and expenses related to the foregoing and the offering of the notes hereby and (v) for general corporate purposes. See "Use of Proceeds".
No registration rights	The notes will not have the benefit of any registration rights and we do not intend to register the notes with the SEC in the future.
Listing	We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system.
Risk factors	You should consider carefully the information set forth in the section entitled "Risk Factors" and all other information contained in this offering circular before deciding to invest in the notes.

Certain U.S. Federal Income Tax Considerations	The Notes will be treated as having been issued with original issue discount (“OID”) for U.S. federal income tax purposes. An obligation generally is treated as having been issued with OID if its stated principal amount exceeds its issue price by at least a statutorily defined de minimis amount. Investors subject to U.S. federal income tax will be subject to tax on that OID as ordinary income as it accrues, in advance of the receipt of cash payments attributable to that income (and in addition to qualified stated interest), using the constant yield method. See “Certain U.S. Federal Income Tax Considerations”.

Summary Financial Information

The following table sets forth our summary historical consolidated financial information for the dates and periods indicated. Unless otherwise specified or the context otherwise requires: (i) "fiscal year 2020" refers to the fiscal year ended June 30, 2020; (ii) "fiscal year 2021" refers to the fiscal year ended June 30, 2021; (iii) "fiscal year 2022" refers to the fiscal year ended June 30, 2022; (iv) the terms "we", "our", "ours", "us", "Tekni-Plex" and the "Company" refer to Tekni-Plex, Inc. and its subsidiaries; and (v) financial amounts are presented in millions, unless otherwise indicated. The financial data set forth below should be read in conjunction with, and is qualified by reference to, the "Presentation of Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors", as well as our audited and unaudited consolidated financial statements and related notes included elsewhere in this offering circular.

Statement of Operations Data:

The summary statement of income data and cash flows data set forth below for the fiscal years ended June 30, 2022, June 30, 2021 and June 30, 2020 and the summary consolidated balance sheets data set forth below as of December 31, 2022, June 30, 2022 and June 30, 2021 are derived from our audited and unaudited consolidated financial statements for such period presented elsewhere in this offering circular. The interim financial information for the six-month periods ended December 31, 2021 and as of December 31, 2022 are derived from our unaudited financial statements presented elsewhere in this offering circular. Our financial results for the six and twelve months ended December 31, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2023, and you should not assume the financial results for any past periods are indicative of results for any future period. In addition, we have presented certain summary financial information for the twelve months ended December 31, 2022, which we calculated by taking our results of operations for the fiscal year ended June 30, 2022, adding to it the results of operations for the six months ended December 31, 2022 and deducting from it the results of operations for the six months ended December 31, 2021. The financial information for the twelve months ended December 31, 2022 does not comply with GAAP and is not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2023, and should not be used as the basis for or prediction of an annualized calculation. This data has been prepared solely for the purpose of this offering circular and is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed by our auditors.

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(non-GAAP) (unaudited)
Net Sales	$1,040.8	$1,075.1	$1,681.9	$741.1	$911.5	$1,852.3
Cost of goods sold	791.8	790.1	1,286.9	565.9	697.8	1,418.8
Gross Profit	249.0	285.0	395.0	175.2	213.7	433.5
Selling, general and administrative expenses	182.3	194.7	286.7	138.1	153.3	301.9
Impairments	—	2.2	—	—	—	—
Income from operations	66.7	88.1	108.3	37.1	60.4	131.6
Interest expense, net	103.3	95.3	129.4	60.3	88.0	157.1
Other expense (income), net	10.2	(5.1)	(45.2)	(21.8)	20.2	(3.2)
Income (loss) before income taxes	(46.8)	(2.1)	24.1	(1.4)	(47.8)	(22.3)
Provision (benefit) for income taxes	4.7	(8.8)	0.2	(9.1)	5.6	14.9
Net income (loss)	$ (51.5)	$ 6.7	$ 23.9	$ 7.7	$ (53.4)	$ (37.2)

Balance Sheet Data:

	As of June 30, 2021	As of June 30, 2022	As of December 31, 2022
	(audited)	(audited)	(unaudited)
Cash and cash equivalents	$ 90.6	$ 24.8	$ 43.7
Accounts receivable, net of allowances	131.0	236.9	215.6
Inventories, net	163.2	262.3	297.6
Prepaid expenses and other current assets	16.9	24.5	29.7
Property, plant and equipment, net	383.1	684.9	741.7
Operating lease right of use assets, net	—	—	98.6
Deferred taxes	0.8	1.1	4.8
Goodwill	883.9	1,198.3	1,299.5
Intangible assets	722.9	939.1	905.4
Other long-term assets	3.2	15.8	18.8
Total assets	$2,395.6	$3,387.7	$3,655.4
Total debt	1,516.1	2,290.0	2,470.8
Net debt[(1)]	$1,425.5	$2,265.2	$2,427.1

(1) Net debt is equal to total debt less cash and cash equivalents.

Statement of Cash Flows:

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(non-GAAP) (unaudited)
Net cash provided by operating activities	$ 77.6	$ 71.5	$ 21.9	$ (10.7)	$ 36.9	$ 69.5
Net cash (used in) investing activities	(191.1)	(54.2)	(810.7)	(760.3)	(175.9)	(226.3)
Net cash provided by (used in) financing activities	78.1	(9.5)	724.6	738.5	158.8	144.9
Depreciation expense	53.8	45.1	77.3	29.1	45.8	94.0
Capital expenditures	(38.7)	(68.5)	(66.9)	(25.8)	(39.6)	(80.7)
Amortization of goodwill and intangible assets	$ 50.4	$ 51.3	$ 64.3	$ 26.2	$ 47.7	$ 85.8

Net Sales Data By Division:

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(non-GAAP) (unaudited)
Net Sales[1]:						
Healthcare	$ 451.1	$ 425.2	$ 562.3	$254.4	$290.0	$ 597.9
Consumer Products	589.7	649.9	1,119.6	486.8	621.5	1,254.4
Total Net Sales	$1,040.8	$1,075.1	$1,681.9	$741.1	$911.5	$1,852.3
Healthcare Acquisition Stand-alone Net Sales[2]	4.4	4.3	2.9	2.9	—	—
Healthcare Acquisition Synergies[3]	1.1	1.1	0.6	0.5	—	0.1
Consumer Products Acquisition Stand-alone Net Sales[4]	462.1	487.3	169.7	129.2	26.6	67.1
Combined Net Sales (non-GAAP)[5]:						
Healthcare	456.6	430.5	565.8	257.8	290.0	598.0
Consumer Products	1,051.8	1,137.1	1,289.4	616.0	648.1	1,321.5
Total Combined Net Sales	$1,508.4	$1,567.6	$1,855.2	$873.8	$938.1	$1,919.5

(1) At the beginning of fiscal year 2022, the Company reorganized its lines of business into two divisions: Healthcare and Consumer Products. Previously, the Company had been organized under three lines of business: Healthcare, Specialty Packaging and Food Packaging. The presentation for fiscal year ended 2020 has been recast and prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(2) Represents the pre-acquisition net sales of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare Acquisition Stand-alone Net Sales has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(3) Represents the expected but unrealized synergies of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(4) Represents the pre-acquisition net sales of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented and includes the pre-acquisition net sales of MMC for fiscal year 2020, which was acquired during that period. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $363.7 million, $377.1 million, $86.1 million, and $85.8 million of Consumer Products Acquisition Stand-alone Net Sales for fiscal year 2020, fiscal year 2021, fiscal year 2022 and the six months ended December 31, 2021, respectively. Ematec represents $27.8 million and $68.8 million of Consumer Products Acquisition Stand-alone Net Sales for the six months ended December 31, 2022 and for the twelve months ended December 31, 2022, respectively. The presentation of Consumer Products Acquisition Stand-alone Net Sales has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(5) Combined Net Sales by division represents Net Sales plus the applicable Acquisition Stand-alone Net Sales and the expected but unrealized acquisition synergies for each respective division for the periods presented and has not been reviewed or audited by our auditors.

Quarterly Combined Net Sales:

	Quarter Ended					
	September 30, 2021	December 31, 2021	March 30, 2022	June 30, 2022	September 30, 2022	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net Sales	$303.4	$437.8	$464.5	$476.3	$454.2	$457.3
Stand-alone Net Sales(1)	114.3	17.7	20.2	20.4	20.4	6.2
Synergies(2)	0.3	0.3	—	—	—	—
Combined Net Sales	$418.0	$455.8	$484.7	$496.7	$474.6	$463.5

(1) Represents the pre-acquisition net sales of each of Grupo Phoenix, Keyes Packaging, M-Industries, JPG, Fibro Corporation and Ematec for each of the periods presented and includes the pre-acquisition net sales of MMC for fiscal year 2020, which was acquired during that period. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $86.1 million of Stand-alone Net Sales for the quarter ended September 30, 2021. Ematec represents $18.0 million, $20.0 million, $21.0 million, $21.0 million, and $6.8 million of Stand-alone Net Sales for the quarters ended December 31, 2021, March 30, 2022, June 30, 2022, September 30, 2022 and quarter ended December 31, 2022, respectively. The presentation of Stand-alone Net Sales has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(2) Represents the expected but unrealized synergies of acquisitions for each of the periods presented. The presentation of synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

Management Adjusted EBITDA By Division:

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)
Management Adjusted EBITDA:						
Healthcare	$105.2	$ 98.2	$122.6	$ 53.6	$ 56.9	$125.9
Consumer Products	135.7	156.8	230.9	94.9	135.7	271.7
Corporate(1)	(33.7)	(35.1)	(37.2)	(18.3)	(18.8)	(37.7)
Total Management Adjusted EBITDA	$207.2	$219.9	$316.3	$130.2	$173.8	$359.9

(1) Corporate represents certain overhead and other expenses not attributable to our other divisions.

The following table reconciles our Management Adjusted EBITDA and Combined Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure.

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Healthcare:						
Net income	$ 46.3	$ 58.4	$ 84.2	$ 45.6	$ 32.2	$ 70.8
Interest expense, net	6.8	5.2	3.8	2.1	1.2	2.9
Income taxes	6.0	7.5	8.4	1.8	2.3	8.9
Depreciation & amortization	37.5	38.1	38.0	18.7	19.2	38.5
EBITDA	$ 96.6	$ 109.2	$ 134.4	$ 68.2	$ 54.9	$ 121.1
Total other adjustments(1)	8.6	(11.0)	(11.8)	(14.6)	2.0	4.8
Management Adjusted EBITDA	$ 105.2	$ 98.2	$ 122.6	$ 53.6	$ 56.9	$ 125.9
Healthcare Acquisition Stand-alone Management Adjusted EBITDA(2)	(10.8)	0.3	0.6	0.6	—	—
Healthcare Acquisition Synergies(3)	1.4	1.4	0.7	0.6	—	0.1
Reorganization adjustments(4)	—	(4.1)	(4.4)	(1.8)	—	(2.6)
Combined Adjusted EBITDA	$ 95.9	$ 95.8	$ 119.6	$ 53.1	$ 56.9	$ 123.4
Consumer Products:						
Net income	$ 34.7	$ 70.5	$ 73.8	$ 23.8	$ 28.7	$ 78.7
Interest expense, net	15.4	13.0	26.9	12.3	19.8	34.4
Income taxes	7.1	7.9	(1.6)	7.2	4.6	(4.2)
Depreciation & amortization	63.2	55.3	100.7	35.2	59.7	125.2
EBITDA	$ 120.4	$ 146.7	$ 199.8	$ 78.5	$ 112.8	$ 234.1
Asset impairment	—	2.2	—	—	—	—
Total other adjustments(1)	15.3	7.9	31.1	16.4	22.9	37.6
Management Adjusted EBITDA	$ 135.7	$ 156.8	$ 230.9	$ 94.9	$ 135.7	$ 271.7
Consumer Products Acquisition Stand-alone Management Adjusted EBITDA(5)	87.6	93.1	32.2	24.1	3.7	11.9
Consumer Products Acquisition Synergies(6)	8.7	8.7	5.5	3.3	0.3	2.6
Reorganization adjustments(4)	—	(2.0)	(2.1)	(1.1)	—	(1.0)
Combined Adjusted EBITDA	$ 232.1	$ 256.5	$ 266.5	$121.2	$ 139.8	$ 285.2
Corporate and Other:						

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net loss	$(132.5)	$(122.3)	$(134.2)	$ (61.6)	$(114.3)	$(186.9)
Interest expense, net	81.2	77.1	98.7	45.9	67.0	119.8
Income taxes	(8.4)	(24.2)	(6.6)	(18.2)	(1.3)	10.3
Depreciation & amortization	3.5	3.1	2.9	1.4	14.6	16.1
EBITDA	$ (56.2)	$ (66.3)	$ (39.2)	$ (32.5)	$ (34.0)	$ (40.7)
Asset impairment	—	—	—	—	—	—
Total other adjustments(1)	22.5	31.2	2.0	14.2	15.2	3.0
Management Adjusted EBITDA	$ (33.7)	$ (35.1)	$ (37.2)	$ (18.3)	$ (18.8)	$ (37.7)
Reorganization adjustments(4)	—	6.2	6.4	2.9	—	3.6
Combined Adjusted EBITDA	$ (33.7)	$ (28.9)	$ (30.8)	$ (15.4)	$ (18.8)	$ (34.1)

(1) Total other adjustments for our Healthcare and Consumer Products divisions include adjustments for non-cash items, foreign exchange items, non-recurring costs for acquisitions, one-time facility costs and other non-recurring items, each as described below in the reconciliations of our net income (loss) to EBITDA and Management Adjusted EBITDA.

(2) Represents the pre-acquisition Management Adjusted EBITDA of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare Acquisition Stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(3) Represents the expected but unrealized synergies of JPG for each of the periods presented. The JPG Transaction occurred during fiscal year 2022. The presentation of Healthcare acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(4) Represents costs attributed to the reorganization of the Company's divisions.

(5) Represents the pre-acquisition Management Adjusted EBITDA of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented and includes the Management Adjusted EBITDA of MMC for the fiscal year 2020, which was acquired during that period. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $67.5 million, $71.4 million, $16.0 million, and $16.0 million of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA for the fiscal year 2020, fiscal year 2021, fiscal year 2022 and for the six months ended December 31, 2021, respectively. Ematec represents $3.7 million and $11.9 million of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA for the six months and for the twelve months ended December 31, 2022, respectively. The presentation of Consumer Products Acquisition Stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(6) Represents the expected but unrealized synergies of each of Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented and includes the expected but unrealized synergies of MMC for the fiscal year 2020, which was acquired during that period. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022. The Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $6.5 million, $6.5 million, $3.9 million, $2.3 million, $0.3 million and $1.9 million of the Consumer Products acquisition synergies for the fiscal year 2020, fiscal year 2021, fiscal year 2022, the six months ended December 31, 2021, the six months ended December 31, 2022 and for twelve months ended December 31, 2022, respectively. The presentation of Consumer Products acquisition synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

Summary Non-GAAP Financial Information and Combined Data

The following table sets forth certain of our summary non-GAAP financial information and as adjusted data for the periods presented. The "As Adjusted" data shows the effect of the Refinancing, assuming issuance of the notes at par and including the placing of the excess proceeds from this offering on our balance sheet pending their use. See "Use of Proceeds". The financial data set forth below should be read in conjunction with, and is qualified by reference to, the disclosure around use of non-GAAP metrics discussed under "Presentation of Financial Information — Non-GAAP, Combined and As Adjusted Financial Measures and Division Information", "Capitalization", "Risk Factors", as well as our audited and unaudited consolidated financial statements and related notes that appear elsewhere in this offering circular.

	As of December 31, 2022	
	Actual	As Adjusted
	(unaudited) (dollars in millions)	
Cash and cash equivalents	$ 43.7	$ 46.7
Adjusted first-lien net debt(1)	1,778.6	1,803.8
Adjusted net debt(2)	2,427.1	2,467.3
Management Adjusted EBITDA(3)	359.9	359.9
Combined Adjusted EBITDA(3)		374.5
Selected Ratios:(3)		
Ratio of Adjusted first-lien net debt to Management Adjusted EBITDA	4.9x	
Ratio of Adjusted net debt to Management Adjusted EBITDA	6.7x	
Ratio of as-adjusted first-lien net debt to Combined Adjusted EBITDA		4.8x
Ratio of as-adjusted net debt to Combined Adjusted EBITDA		6.6x

(1) Adjusted first-lien net debt represents outstanding first-lien debt principal balances at December 31, 2022 including U.S. capital lease obligations and receivable-based borrowing (before deducting estimated original issue discount and debt issuance costs), less cash and cash equivalents and excluding foreign capital lease obligations and arrangements deemed to be cash management vehicles. Euro-denominated first lien debt has been translated using an exchange rate of €1.00 to $1.0724.

(2) Adjusted net debt represents our outstanding debt principal balances at December 31, 2022, less cash and cash equivalents (before deducting estimated original issue discount and debt issuance costs).

(3) EBITDA, Management Adjusted EBITDA, Combined Adjusted EBITDA and the ratios related thereto are non-GAAP financial measures. Not all companies use identical calculations and, therefore, our presentation of Management Adjusted EBITDA and Combined Adjusted EBITDA and the ratios related thereto may not be comparable to similarly titled measures of other companies, including companies in our industry. Further, as described in more detail in notes to the tables set forth below, our Management Adjusted EBITDA and Combined Adjusted EBITDA are based on a number of assumptions and estimates. Our GAAP results of operations for each of the periods presented are significantly different from our Management Adjusted EBITDA and Combined Adjusted EBITDA for those same periods. EBITDA, Management Adjusted EBITDA and Combined Adjusted EBITDA are only used by us for supplemental purposes and should not be considered as measures of discretionary cash available to us to invest in the growth of our business. See "Presentation of Financial Information — Non-GAAP, Combined and As Adjusted Financial Measures and Division Information" and "Risk Factors — Risks Related To The Notes and This Offering — The unaudited as adjusted and other non-GAAP financial information presented in this offering circular is based on management estimates and assumptions that may prove to be incorrect". We have further adjusted our Management Adjusted EBITDA to include the standalone Management Adjusted EBITDA contribution of each of Grupo Phoenix, M-Industries, Keyes Packaging, JPG, Fibro Corporation and Ematec as well as certain synergies expected to be realized and implemented in connection with the Acquisition Transactions under the caption "Combined Adjusted EBITDA". These non-GAAP measures are not presented in accordance with GAAP, and our computation of these non-GAAP measures may vary from similarly-titled measures or ratios used by other companies. The following table reconciles each of these metrics to our net income, the most comparable GAAP measure (in millions).

	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)	(non-GAAP) (unaudited)
Net income (loss)	$ (51.5)	$ 6.7	$ 23.9	$ 7.7	$ (53.4)	$ (37.2)
Interest expense, net	103.3	95.3	129.4	60.3	88.0	157.1
Income taxes	4.7	(8.8)	0.2	(9.1)	5.6	14.9
Depreciation and amortization	104.2	96.4	141.6	55.3	93.5	179.8
EBITDA	$160.7	$189.6	$295.1	$114.2	$133.7	$314.6
Impairment	—	2.2	—	—	—	—
Non-cash items[(a)]	13.5	2.7	12.5	4.8	—	7.7
Closure, exit and carrying costs[(b)]	—	—	1.9	1.0	2.2	3.1
Other non-recurring costs[(c)]	8.7	5.6	3.8	0.9	3.3	6.2
Merger and acquisition costs[(d)]	8.3	7.9	18.5	12.7	4.1	9.9
Foreign exchange (gains) losses[(e)]	10.9	9.3	(26.0)	(3.7)	19.7	(2.6)
Other defined addbacks[(f)]	5.1	2.6	10.5	0.3	10.8	21.0
Management Adjusted EBITDA	$207.2	$219.9	$316.3	$130.2	$173.8	$359.9
Stand-alone Management Adjusted EBITDA[(g)]	76.9	93.4	32.8	24.7	3.7	11.9
Synergies[(h)]	10.1	10.1	6.2	3.9	0.3	2.7
Combined Adjusted EBITDA	$294.2	$323.4	$355.4	$158.9	$177.9	$374.5
Capital expenditures[(i)]	9.8	53.8	54.7	13.7	37.7	78.7
Combined free cash flow[(j)]	$284.4	$269.6	$300.7	$145.2	$140.2	$295.8
Management Adjusted EBITDA	$207.2	$219.9	$316.3	$130.2	$173.8	$359.9
Capital expenditures[(i)]	9.8	53.8	54.7	13.7	37.7	78.7
Free cash flow[(k)]	$197.4	$166.1	$261.6	$116.5	$136.1	$281.2

(a) Includes $7.9 million in the twelve months ended December 31, 2022 and in fiscal year 2022 related to the non-cash impact of the increase in cost of goods sold resulting from the step-up in inventory book values recorded in conjunction with the purchase accounting associated with the Acquisition Transactions. Other items included in this line item are stock option expenses, accretion of asset retirement obligations and contingent or deferred purchase price consideration, equity income in joint venture and other non-cash items.

(b) Includes closure, exit and carrying costs relating to expenditures resulting from the decision to close or cease operations.

(c) Other non-recurring costs not included in any of the foregoing addbacks, including, but not limited to, costs incurred for mergers and acquisitions, integration costs associated with recent acquisitions, start-up at new facilities and other restructuring and synergy costs. For fiscal year 2022, this line item included $17.3 million of mergers and acquisitions costs incurred for JPG Transaction, the Grupo Phoenix Transaction, the Keyes Packing Transaction, the M-Industries Transaction and the Fibro Corporation Transaction which closed during fiscal year 2022.

(d) Includes transaction costs incurred for mergers and acquisitions.

(e) Includes any unrealized or realized net gain or loss resulting from currency translation or transaction gains or losses impacting net income.

(f) Includes various other categories of costs, which are excluded from the definition of EBITDA, including, but not limited to, costs and expenses incurred related to property taxes, severance and recruiting costs, payments made to legal and governmental authorities, and amounts paid to external directors.

(g) Represents the pre-acquisition Management Adjusted EBITDA of each of JPG, Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented and includes the Management Adjusted EBITDA of MMC for the fiscal year 2020, which was acquired during that period. Each of the JPG Transaction, the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $67.5 million, $71.4 million, $16.0 million, and $16.0 million of Stand-alone Management Adjusted EBITDA for the fiscal year 2020, fiscal year 2021, fiscal year 2022 and for six months ended December 31, 2021, respectively. Ematec represents $3.7 million and $11.9 million of Stand-alone Management Adjusted EBITDA for the six months and the twelve months ended December 31, 2022, respectively. The presentation of Stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(h) Represents the expected but unrealized synergies of each of JPG, Grupo Phoenix, Keyes Packaging, M-Industries, Fibro Corporation and Ematec for each of the periods presented and includes the expected but unrealized synergies of MMC for the fiscal year 2020, which was acquired during that period. Each of the JPG Transaction, the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $6.5 million, $6.5 million, $3.9 million, $2.3 million, $0.3 million and $1.9 million of synergies for the fiscal year 2020, fiscal year 2021, fiscal year 2022, the six months ended December 31, 2021, the six months ended December 31, 2022 and twelve months ended December 31, 2022, respectively. The presentation of synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(i) Capital expenditure is net of proceeds from disposal of assets and insurance recoveries.

(j) We calculate combined free cash flow as Combined Adjusted EBITDA less capital expenditures, net of proceeds from asset dispositions and insurance recovery proceeds.

(k) We calculate free cash flow as Management Adjusted EBITDA less capital expenditures, net of proceeds from asset dispositions and insurance recovery proceeds.

	Quarter Ended					
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net income (loss)	$ (1.4)	$ 9.1	$ 20.1	$ (3.9)	$ (1.8)	$(51.6)
Interest expense, net	25.7	34.6	34.5	34.6	39.7	48.3
Income taxes	(15.3)	6.2	12.5	(3.2)	(0.1)	5.7
Depreciation and amortization	24.2	31.1	31.6	54.7	46.0	47.5
EBITDA	$ 33.2	$81.0	$ 98.7	$82.2	$83.8	$ 49.9
Non-cash items[(a)]	3.9	0.9	1.3	6.4	0.3	(0.3)
Closure, exit and carrying costs[(b)]	0.5	0.5	(0.5)	1.5	1.3	0.9
Other non-recurring costs[(c)]	0.5	0.5	1.5	1.3	1.4	1.9
Merger and acquisition costs[(d)]	8.5	4.2	2.2	3.6	2.0	2.1
Foreign exchange (gains) losses[(e)]	(2.4)	(1.4)	(15.9)	(6.3)	(6.7)	26.5
Other defined addbacks[(f)]	6.9	(6.6)	5.3	4.9	6.8	4.0
Management Adjusted EBITDA	$ 51.1	$79.1	$ 92.6	$93.6	$88.9	$ 85.0
Stand-alone Management Adjusted EBITDA[(g)]	20.8	3.9	4.1	3.9	3.0	0.8
Synergies[(h)]	2.2	1.7	1.5	0.9	0.4	(0.1)
Combined Adjusted EBITDA	$ 74.1	$84.7	$ 98.2	$98.3	$92.3	$ 85.6

(a) Includes the non-cash impact of the increase in cost of goods sold resulting from the step-up in inventory book values recorded in conjunction with the purchase accounting associated with the Acquisition Transaction, as well as stock option expenses, accretion of asset retirement obligations and contingent or deferred purchase price consideration, equity income in joint venture and other non-cash items.

(b) Includes closure, exit and carrying costs relating to expenditures resulting from the decision to close or cease operations.

(c) Other non-recurring costs not included in any of the foregoing addbacks, including, but not limited to, costs incurred for mergers and acquisitions, integration costs associated with recent acquisitions, start-up at new facilities and other restructuring and synergy costs.

(d) Includes transaction costs incurred for mergers and acquisitions.

(e) Includes any unrealized or realized net gain or loss resulting from currency translation or transaction gains or losses impacting net income.

(f) Includes various other categories of costs, which are excluded from the definition of EBITDA, including, but not limited to, costs and expenses incurred related to property taxes, severance and recruiting costs, payments made to legal and governmental authorities, and amounts paid to external directors.

(g) Represents the pre-acquisition stand-alone Management Adjusted EBITDA of each of Grupo Phoenix, Keyes Packaging, M-Industries, JPG, Fibro Corporation and Ematec for each of the period presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $15.9 million of standalone Management Adjusted EBITDA for the quarter ended September 30, 2021. Ematec represents $3.9 million, $4.2 million, $3.9 million, $3.0 million, and $0.8 million of stand-alone Management Adjusted EBITDA for the quarters ended December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022 and the quarter ended December 31, 2022, respectively. The presentation of stand-alone Management Adjusted EBITDA has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

(h) Represents the pre-acquisition synergies of each of Grupo Phoenix, Keyes Packaging, M-Industries, JPG, Fibro Corporation and Ematec for each of the period presented. Each of the Grupo Phoenix Transaction, the Keyes Packaging Transaction, the M-Industries Transaction and the Fibro Corporation Transaction occurred during fiscal year 2022, and the Ematec Transaction occurred during fiscal year 2023. Grupo Phoenix represents $1.3 million, $1.0 million, $1.1 million, $0.6 million, $0.4 million, and $(0.1) million of synergies for the quarters ended September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022 and the quarter ended December 31, 2022, respectively. The presentation of synergies has been prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

RISK FACTORS

Investing in the notes involves a high degree of risk. You should carefully consider the risks described below as well as the other information and data included in this offering circular before making an investment decision. If any of the events described in the risk factors below occurs, our business, financial condition, results of operations or prospects could be materially adversely affected, which in turn could adversely affect our ability to repay the notes. We believe that the following information identifies the material risks and uncertainties that we face, but it is possible that other risks and uncertainties might also significantly impact us and the value of the notes. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially and adversely affect our business and the value of the notes. See "Cautionary Statement Regarding Forward Looking Information".

Risks Related To Our Capital Structure

Our substantial leverage after giving effect to the Refinancing, could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our divisions, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under the notes or the Senior Secured Credit Facilities.

As of December 31, 2022, our total debt (before deducting estimated original issue discount and debt issuance costs) was approximately $2.47 billion. As adjusted to give effect to the Refinancing (before deducting estimated original issue discount and debt issuance costs), our total debt as of December 31, 2022 was approximately $2.51 billion. If we cannot generate sufficient cash flows from operations to service our debt, we may need to refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to take any of such actions on a timely basis or on terms satisfactory to us or at all.

Our high degree of leverage could have important consequences, including:

- making it more difficult for us to make payments on the notes offered hereby or the Senior Secured Credit Facilities;
- increasing our vulnerability to general economic and market conditions;
- requiring a substantial portion of cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, make capital expenditures, execute future strategic business improvements and pursue business opportunities;
- exposing us to the risk of increased interest rates because our borrowings under the Senior Secured Credit Facilities are at variable rates of interest;
- restricting us from making acquisitions or causing us to make divestitures or similar transactions;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, refinancing, acquisitions, and general corporate or other purposes;
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged or have comparable debt at more favorable interest rates and who, as a result, may be better positioned to withstand economic downturns or to finance capital expenditures and acquisitions; and
- increasing our cost of borrowing.

Borrowings under the Senior Secured Credit Facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness may increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

Assuming all loans are drawn under the New Term Loan Facility, a 0.125% change in the floating rate would result in approximately an additional $1.1 million increase in our annual cash interest expense.

Despite our substantial indebtedness, we may still be able to incur significantly more debt. The incurrence of additional debt could increase the risks associated with our substantial leverage, including our ability to service our indebtedness.

We and our subsidiaries may be able to incur significant additional indebtedness in the future, including additional tranches of term loans and/or term loan increases, increases in the revolving commitments and/or additional revolving credit facilities. Although the indenture governing the notes offered hereby, the ABL Credit Agreement, and the Amended Term Loan Credit Agreement will contain restrictions on the incurrence of additional indebtedness, these restrictions are and will be subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not and will not prevent us from incurring obligations that do not constitute indebtedness. If we incur additional indebtedness or other obligations, the current risks related to our substantial leverage would increase and could have a negative impact on us or our credit ratings.

Each of the ABL Credit Agreement and the Amended Term Loan Credit Agreement provides that we have the right at any time to request, in the case of the ABL Facility, increases in the revolving commitments or, in the case of the Amended Term Loan Facility, additional term loan tranches and/or term loan increases, up to the relevant amounts specified in the ABL Credit Agreement or the Amended Term Loan Credit Agreement, which, in the case of term loans, may be unlimited subject to our compliance with the relevant financial ratio tests, respectively. The lenders under the ABL Facility or the Amended Term Loan Facility are not under any obligation to provide any such incremental commitments or loans, which are uncommitted, and any such addition of or increase in commitments or loans will be subject to obtaining commitments and certain customary conditions precedent to be set forth in the ABL Credit Agreement or the Amended Term Loan Credit Agreement, as applicable.

A material portion of our indebtedness bears interest at fluctuating interest rates based on the Secured Overnight Financing Rate ("SOFR"), the London Interbank Offered Rate ("LIBOR") or Euro Interbank Offered Rate ("EURIBOR"). Assuming all loans are drawn under the New Term Loan Facility, a hypothetical 1.0% adverse change in the SOFR rate or EURIBOR rates would have resulted in higher interest expense of approximately $4.4 million for the six month period ended December 31, 2022. Borrowings under our ABL Facility as of December 31, 2022 totaled $18.7 million. Any additional amounts borrowed under the ABL Facility in the future will be subject to changes in SOFR and resultant interest expense.

Our ability to generate cash or refinance our indebtedness as it becomes due depends on many factors, some of which are beyond our control. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes and the Senior Secured Credit Facilities. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, seek additional capital, restructure or refinance our indebtedness, including the notes and the Senior Secured Credit Facilities, or sell assets. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, we cannot assure you that we will be able to refinance any of our indebtedness, including the notes, the ABL Facility and/or the Amended Term Loan Facility, on commercially reasonable terms, or at all.

If for any reason we are unable to meet our debt service obligations, we would be in default under the terms of the agreements governing our indebtedness. If such a default were to occur, subject to the applicable grace periods, the lenders under the ABL Facility or the Amended Term Loan Facility could elect to declare all amounts outstanding under the ABL Facility or the Amended Term Loan Facility immediately due and payable, and the lenders would not be obligated to continue to advance funds under the ABL Facility. If the amounts outstanding are accelerated, we cannot assure you that our assets will be sufficient to repay in full the money owed to the banks or to our debt holders, including holders of the notes offered hereby.

The indenture governing the notes, the ABL Credit Agreement and the Amended Term Loan Credit Agreement will allow us to reinvest the proceeds of asset sales, subject to certain limitations and exceptions, and the Amended Term Loan Credit Agreement may require us, subject to certain exceptions (including, without limitation, disposals below a *de minimis* threshold and disposals of obsolete assets), to use the proceeds from asset sales to prepay indebtedness under the Amended Term Loan Facility before making any offer to repurchase the notes. We may not be able to consummate those asset sales to raise capital or sell assets at prices that we believe are fair and proceeds that we do receive may not be adequate to meet any debt service obligations then due. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit ratings, which could harm our ability to incur additional indebtedness.

The ABL Credit Agreement, the Amended Term Loan Credit Agreement and the indenture governing the notes will restrict our ability and the ability of most of our subsidiaries to engage in certain types of business and financial transactions.

Each of the ABL Credit Agreement, the Amended Term Loan Credit Agreement, and the indenture covering the notes contain a number of covenants that, among other things, restrict, subject to certain exceptions, our ability to:

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- make investments, acquisitions, loans or advances;
- pay dividends and distributions or repurchase our capital stock;
- prepay, redeem or repurchase any subordinated indebtedness;
- enter into agreements that limit our ability to incur liens on our assets for the benefit of the ABL Facility or the Amended Term Loan Facility, or that restrict the ability of non-guarantor restricted subsidiaries to pay dividends or make other payments to us;
- enter into certain transactions with our affiliates; and
- change the passive holding company status of Holdings.

In addition, with respect to the ABL Facility, the ABL Credit Agreement requires us to maintain, as of the last day of each four fiscal quarter period, a springing fixed charge coverage ratio, when our excess availability under the ABL Facility is less than a minimum level of availability. The financial maintenance covenant is subject to customary equity cure rights and may be amended or waived with the consent of the lenders holding a majority of the commitments under the ABL Facility. A breach of any of these restrictive covenants or our inability to comply with the springing fixed charge ratio requirement in the ABL Facility would result in a default under the ABL Credit Agreement.

The ABL Credit Agreement and the Amended Term Loan Credit Agreement also contain certain customary affirmative covenants, negative covenants and events of default, including upon a change of control.

The terms described above with respect to the ABL Credit Agreement and the Amended Term Loan Credit Agreement are subject to change and a number of customary conditions for transactions of this type. To the extent that any of the conditions with respect to such indebtedness are not satisfied, such indebtedness may not be available on the terms described herein or at all.

The indenture governing the notes will also contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on the Issuer's ability and the ability of our restricted subsidiaries to:

- declare or pay any dividends on the equity interests of the Issuer, or any of its restricted subsidiaries, or purchase, redeem, defease or otherwise acquire or retire for value any such equity interests;
- incur additional indebtedness or issue certain capital stock;
- pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock;
- incur certain liens;
- merge, amalgamate, consolidate or sell all or substantially all of our assets;
- engage in transactions with our affiliates;
- make investments, loans, advances and acquisitions;
- prepay, redeem or repurchase certain debt; and
- enter into agreements restricting our restricted subsidiaries' ability to pay dividends or make other distributions.

If we or our restricted subsidiaries engage in certain asset sales, we generally must either invest the net proceeds from such sales in our business within a period of time, prepay certain debt (including indebtedness outstanding under the Amended Term Loan Facility) or make an offer to purchase a principal amount of the notes equal to the excess net proceeds, subject to certain exceptions.

We are owned and controlled by the Sponsor, whose interests may conflict with yours as a creditor.

We are controlled by the Sponsor. As a result, the Sponsor has the power to elect all of the members of our board of directors and effectively has control over major decisions regardless of whether holders of the notes believe that any such decisions are in their own best interests. The interests of the Sponsor as an equityholder may conflict with your interests as a holder of the notes. The Sponsor may have an incentive to increase the value of the Sponsor's investment or cause us to distribute funds at the expense of our financial condition and affect our ability to make payments on the notes. In addition, the Sponsor may have an interest in pursuing acquisitions, divestitures, financings, capital expenditures or other transactions that it believes could enhance its equity investments in the Company even though such transactions might involve risks to you as a holder of the notes. The Sponsor may from time to time acquire and hold businesses, or interests in businesses, that compete directly or indirectly with us. You should consider that the interests of the Sponsor in the Company may differ from yours in material respects.

Risks Related To Our Business

If we are unable to successfully identify and integrate acquisitions, we may not realize any or all of the anticipated financial and strategic benefits of these acquisitions, and our results of operations could be adversely affected.

The successful execution of our M&A strategy is dependent on our ability to identify and complete acquisitions that meet our strategic and projected financial return criteria. However, there can be no assurance that we will be able to locate suitable candidates or acquire them on acceptable terms or, because of limitations imposed by the agreements governing our indebtedness, that we will be able to secure financing for future acquisitions on acceptable terms. Acquisitions involve special risks, including, without limitation, the potential assumption of unanticipated liabilities and contingencies, difficulty in assimilating the operations and personnel of the acquired businesses, disruption of our existing business, dissipation of our limited management resources, and impairment of relationships with employees and customers of the acquired business as a result of changes in ownership and management. While we believe that strategic acquisitions can improve our competitiveness and profitability, these activities could have a material adverse effect on our business, financial condition and results of operations.

The integration of other businesses we have recently acquired, including the Acquisition Transactions, and any business combination transactions we enter into in the future have required and will require significant management time, attention and resources. We may fail to realize some or all of the anticipated financial and strategic benefits of these integrations and transactions if they are not successful for any reason, take longer than expected to complete or are more costly than expected to complete. Our ability to realize the anticipated financial and strategic benefits of these transactions depends, to a large extent, on our ability to implement operational and other changes in a manner that facilitates growth opportunities and realizes anticipated efficiencies. Potential difficulties we may encounter during the course of these integrations that may affect our ability to realize their anticipated financial and strategic benefits include the following:

- the cost, complexities and uncertainties associated with integrating acquired businesses and consummating pending and future transactions;
- the complexities of integrating companies or assets with their own history, culture, regulatory restrictions, markets and customer bases, and the possibility that assets acquired may be insufficient to operate an acquired business line as planned;
- potential unknown liabilities and unforeseen increased expenses, including pending litigation, delays or regulatory conditions associated with such transactions;
- the risk that disagreements between the Sponsor and our management could cause significant distraction to our management and other disruptions to our operations or the development or implementation of our business strategies;
- the risk that we are unable to renegotiate arrangements with customers, suppliers and other vendors that have historically been operating under contracts with the businesses we have acquired or plan to acquire, on terms acceptable to us, or at all;
- the risk that we are unable to continue or begin operations at acquired facilities on the timelines we anticipate, due to permitting issues, required reconfiguration or retrofitting of environmental control or other equipment or other issues, resulting in delays and other disruptions in our operations;
- performance shortfalls as a result of the diversion of management’s attention caused by completing such transactions and establishing new business operations, or for other reasons;
- the inability to retain key employees of acquired businesses because of issues relating to the uncertainty and difficulty of integration or a desire to remain with such acquired businesses; and
- the inability to fill key positions of employees of acquired businesses who did not, or will not, transition to our business as part of the relevant acquisition.

When we successfully acquire another business, the process of successfully integrating the acquired operations into our existing operations may result in unforeseen operating difficulties and may require significant financial resources that would otherwise be available for the ongoing development or expansion of our existing business. Failure to retain and develop the acquired customer base and workforce, to integrate information technology systems or to establish and maintain appropriate controls, or unknown or contingent liabilities, could adversely affect our ability to realize such anticipated benefits of acquisitions.

If we are not able to successfully achieve our objectives for one or more of these reasons, or for other reasons, the anticipated financial and strategic benefits of these transactions may not be fully realized, or it may take longer to realize than expected. In addition, you should be aware that any or all of these integrations and transactions could result in the distraction of our management, disruption of our ongoing business or inconsistencies in our operations, services, quality standards, controls, procedures or policies, any of which could adversely affect our ability to maintain relationships with customers, vendors and employees or to achieve the anticipated strategic or financial benefits of the relevant transactions or could otherwise have a material adverse effect on our business, financial condition and results of operations.

We operate globally in highly competitive markets that include participants with greater financial resources, and we may not be able to compete successfully against these participants.

We compete with a variety of manufacturers in several markets across our divisions. We compete principally on the basis of material science expertise, proprietary formulations, product innovation and technology, product quality and reliability, breadth of product offerings, manufacturing ability and footprint, customer service, regulatory expertise, delivery times, order fulfillment and price. Some of our competitors are larger, have greater financial resources and are less leveraged than us. As a result, these competitors may be better able to withstand a change in market conditions within the industry and throughout the economy as a whole. Additionally, a number of our solutions are customized or sold for highly specialized uses. Competitors that have greater financial, technological, manufacturing and marketing resources and that do not currently market similar applications for these uses could choose to do so in the future. Certain of our competitors are smaller companies that may have lower operating costs and greater operational flexibility.

Changes within the healthcare and consumer products industries, including the consolidation of our competitors, suppliers, customers and other companies in the distribution channels for our products, have occurred and may continue to occur. We may also experience similar competitive factors and a resulting loss in sales if customers vertically integrate into our product lines. As a result of the foregoing factors, we may lose customers or be forced to reduce prices, which could have a material adverse effect on our business, financial condition and results of operations.

Additionally, as described elsewhere in this offering circular, we have manufacturing operations in China. Products or components that we manufacture in, or source from, China may be subject to the import tariffs currently in place with respect to certain goods imported from China under Sections 201 and 301 of the U.S. Trade Act of 1974 and Tariff Act of 1930, as amended (the “Tariff Act”). These tariffs, in particular the anti-dumping and countervailing duties imposed pursuant to the Tariff Act on imports of aluminum foil from China (the “China Foil Duties”), have impacted and continue to impact the cost of the aluminum foil available to purchase from China for our barrier solutions and liner, lidding and pouching applications in the United States. Additionally, on July 18, 2022, pursuant to the Tariff Act, the Department of Commerce self-initiated a case alleging that certain aluminum foil assembled or completed in Thailand and South Korea using Chinese aluminum foil and/or sheet, that is subsequently exported from South Korea and Thailand to the United States (the “Thai/Korean Foil”), is circumventing the China Foil Duties. On March 16, 2023, the Department of Commerce made a preliminary affirmative determination that certain imports of Thai/Korean Foil circumvent the China Foil Duties. Although there may be exceptions to the imposition of duties on the Thai/Korean Foil, duties on purchases of such foil could be as much as about 108%. Subject to any changes made by the Department of Commerce in its final determination decision scheduled for August 2, 2023, the imposition of duties from the preliminary finding of circumvention by the Department of Commerce apply retroactively to purchases of Thai/Korean Foil made from and after July 18, 2022, and will continue to apply to future purchases of foil from these countries. Future initiatives by the Department of Commerce or other governmental authorities may impose additional duties and tariffs on raw materials and other goods that we import. Although we have generally been able to either locate alternative sources of aluminum foil or pass these increased costs along to customers in the past, we are not contractually entitled to do so in all cases, and we may not be able to consistently pass along such costs or locate additional sources of aluminum foil in the quality and quantity required in the future. Some of our competitors may be able to offer certain products on more favorable terms as a result of their ability to avoid these tariffs by sourcing component parts or products from suppliers outside of China or other affected countries, or manufacturing component parts or products outside of China or other affected countries, or because their jurisdiction of organization outside the U.S. affords them a competitive advantage when shipping into the U.S. market. Although we do not expect that these tariffs will have a material adverse effect on our business or results of operations overall, if our competitors or new entrants structure their businesses around these tariffs in a manner that results in the prices of our products being less attractive to customers, or if the current presidential administration elects to expand the scope or size of these tariffs in a manner that results in significant additional costs to us that we are not able to pass along to our customers or otherwise mitigate, it could have a materially adverse effect on our business, financial condition and results of operations. See "— We are subject to risks associated with our foreign operations and revenues".

Loss of revenues from our key customers would have a material adverse effect on our results of operations. Our five largest customers accounted for 19.2% of Net Sales for the twelve months ended December 31, 2022, with our largest customer accounting for 10.6% of Net Sales. The loss or reduction in orders from any of these customers, whether due to competition or for other reasons, such as a deterioration in the financial condition of a customer, could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on a limited number of suppliers for certain of our product lines. An inability to source our supplies could lead to reduced sales and increased costs.

We rely on a limited number of suppliers for certain of our product lines. For example, a portion of our production of laminates for blister packaging is substantially dependent on our purchase of polychlorotrifluoroethylene ("PCTFE") film from a single supplier. Other sources of PCTFE film are available, but are not sufficient to satisfy our requirements. An inability to obtain PCTFE film would significantly curtail our sales of laminates for blister packaging. Additionally, our Net Sales to Keurig Dr Pepper, representing approximately 10.5% of our Net Sales for fiscal year 2022, are substantially dependent on our purchase of a specialty tie layer material from a single supplier. Similarly, our supply agreement with DuPont Specialty Products USA, LLC and Company ("DuPont") for Tyvek products is terminable, among other reasons, upon mutual agreement amongst the parties, and will terminate, by its terms, on December 31, 2024, if not renewed or amended. If we or DuPont terminate the supply agreement, we will be unable to satisfy our requirements for Tyvek products from other suppliers. In addition, we purchase a variety of other materials for which there may be a sole or limited approved source of supply and our inability to obtain any such materials could have an adverse impact on our financial condition. We may need to obtain customer approval to use an alternative material, which may take significant time, during which time we may suffer a loss of sales and/or the customer may seek an alternative supplier.

In the event we were unable to renew our agreements with our suppliers or they were to become unable or unwilling to continue to provide important materials in the required volumes and quality levels, in a timely manner and on generally favorable terms, we would be required to identify and obtain acceptable replacement supply sources. We may not be able to obtain alternative suppliers or vendors in a timely manner, or at all, which could disrupt or delay, or halt altogether, our ability to manufacture or deliver our products. If any of these events should occur, this could have a material adverse effect on our business, financial condition, cash flows and results of operations.

A significant portion of our sales are not under contracts.

A significant portion of our sales are not under contracts that guarantee us any particular volumes or raw material pass-through mechanics to our customers. Customers that are not under contract may be more susceptible to loss from competition. While we have historically been able to pass raw material cost changes through to customers based on factors such as longstanding customer history, market convention or that our product specifications are included in the customer's end products, it may be more difficult for us to pass raw material cost increases through to certain of our customers in the absence of contracts granting us that right, particularly if competitors are able to source and supply acceptable products to these customers at a more favorable price, which could have a material adverse effect on our business, financial condition and results of operations.

Weakened global economic conditions and other external factors, including disruptions in the credit markets and COVID-19 and other widespread public health concerns could have an adverse effect on our business, financial condition, results of operations and cash flows.

Weakened global economic conditions could affect us through lower sales due to reduced demand. Weakened global economic conditions and other externals factors, such as inflationary pressures, could have an adverse impact on our business in the form of unfavorable changes in sales volumes, product price/mix, lower profit margins, and collection of accounts receivable. In periods of low world-wide demand for our products, we experience lower capacity utilization rates in our operations, which can lead to reduced margins during that period and can have an adverse effect on our business. During extended periods of economic recession, there can be a heightened competitive environment for sales and increased pressure to reduce selling prices. If we lose significant sales volume or have to reduce our selling prices significantly, there could be a negative impact on our revenue, profitability and cash flows.

Economic and political conditions in countries in which we operate, including conflicts, wars, terrorist acts or security operations, may also adversely impact our operations. Also, economic conditions and disruptions in the credit markets could harm the liquidity or financial position of our customers and suppliers, which could in turn cause such parties to fail to meet their contractual or other obligations to us or reduce our customers' purchases from us.

Our production and supply chains could also be severely affected if our employees or the regions in which our facilities or suppliers are located are affected by a significant outbreak of any disease, epidemic or pandemic including COVID-19. In addition, local, national or international transportation or other infrastructure could be affected, leading to delays or loss of production. Furthermore, our suppliers and customers are subject to similar risks, which could lead to a shortage of materials or a reduction in our customers' demand for our services.

In particular, unfavorable economic conditions in Europe and Latin America could adversely affect our results of operations and financial conditions. The economies of the European and Latin American countries in which we operate may not experience growth in the future and an increase in demand for our products and services in these markets may not occur. In addition, we may not be able to sustain our current revenue or profit levels if adverse economic events or circumstances occur or continue to occur in the European or Latin American countries in which we operate. Uncertainty remains as to how the exit of the United Kingdom ("UK") from the European Union (commonly known as "Brexit") will affect the legal and regulatory environment in the European Union and the UK, as well as whether other countries in the European Union may approve similar measures and cause further uncertainty in the region. The post-Brexit UK-European Union relationship is under strain, with differences in terms of Northern Ireland and the border and immigration arrangements between the two. We have operations in Northern Ireland and in the European Union. We cannot yet fully predict the full implications of Brexit, including whether it will increase our operational costs or otherwise have a material adverse effect on our business, financial condition or results of operations. In addition, there can be no assurance as to whether recent election results in Colombia will have a material adverse effect on our business in that country.

Changes in raw material costs and availability, as well as energy supplies and energy costs, can adversely affect our profit margins.

The principal raw materials we use are commodities, generally derived from either crude oil or natural gas. Pricing of our key materials, such as polystyrene, polyvinylchloride resin and plasticizers, has fluctuated primarily with the price of crude oil, although supply and demand factors from other precursors within the petrochemical chain can influence short-term price fluctuations. We use electrical power and natural gas to manufacture our products. These energy sources are vital to our operations and we rely on a continuous power supply to conduct our business. Energy prices are subject to considerable volatility and are subject to capacity constraints, and we are not able to predict to what extent energy prices will vary in the future or to the extent that the supply of energy could be constrained. We use aluminum in some of our products, and may be subject to tariffs if we do not obtain necessary waivers or exemptions from the U.S. federal government. While we have obtained such relief in the past, it is only temporary, and we must re-apply for relief from time to time. There can be no assurance that we will be successful in obtaining relief in the future. Absent relief, aluminum imports are currently subject to a 10% tariff. Additionally, in 2021 Congress enacted the Infrastructure Investment and Jobs Act, which reinstated two environmental excise taxes which took effect in July 2022. These excise taxes may create additional costs that we will attempt to pass through to our customers, but there can be no guarantee that we will be successful. With our recent expansion into molded fiber products, we must acquire fiber feedstock, where prices may be volatile due to supply limitations and logistics costs. Our ability to maintain gross margin levels on our products during periods of rising raw material costs and higher energy costs depends on our ability to increase prices on our products to our customers. Furthermore, inflationary pressures may lead to higher prices of our key raw materials and energy and a decrease in consumer spending, both of which may have a material adverse effect on our business, financial condition and results of operations. The results of operations for individual quarters can be, and have been, negatively impacted by delays between the timing of raw material and energy costs increases and price increases for our products. We are generally able to pass through increases in raw material costs, though most of such increases are not made pursuant to contractual rights. There can be no assurance that we will be able to maintain the selling price increases we have already implemented or achieve any future price increases, and if we are not able to maintain or increase prices, it may harm our operating results by reducing our sales.

We are dependent on third-party suppliers for all of our raw materials. Our five largest suppliers accounted for approximately one-third of our raw material purchases during fiscal year 2022. We are dependent on the ability of our suppliers to provide raw materials on a timely basis and on favorable pricing terms. The loss of certain principal suppliers, a significant reduction in raw materials availability from our principal suppliers or unfavorable pricing terms could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with our foreign operations and revenues.

We have manufacturing operations in the United States, Belgium, Italy, Northern Ireland, Germany, Brazil, Costa Rica, India, Canada, Mexico, Colombia and China and a third-party contract manufacturing facility in Argentina. Foreign operations are subject to risks that can materially increase the cost of operating in foreign countries and thereby may reduce our overall profitability. Sales in international jurisdictions are subject to similar risks. These risks include, but are not limited to:

- customs, import/export and other trade compliance regulations;
- duties, taxes, or government royalties, including retaliatory tariffs imposed on sales of our products into other countries and the imposition or increase of withholding and other taxes on remittances and other payments by non-U.S. subsidiaries;
- currency exchange rate fluctuations;
- non-tariff barriers and higher duty rates;
- increases in foreign tax rates and foreign earnings potentially being subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;
- general economic and political conditions in countries where we operate and/or sell our products, including inflation, and the impact of any such conditions on our customers' demand and ability to pay for our products;
- governmental actions such as those on the transfer or repatriation of funds and trade protection matters;
- unsettled political conditions, possible terrorist attacks, war and conflict;
- taking of property by nationalization or expropriation without fair compensation;
- required compliance with a variety of foreign laws and regulations, as well as domestic laws bearing on foreign operations such as the Foreign Corrupt Practices Act (the "FCPA");
- limited protection of intellectual property in certain foreign jurisdictions;

- more expansive legal rights of workers or unions outside the United States, including social plans that prohibit or increase the cost of restructuring actions; and
- a lack of reliable information security and other technologies.

These and other factors may have a material adverse effect on our foreign operations and sales and, consequently, on our financial condition or results of operation.

We are subject to a variety of anti-bribery laws.

Our business activities are subject to a number of laws that prohibit various forms of corruption, including local laws that prohibit both commercial and governmental bribery and anti-bribery laws that have a global reach, such as the FCPA and the Bribery Act 2010 in the United Kingdom (the "UK Bribery Act"). As a U.S. domiciled company, escalating FCPA enforcement in recent years and increased cooperation among federal and international regulators presents particular risks with respect to our business activities outside the United States, to the degree that any employee or other person acting on our behalf might offer, authorize, or make an improper payment to a foreign government official, party official, candidate for political office, political party, an employee of a foreign state-owned or state-controlled enterprise, an employee of a public international organization or any other person to obtain or retain business. Moreover, in many foreign countries, particularly in certain developing economies, it is not uncommon to encounter business practices that are prohibited by certain regulations, such as laws relating to anti-corruption, including, for example, the FCPA, the UK Bribery Act and similar laws. Therefore, certain countries in which we operate may be deemed to present heightened risks from an anti-corruption perspective. We have manufacturing operations in the United States, Belgium, Italy, Northern Ireland, Germany, Costa Rica, Brazil, India, Canada, Mexico, Colombia and China, and a third-party contract manufacturing facility in Argentina, and our products are sold to customers in over 80 countries. In addition, we use third-party sales agents in some of our business areas. Although we do not have significant sales to or purchases from government agencies or government owned/controlled enterprises, we do require local permits for our business operations, and we do need to move goods across a number of borders. We have adopted an anti-corruption policy and we train selected employees on anti-bribery compliance on a global basis. However, our current policies and procedures may not address the full scope of all possible corruption-related risks, or employees or other persons acting on our behalf might act in a manner contrary to our anti-corruption policies and procedures, potentially creating liability for us under one or more anti-bribery laws, including the FCPA and UK Bribery Act. Any such violation, even if prohibited by our policies and procedures or the law, could have certain adverse effects on our financial condition or reputation. Any failure by us to effectively manage the challenges associated with the international operations of our business could have a material adverse effect on our business.

Failure to comply with economic and trade sanctions, import and export control laws, or similar laws could have a materially adverse effect on our business.

We operate globally, and similar to other international companies, we are required to comply with various economic and trade sanctions programs and import and export control laws, including (without limitation) the economic sanctions rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), which prohibit or restrict transactions or dealings with specified countries and territories, their governments, and — in certain circumstances — their nationals, as well as with individuals and entities that are targeted by list-based sanctions programs. We have adopted an export and economic sanctions policy and we train selected employees on sanctions compliance on a global basis. However, our current policies and procedures may not be up-to-date or otherwise may not address the full scope of all possible sanctions-, import- and export-related risks facing our business, or employees or other persons acting on our behalf might act in a manner contrary to our policies and procedures, potentially creating liability for us under one or more sanctions or import or export control laws, including those administered by OFAC. Any such violation, even if prohibited by our policies and procedures or the law, could have certain adverse effects on our business. Any failure by us to effectively manage the challenges associated with the international operations of our business could materially adversely affect our business.

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

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

We are affected by changes in our markets due to environmental standards — including various environmental statutes, regulations and other legislative developments. If we do not respond appropriately to these changes, it could negatively impact market demand, market share and pricing, any of which could materially adversely affect our business.

Certain of our products are directly or indirectly affected by government regulation. For example, a substantial amount of our products are sold for use in plastic packaging and in recent years there have been bans on certain uses of plastics implemented in various jurisdictions, including within the United States and the European Union. If legislative developments favor the use of alternatives to our products, our results of operations may materially suffer.

In the United States bans on polystyrene food packaging have been implemented at both state and municipal levels. In most cases, these bans impact food service products such as take out containers, rather than egg cartons or processor trays. Changes in, or new interpretations of, existing laws, regulations or enforcement policies, as well as any new local or state-wide regulations seeking to ban or limit food service or other polystyrene applications, may create other barriers to sales of our polystyrene products, which could have a material adverse effect on our business and results of operations. In addition, several states have adopted "extended producer responsibility" laws that impose various obligations on the producers of plastic and other materials to address the various costs associated with the use, disposal and/or recycling of such materials. The European Union has adopted a circular economy package. The package maps out a series of actions planned over several years. Some actions have resulted in regulations aimed to reduce marine litter, increase plastic recycling rates, prohibit single-use plastic packaging and introduce new taxes in relation to the end-of-life management of packaging. Proposed regulations in the European Union may limit or forbid the use of various materials, including fluoropolymers used in some of our healthcare barrier products. These laws and regulations may expand in scope, and expand worldwide. Independent of any government regulation, consumer preferences may also drive trends that favor or disfavor different materials and solutions.

There has also been increasing legislative action and consumer sentiment against the use of per- and polyfluorinated substances ("PFAS"). While we do not incorporate PFAS into our products, at least one of our facilities may use it in certain applications as a processing aid, and we are working to identify an alternative processing aid. We may be exposed to liabilities associated with PFAS due to our supply chain. For example, we have recently identified a supplier that uses PFAS in its manufacturing process, and we cannot preclude the possibility that residual PFAS may carry over into our own finished goods. Our supplier has developed PFAS-free substitutes and we are planning to sample them in our manufacturing. There can be no assurance that we will successfully identify every instance of PFAS in our supply chain, or to the extent we do, that we will be able to identify alternative solutions.

In addition to the rules regarding plastic, polystyrene products and PFAS, our operations are subject to various other U.S. and foreign environmental statutes and regulations, including those relating to: (i) other materials used in our products; (ii) discharge of pollutants into the air, water and soil; (iii) treatment, transport, storage and disposal of hazardous materials or hazardous wastes; and (iv) chemical and product safety as well as employee health and safety matters. We are also required by these laws and regulations to obtain registrations, licenses, permits, and other approvals in order to operate, and to make disclosures to public authorities about our chemical handling and usage activities. These laws and regulations may become more stringent over time and the failure to comply with such laws and regulations can result in significant fines or penalties. Further, our facilities are periodically subject to investigation by governmental regulators.

Future expenditures may increase as compliance standards or technologies change, or as laws change. We presently, and will continue to, evaluate the need for capital projects required in order to maintain or achieve compliance with environmental laws applicable to our business. Such compliance efforts could result in significant expense or in changes to our manufacturing operations or product formulations. Such laws and regulations may also impact the availability of materials used in manufacturing our products, such as the disposable plastics and polystyrene products discussed above, which could result in a need to reformulate products. Such additional costs or new product formulations could make our products less competitive with products made from other materials. We cannot be certain that we have identified all environmental compliance matters giving rise to potential costs liability.

We may be subject to losses due to liabilities or lawsuits related to contaminated land at our current or former facilities or arising out of environmental damage or personal injuries associated with exposure to hazardous substances or the release of hazardous substances.

Under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and analogous statutes in local and foreign jurisdictions, current and former owners and operators of land impacted by releases of hazardous wastes can be held strictly liable for the investigation and remediation of the contamination resulting from the release, wherever the impacts have come to be located. Further, under these laws, liability can be imposed for arranging for the disposal of hazardous substances or wastes at a third-party site that becomes contaminated. Liability under CERCLA and analogous laws is strict, unlimited, joint, several, retroactive, may be imposed regardless of fault and may relate to historical activities or contamination not caused by the affected property's current owner or operator. In addition, we may face liability for personal injury, property damage and natural resource damage resulting from environmental conditions attributable to hazardous substance releases at or from facilities we currently or formerly owned or operated or to which we sent waste. In some jurisdictions, such as New Jersey, an obligation to investigate and possibly remediate contamination at current or former facilities can arise upon the occurrence of certain events such as a property or business sale.

As of December 31, 2022, the Company had a $70,000 reserve associated with environmental remediation obligations for the Burlington, New Jersey site that we sold. We also provided the buyer of this property with indemnification against certain remediation costs that they may incur in the future. To date we have not received any such indemnification claims from the buyer.

In 2019, we acquired three manufacturing facilities from Amcor and became the operator of a Milwaukee, Wisconsin facility where remediation efforts related to chlorinated volatile organic compound contamination are ongoing under the supervision of the Wisconsin Department of Natural Resources. The property owner has been performing and funding remediation at the property. Although the lease does not provide for indemnification in the event we are subject to liability pursuant to certain statutes or regulations or in connection with tort claims, the Wisconsin Department of Natural Resources has recognized that we are not responsible for the existing contamination. Amcor agreed to indemnify us for liabilities related to prior contamination at the Milwaukee facility, but we and Amcor may not agree on the scope of such indemnification.

We use volatile organic compounds in some of our manufacturing processes.

Some of our manufacturing processes require the use of certain organic compounds. These compounds are volatile and may increase our risk of experiencing an explosion or fire. Many of these compounds are subject to limits imposed by certain governmental regulatory bodies. As such, we are required to capture and destroy these compounds to limit release into the environment. While we use various safety measures to mitigate the risks posed by these compounds, we have experienced butane-related fires in the past, and there can be no assurance that we will not experience another such event in the future. Any such event could cause damage to persons or property, potentially resulting in inventory loss, supply disruptions, and workers' compensation or other litigation claims.

Our intellectual property rights may be inadequate to protect our business, and our efforts to protect our intellectual property rights may not be sufficient.

We attempt to protect and maintain certain of our intellectual property, both in the United States and in foreign countries, through a combination of patent, trademark and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements. These laws are subject to change at any time and certain agreements may not be fully enforceable, which could restrict our ability to protect our intellectual property rights. In addition, intellectual property laws can be highly uncertain and involve complex legal and factual questions for which important principles remain unresolved. We market our products internationally, and because of the differences in foreign laws, our patents, trademarks and other intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason could have an adverse effect on our business, results of operations and financial condition.

We have applied for, and expect to continue to apply for, patent protection in the United States and in foreign countries. The process of applying for and obtaining a patent is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions where protection may be commercially advantageous. Our patent applications may not result in issued patents and our patents may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Other parties may have developed technologies that may be related or competitive to our products, may have or obtain patents that conflict with our patents or technology and may have patents that could prevent us from making, using, or selling our products (even where we may own patents that also cover the same products). Further, our patents do not ensure that competitors will not develop competing products, design around our patents or infringe upon our patents. The costs to defend or assert our patents or other intellectual property rights could be substantial and may outweigh the benefits of enforcing our rights. In any of these types of proceedings, a court or agency may find our patents invalid or unenforceable, which could thereby allow our competitors to market products and use technology substantially similar to ours.

We rely on our trademarks, trade names, and brand names to distinguish our products from the products of our competitors, and we have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved or that we have applied for all the trademarks in the jurisdictions and classes of goods and services that are or will be material to our business. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, competitors may infringe our trademarks, and we may not have adequate resources to enforce our trademarks. We also face risks in connection with our international expansion, including in countries that may have less protection for our trademarks than the United States. There is a risk that our trademarks may not be adequate to protect our brands or may conflict with the trademarks of other companies, both domestically and abroad, which may require us to rebrand our products, obtain costly licenses, or defend against third-party claims.

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on any registered intellectual property and certain applications therefor are required to be paid. The process of obtaining and maintaining registered intellectual property also involves a number of other procedural, documentary, and other similar requirements. Noncompliance events that could result in abandonment or lapse of our registered intellectual property or applications therefor include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. While an inadvertent lapse in many cases can be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in irrevocable abandonment, lapse or other loss. If we fail to properly maintain our registered intellectual property or applications therefor, our competitors might be able to enter the market with similar or identical products, technologies or brands, which could substantially harm our business.

We also rely heavily on trade secrets, know-how and other unpatented proprietary technology. It is possible that others may independently develop the same or similar technology or otherwise obtain access to our unpatented technology, which could diminish our competitive position. We anticipate many of our trade secrets will be disseminated over time within the industry through independent development, the publication of journal articles describing the methodology and movement of personnel. To protect our trade secrets, know-how and other proprietary information, we typically require employees, consultants, advisors and collaborators to enter into confidentiality agreements with us. We may not be able to prevent the unauthorized disclosure or use of our trade secrets despite the existence of these confidentiality agreements, and these agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of this proprietary information. Even if a party is known to us to have breached its confidentiality obligations owed to us, legal and other remedies will often be inadequate as our trade secrets will have already been exposed to the broader industry. Despite the protections we do place on our trade secrets, know-how or other unpatented proprietary technology, monitoring unauthorized use and disclosure of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be adequate.

In addition, while we may require our employees, contractors, collaborators or other third parties who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties to determine the ownership of what we regard as our intellectual property. We also may be subject to claims that former or current employees, contractors, collaborators or other third parties have, or allege to have, an ownership interest in our intellectual property. Costly litigation may be necessary to defend against these and other claims challenging inventorship or ownership and we may not be successful and could be required to pay damages and lose valuable intellectual property.

Additionally, we have licensed, and may license in the future, patents, trademarks, trade secrets and other intellectual property rights from third parties, and the licenses we receive to such intellectual property rights may not provide exclusive or unrestricted rights in all fields of use and in all territories in which we may wish to develop or commercialize our products in the future and may restrict our rights to offer certain products in certain markets or impose other obligations on us in exchange for our rights to the licensed intellectual property. If we violate the terms of any of our license agreements, such as by failing to make specified royalty payments or failing to comply with quality control standards, a licensor may have the right to terminate our license. Even if we comply with all the terms of a license agreement, we cannot guarantee that we will be able to renew an agreement when it expires even if we desire to do so. The failure to maintain or renew our license agreements could result in a loss of revenue and negatively impact our results of operations. Our ability to protect our trademarks, patents and other intellectual property may be adversely affected by the COVID-19 pandemic. As a result of the COVID-19 pandemic, certain domestic and foreign intellectual property offices have amended their filing requirements and other procedures, including, but not limited to, extending deadlines and waiving fees. These accommodations have not been applied uniformly across all intellectual property offices globally, and the effectiveness and duration of existing action is unclear. Further, the ongoing COVID-19 pandemic has created uncertainty with respect to the uninterrupted operation of domestic and foreign intellectual property offices, which, amongst other things, may cause delayed processing of renewal and application filings. Our inability to establish and maintain current and future trademarks, patents or other intellectual property rights may have an adverse effect on the growth and reputation of our business. Further, the constantly evolving nature of the COVID-19 pandemic may change its effect on our brand and our other intellectual property rights over time in ways that cannot be reasonably anticipated or mitigated.

We may be subject to legal claims alleging that we, our suppliers, or licensees infringe, misappropriate or otherwise violate the intellectual property rights of others and our business may be adversely affected.

Our success depends on our ability to commercialize our products and conduct our business without infringing, misappropriating or otherwise violating any intellectual property owned by third parties. The conduct of our business, including actions taken in relation to our business by our suppliers, partners, customers and other third parties, may nevertheless infringe, misappropriate or violate the intellectual property of others and third parties may bring, or threaten to bring, infringement or similar suits against us. Any actual or threatened claims of intellectual property infringement, misappropriation or other violation, even those without merit or that we are able to successfully defend, could be expensive and time consuming to defend and respond to, cause us to cease production or the sale of certain products, require us to redesign, reengineer or rebrand our products or packaging, divert management's attention and resources, or require us to enter into costly licensing arrangements to obtain the right to use a third party's intellectual property. Any licensing agreements, if required, may not be available to us on acceptable terms or at all. Even if we believe such third-party claims are without merit, a court may hold that we, or parties that we are contractually obligated to indemnify, have infringed, misappropriated or violated third-party intellectual property rights or we may settle claims to avoid the cost and uncertainty of litigation. Furthermore, any such successful claim against us could also result in our being required to pay significant damages and enjoin us from continuing to make, use or sell certain of technologies, brands, or products. Any of the foregoing could have a material adverse effect on our business, financial condition and operations and our ability to establish or maintain a competitive advantage may also be diminished because of these uncertainties.

Even if intellectual property claims brought by or against us are settled or resolved in our favor, litigation or other legal, governmental or administrative proceedings relating to intellectual property claims, or the mere threat thereof, may cause us to incur significant expenses and distract our personnel from their normal responsibilities. There is also a risk that in connection with defending against intellectual property claims brought against us or otherwise, the validity, enforceability or scope of patents and other intellectual property that we own or license may be successfully challenged or limited. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our trade secrets or other confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, which could be perceived by our suppliers, customers or other parties to be negative and result in temporary or permanent disruptions to our supply chains, customer demand, or other operations.

Certain long-lived assets recorded on our statements of financial position may become impaired, which would result in write-offs of the impaired amounts.

Goodwill and intangible assets represent a significant portion of our statement of financial position. Under GAAP, goodwill and intangible assets are evaluated for impairment on a periodic basis or if a triggering event occurs. If an impairment occurs, the amount of the impaired goodwill or impaired intangible assets will be written off and expensed, reducing equity. The actual timing and amounts of any goodwill impairments will depend on many sensitive, interrelated and uncertain variables, including unfavorable changes to our expected cash flows from operations. Such an impairment would result in a non-cash charge to expense, which could have a material adverse effect on our results of operations.

Long-lived assets also represent a significant portion of our statement of financial position. We evaluate for impairment the carrying value of long-lived assets to be held and used whenever indications of impairment exist. Factors such as the business climate, environmental regulation, and the condition of assets are considered when evaluating long-lived assets for impairment. An impairment would require us to reduce the long-lived asset through a non-cash charge to expense by the amount of the impairment, and any such impairment could have a material adverse effect on our results of operations.

We face product liability risks and the risk of negative publicity, including if our products fail or if our customers and suppliers are affected by product liability risks or negative publicity.

Our business is exposed to product liability risk if our products fail to meet applicable standards for safety and quality and this or other factors create a risk of negative publicity. The consequences of a product not meeting these standards, due to, among other things, accidental or malicious raw materials contamination or due to supply chain contamination caused by human error or equipment fault, could be severe. Such consequences might include adverse effects on consumer health, litigation exposures, loss of market share, negative publicity, financial costs and loss of revenues. In addition, if our products fail to meet applicable standards, we may be required to incur substantial costs in taking appropriate corrective action (up to and including recalling products from consumers) and to reimburse customers and/or end consumers for losses that they suffer as a result of this failure. Customers and end consumers may seek to recover these losses through litigation and, under applicable legal rules, and may succeed in any such claim despite there being no negligence or other fault on our part. We maintain insurance for product liability claims, but the amount and scope of our insurance may not be adequate to cover a product liability claim that is successfully asserted against us. Any product liability claim against us could have a material adverse effect on our business. Our product liability insurance only covers certain product recall costs. In addition, product liability insurance could become more expensive and difficult to maintain and, in the future, may not be available on commercially reasonable terms, or at all.

In addition, we are exposed to the product liability risk and other potential negative publicity affecting our customers and suppliers. Because many of our customers produce food, pharmaceutical or medical products, including with their own product liability risks, our sales may decline if any of our customers are sued on a product liability claim, if they halt production or recall products voluntarily or involuntarily due to safety concerns, or if they are otherwise subject to negative publicity. We may also suffer a decline in sales from the negative publicity associated with such a lawsuit or with adverse public perceptions in general regarding our products or our customers' products that use materials or components that we supply.

We may be substantially adversely affected by negative publicity related to our or our customers' or suppliers' products or services or negative publicity related to actions taken (or not taken) by our or their executives, employees, partners, or other individuals or entities that may be perceived as being associated with us or them. Such negative publicity may relate to actions taken (or not taken) with respect to social, environmental, and community outreach issues or result from improper disclosure of confidential information, fraud, or hoaxes. The effects of such negative publicity may amplified by the use of social media and other mass communication technologies and could result in boycotts or other brand or business damaging events affecting our or our customers' or suppliers' products or services.

We are subject to disputes and litigation in the ordinary course of business, and uncovered losses, uninsured judgments or a rise in insurance premiums may adversely affect our results of operations.

In the ordinary course of business, we are subject to various disputes, claims and litigation. Any such disputes or claims, whether with or without merit, could be time consuming and expensive to resolve and could divert management's attention and resources. In the ordinary course of business, we may face customer disputes regarding shipments, fees, brand use and positioning, merchandise condition or related matters, as well as legal claims related to these and other matters. In accordance with customary practice, we maintain insurance against some, but not all, potential legal claims. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented, and the levels of insurance we maintain may not be adequate to fully cover any and all losses or liabilities. Further, we may not be able to maintain insurance at commercially acceptable premium levels or at all. If any dispute or other legal matter is not resolved in our favor, and such dispute or other legal matter is not fully insured or indemnified against, it could have a material adverse effect on our business. We cannot assure that the outcome of all current or future litigation will not have a material adverse effect on our business and results of operations. See "Business — Legal Proceedings and Environmental Matters".

Violation of government regulations or quality programs could harm demand for our products or services.

Some of our products are subject to laws, regulations and standards enforced by the FDA and comparable state and foreign authorities, including but not limited to the Federal Food, Drug, and

Cosmetic Act and its implementing regulations, and applicable state laws related to toxics in packaging, such as California Proposition 65 (1986). Our products may also be subject to analogous regulatory regimes in other countries. Failure to comply with applicable legal and regulatory requirements can lead to sanctions and enforcement actions by the FDA and other governmental entities, including warning letters, product recalls, product seizures, consent decrees and civil and criminal sanctions.

In addition, our failure to comply with laws and regulations generally could have a significant adverse impact on our customers' business. Some of our customers use our products as components of their medical devices or in the packaging of pharmaceutical, food, cosmetic and nutraceutical products. The FDA may require premarket review and approval of our customers' products, and our failure to comply with laws and regulations could result in the rejection of our customers' marketing applications for products in which our components and offerings are incorporated. If the FDA were to bring an enforcement action against us or our customers, or fail to approve or clear our customers' products whether due to the failure of our products to comply with applicable regulations, our customers' specifications or otherwise, our business could be significantly harmed, and negative publicity could harm our or our customers' ability to sell any regulated products. Additionally, any changes in applicable laws, regulations or interpretations thereof could adversely affect us and our customers, have an adverse impact on our revenues and, if we fail to adequately comply with such changes, result in government sanctions.

Generally, our customers are ultimately responsible for the compliance of their medical devices and pharmaceutical products from a regulatory perspective, including compliance of such products with current good manufacturing practices for drugs and the FDA's Quality System Regulation for medical devices. However, we may agree to comply with certain requirements by contract, and, if we fail to do so, we could jeopardize the compliance status of our customers' products, experience a loss in sales and customers and be exposed to contract and product liability claims.

Certain of our food packaging materials are subject to FDA regulation. For example, the FDA regulates "food contact substances", which the FDA defines to include any substance that is intended for use as a component of materials used in manufacturing, packing, packaging, transporting or holding food if such use of the substance is not intended to have any technical effect in such food. The FDA also regulates "food additives", which the FDA defines to include any substance the intended use of which results or may reasonably be expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristic of any food (including substances intended for packaging). The FDA imposes requirements with respect to these substances, including, in some cases, pre-market review requirements. Although, we require that the manufacturers of the raw materials who supply to us comply with and satisfy any food contact substance and food additive requirements, such as any requirements to submit and seek FDA review of a food contact notification or food additive petition, we have only limited control over our suppliers' activities, and any failure by us or our suppliers to adhere to applicable food safety regulations could result in enforcement action or could otherwise have a material adverse effect on our business.

We maintain Drug Master Files ("DMFs") with the FDA, which are submissions that may be made to the FDA containing detailed information about the facilities, processes or articles used in the manufacturing, processing, packaging, and storage of human drugs products. The submission and maintenance of a DMF is a mechanism to allow our customers to share data in connection with the FDA's review of regulatory filings and applications for our customers' products without sharing our proprietary information directly with our customers. We also issue Letters of Authorization to our customers to support their regulatory filings, including their New Drug Applications and Abbreviated New Drug Applications.

We cannot accurately predict what changes in laws, regulations and other requirements might be made in the future and how those changes could affect our business or our compliance costs.

A portion of our workforce is unionized, and labor disruptions could increase our costs and prevent us from supplying our customers.

As of December 31, 2022, approximately 6.7% of our domestic workforce was unionized, represented by three unions. Our employees located at our Ridgefield, New Jersey location are covered by a collective bargaining agreement between us and Local No. 11, an affiliate of the International Brotherhood of Teamsters, which is scheduled to expire on July 31, 2024. Our employees located at our Milwaukee, Wisconsin location are covered by a collective bargaining agreement between us and the International Union of Electronic, Electrical, Salaried, Machine and Furniture Construction Works / Communication Workers of America Local 84101, which is scheduled to expire on April 30, 2023. Our employees located at our Wenatchee, Washington location are covered by a collective bargaining agreement between us and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union Local 784, which is scheduled to expire on March 31, 2024. In addition, some of our employees at facilities in Belgium, Italy, Mexico and Brazil are members of local unions or similar organizations. The percentage of our workforce that is represented by unions may increase. Although we consider our current relations with all of the unions to be generally good and we believe that we will successfully negotiate new collective bargaining agreements when the current agreements expire, these negotiations may not prove successful, may result in a significant increase in the cost of labor, or may break down and result in the disruption or cessation of our operations. Any prolonged work stoppages or disturbances at any unionized facility may have a negative impact on our financial condition and results of operations by increasing costs and preventing us from supplying our customers.

A slowing pipeline of new products at favorable margins could adversely affect our performance and prospects for future growth.

Our competitive advantage is due in part to our ability to develop and introduce new products in a timely manner at favorable margins. If we are unable to timely develop and introduce new products or enhance our existing products in response to changing market conditions, customer requirements or demands, or changes in technology, our business and the growth plans of our business could be adversely affected. The development cycle of new products can be lengthy and require high levels of investment. New products may not meet sales or margin expectations due to many factors, including our inability to accurately predict demand, end-user preferences and evolving industry standards, to resolve technical and technological challenges in a timely and cost-effective manner, and to achieve manufacturing efficiencies.

A loss of or major disruption in our manufacturing operations could adversely affect our business.

We are dependent on the continued operations of our manufacturing facilities. Our manufacturing facilities are subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products, including fire, chemical spills, discharges or releases of toxic or hazardous substances or gases, storage tank leaks, other environmental and operational risks, remediation complications, mechanical failure, unscheduled downtime, labor difficulties, and transportation interruptions. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and environmental damage and could have a material adverse effect on our financial position and results of operations. In March 2020, for example, a fire in our Gallarate, Italy facility caused a complete cessation of operations for several months, and the facility was only restored to full operation in June 2022. In addition, a natural disaster such as a tornado, hurricane, earthquake or other severe weather event could have a material adverse effect on our results of operations. From time to time, we may construct new facilities, renovate existing facilities, or install new equipment in our facilities. Such projects, if not successfully executed, may disrupt our supply of products to our customers and could have a material adverse effect on our results of operations.

The availability and reliability of transportation facilities and fluctuations in transportation costs could affect the demand for our products or impair our ability to supply our products to prospective customers.

Transportation logistics will play an important role in allowing us to supply our products to prospective customers. Any significant delays, interruptions or other limitations on the ability to transport our products could negatively affect our operations. COVID-19 disrupted transportation networks, which to a certain extent has abated, but there can be no assurance that such disruptions will not return to due to public health concerns or other factors. Delays and interruptions of rail services because of accidents, failure to complete construction of rail infrastructure, infrastructure damage, lack of rail or port capacity, weather-related problems, governmental regulation, terrorism, conflict or war, public health concerns, strikes, lock-outs, third-party actions or other events could impair our ability to supply our products to customers and adversely affect our profitability. Increases in transportation costs, including increases resulting from emission control requirements and fluctuations in the price of locomotive diesel fuel and demurrage, could make our products less competitive, which could have a material adverse effect on our business, financial condition and results of operations.

The occurrence of cyber incidents, failures or interruptions of our systems or a deficiency in cybersecurity could impair our ability to conduct our operations.

We are subject to risks associated with inadvertent or intentional cyber incidents, breaches, incidents, attacks and exposures in cybersecurity that threaten the confidentiality, integrity or availability of information resources, networks, systems, servers, computers, programs and data. As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced. For example, we and our third party vendors or suppliers are vulnerable to intentional attacks, cyber-attacks, hacking, computer malware, ransomware, computer viruses, social engineering (phishing attacks), denial of service, and similar incidents, unintentional events that can include network failures, computer and telecommunication failures, usage errors, power outages and catastrophic events, and employee theft or misuse, and such cybersecurity threats are increasing in number and severity (and it is expected this trend will continue). The techniques used in such attacks change frequently and are often not recognized until launched against a target, and accordingly, there may be a significant delay between the initiation of an attack on our resources and our recognition of the attack. They may originate from less regulated or remote areas around the world, or from state-sponsored actors. Moreover, the conflict involving Russia and Ukraine has resulted in a heightened risk of cyberattacks against companies. We face a number of potential risks that could arise from the occurrence or perceived occurrence of a cyber incident affecting us or our third party vendors or suppliers, including loss or suspension of access to data or systems or cause other business delays or disruptions, operational interruption, damage to our relationships with customers, suppliers and employees and theft, loss, damage, or unavailability of, or unauthorized access to, or use, disclosure, modification, or other processing of private or confidential data exposure. We have experienced such incidents in the past and may experience in the future similar incidents. In addition to maintaining insurance coverage to address cyber incidents, we have also implemented processes, procedures and controls to help mitigate these risks. However, despite the implementation of controls as well as our increased awareness of the risk of a cyber incident, we may be vulnerable to a cyber incident, and our cyber insurance coverage may not fully cover the costs of a cyber incident. As a result, our reputation and financial results may be adversely affected by such an incident.

We maintain confidential, proprietary or personal data about our employees, customers, potential customers and vendors, and data relating to our operations. Any successful breach or attack affecting our systems, the network of a third party to whom we have disclosed confidential, proprietary or personal data, a data center where we have stored such data or a third-party cloud service provider could compromise the data stored on our networks or with these third parties, resulting in unauthorized access, theft, misuse, public disclosure and/or loss or alteration of data. Any actual or perceived inability to adequately address cybersecurity, to comply with contractual or other legal obligations, or event that leads to access, use, disclosure or loss or alteration of data could result in loss of data, legal claims or proceedings, regulatory investigation, enforcement actions, regulatory fines, disrupt our operations, damage our reputation, impair our ability to conduct business, or result in the loss or diminished value of profitable opportunities. If personal data were misappropriated, our reputation could be injured, and we could incur costs to compensate individuals or pay damages or fines as a result of litigation or regulatory actions arising out of any such incident. Additionally, many jurisdictions have also enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our cybersecurity measures. For additional discussion regarding these laws more generally, see "— Failure To Comply With Laws Relating To The Processing Of Data About Individuals May Require

Us To Make Changes To Our Products Or Incur Penalties Or Other Liabilities". Data security incidents could also lead to an increase in insurance premiums.

The data centers supporting our information technology infrastructure are located around the world in different facilities. Any one of these facilities may be susceptible to damage or interruption due to human error, fire, flood, power loss, telecommunications failure or other events. Any failure or interruption of our information technology systems, including due to any such events at the data center supporting our systems, could impair our ability to conduct routine operations, which could have a material adverse effect on our results of operations. In addition, our information technology systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems in order for us to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards (including the increasing need to protect personal data), changes in the techniques used by hostile actors to obtain unauthorized access to data and information systems, and the information technology needs associated with our changing products and services. There can be no assurance that our efforts will be successful or that additional systems issues will not arise in the future.

Failure to comply with laws relating to the processing of data about individuals may require us to make changes to our products or incur penalties or other liabilities.

We are subject to data protection and privacy laws in the jurisdictions in which we operate, including with respect to our employees, website users, employees of our customers and vendors, and others. Many federal, state and foreign governmental bodies and agencies have adopted, or are considering adopting, laws and regulations that impose limits on the collection, processing, use, disclosure and security of data about individuals. In some cases, such laws and regulations can be enforced by private parties in addition to government entities. In addition, privacy advocacy and industry groups may propose new and different self-regulatory standards or guidance that may legally or contractually apply to us and our vendors. These non-uniform laws, regulations, standards and guidance are complex and currently evolving and can be subject to significant change and interpretation, and may be inconsistently applied and enforced from one jurisdiction to another. The pace of such laws and regulations and guidance has been increasing in recent years, with a number of laws impacting our ability to collect, share and use personal information, including, for example, the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act and the European Union's General Data Protection Regulation, as also applied in the United Kingdom by virtue of the United Kingdom's Data Protection Act, which imposes a host of data privacy and security requirements, imposing significant costs on us and carrying substantial penalties for non-compliance. Although we take reasonable efforts to comply with all applicable laws and regulations, there can be no assurance that we will not be subject to regulatory action. Any failure, or perceived failure, by us to comply with any applicable data protection laws and regulations could result in proceedings, complaints, investigations or actions (including class actions) brought against us by governmental entities/agencies or private individuals/entities, significant fines, penalties, judgments, orders requiring us to change business practices, public criticism, loss of customers, loss of goodwill or other additional liabilities, such as claims by industry groups or other third parties. This could result in reputational damage to our business and/or increasing the costs and complexity of compliance. As privacy and data protection laws and regulations continue to evolve, we may incur additional costs to ensure that we remain in compliance with those laws and regulations.

We are dependent on key personnel.

Our business involves complex operations and therefore demands a management team and employee workforce that is knowledgeable and expert in many areas necessary for our operations. In making a decision to invest in the notes, you must be willing to rely to a significant extent on our management's discretion and judgment. Our performance and success is dependent, in part, upon key members of our management, especially our Chief Executive Officer, Brenda Chamulak, and the Chief Executive Officers for our Healthcare and Consumer Products divisions, Eldon Schaffer and Christopher Qualters. The loss or departure of any key members of our management team could be detrimental to our future success. Further, the process of attracting and retaining suitable replacements for key personnel whose services we may lose would result in transition costs and would divert attention of other members of our senior management from our existing operations. We do not maintain key person insurance on anyone in our senior management team. The loss of any of our management members or key personnel could have a material adverse effect on our business, financial condition and results of operations. See "Management".

Changes to foreign currency exchange rates could adversely affect our earnings and net asset value.

We have businesses with exposure to foreign currency exchange risk in Belgium, Italy, Northern Ireland, Germany, Costa Rica, India, Canada, Mexico, Colombia, China, Argentina and Brazil. Changes in the respective currency exchange rates in these countries will affect the value of the reported earnings and the value of those assets and liabilities denominated in foreign currencies. For example, an increase in the value of the U.S. Dollar compared to the Euro would reduce our Euro-denominated revenue when reported in U.S. Dollars, our functional reporting currency. Our business, financial condition and operating results may be adversely affected by such exchange rate fluctuations. At December 31, 2022, our net assets subject to foreign currencies were approximately $617.7 million. A 10% change in combined foreign currencies would change our net assets by approximately $56.2 million.

Risks related to our defined benefit pension plan may adversely affect our results of operations and cash flow.

We maintain the Tekni-Plex, Inc. Pension Plan (the "U.S. Pension Plan"), a defined benefit pension plan that is funded to 99% year-to-date as of the quarter ended December 31, 2022. This is a slight decrease from 103% funded earlier in the year due to market changes. The Company has initiated an asset liability immunization strategy to take advantage of the current environment.

We have assets in the U.S. Pension Plan which arise through employer contributions and returns on investments made by the plan. The return on investment is subject to fluctuations depending upon market conditions and we are responsible for funding any shortfall of pension assets compared to our pension obligations under the U.S. Pension Plan. Our liability under the U.S. Pension Plan is estimated based on actuarial and other assumptions. These assumptions may prove to be incorrect and may change over time and the effect of these changes can be material. Our current funding policy is to contribute no less frequently than annually an amount at least equal to the minimum contribution required by law.

Significant changes in actual investment return on pension assets, discount rates, and other factors could adversely affect our results of operations and pension contributions in future periods. For example, a reduction in pension assets due to declines in the equity markets or an increase in pension liabilities due to reductions in long term corporate bond yields could adversely affect our results of operations by increasing pension contributions. GAAP requires that we determine income or expense for the plans based upon actuarial valuations reflecting current pension assets and credit market conditions. These valuations reflect assumptions about financial markets based on economic conditions.

Under the Employee Retirement Income Security Act of 1974, as amended, the Pension Benefit Guaranty Corporation (the "PBGC"), has the authority to terminate an underfunded tax-qualified pension plan under limited circumstances. In the event the U.S. Pension Plan is terminated by the PBGC, we could be liable to the PBGC for the entire amount of the underfunding.

We may incur additional tax liabilities related to our operations.

We are subject to federal, state and local taxes in the U.S. and foreign taxes. Fluctuations in federal, state, local and foreign taxes or a change to uncertain tax positions, including related interest and penalties, may increase our effective tax rate and materially impact our financial results. In addition, federal, state and local tax laws and regulations in the U.S. and internationally are extremely complex and subject to varying interpretations. Although we believe our tax positions are reasonable, if the Internal Revenue Service ("IRS") or another taxing authority disagrees with our interpretation of tax law as applied to our operations or with the positions we take with respect to particular tax issues on our tax returns, we could have additional tax liability, including interest and penalties. When particular tax matters arise, it may take a significant amount of time before such matters are audited and finally resolved. Unfavorable resolution of any tax matter could increase our effective tax rate, result in significant costs, including penalties and interest and could have an adverse effect on our operating results. It is also possible that the changes in laws, rules, regulations, or interpretations by taxing authorities will have a material adverse effect on our financial condition or results of operations.

Our business requires that we lease substantial amounts of manufacturing and warehousing space, and there can be no assurance that we will be able to renew our leases on favorable terms or at all.

We lease a substantial number of properties, including certain of our manufacturing, warehouse and office facilities. We believe that we have been able to negotiate favorable lease terms in the past, but there can be no guarantee that we will be able to renew our leases on favorable terms or at all. If we are not able to renew existing leases or enter into new leases on terms acceptable to us this could negatively impact our manufacturing and distribution capabilities, which could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

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

There is growing concern that the global economy, including the manufacturing industry, will be affected by the impacts of climate change. We monitor risks posed by climate change such as physical climate risks, current and emerging regulations, and market risks, as well as the potential impact to our business, operations and financial results, especially where the cost to respond is significant.

If not addressed, repercussions of physical climate-related issues, like water scarcity and drought, could cause disruptions within our supply chain, making it more difficult and/or expensive to operate, or impeding our ability to operate.

Current and emerging regulation of products may include mandates to limit carbon dioxide and other greenhouse gas emissions throughout the product life cycle; increase the recycled content of raw materials in our products; limit or eliminate the use of certain materials within our products; and improve recyclability or reusability of packaging at the end-of-life. We may encounter increased costs as we reformulate and redesign our product offerings in response to the changing regulatory landscape.

Increasing scrutiny and changing expectations from investors, customers, and governments with respect to our ESG practices and commitments may impose additional costs on us or expose us to additional risks and liabilities.

There is an increased scrutiny from shareholders, customers, and governments on corporate ESG practices. Our ESG practices may not meet the standards of all of our stakeholders and advocacy groups may campaign for further changes. Many of our large, global customers are also committing to long-term targets to reduce greenhouse gas emissions within their supply chains. If we are unable to support customers in achieving these reductions, customers may seek out competitors who are better able to support such reductions. A failure, or perceived failure, to respond to expectations of all parties, including with meeting our own climate-related and other ESG target ambitions, could have a material adverse effect on our business and reputation. New government regulations could also result in new or more stringent forms of ESG oversight and disclosures which may result in increased expenditures for environmental controls, new taxes on the products we produce, added costs in our manufacturing operations, and significantly increase our compliance costs to meet new disclosure requirements.

If our enterprise resource planning or other information technology systems are interrupted, fail to perform as designed or not effectively maintained, our ability to process transactions and record reliable data may be impaired and our business may otherwise be adversely affected.

A substantial portion of our operations are highly dependent on information technology to be effective, including portions of our manufacturing equipment as well as back-office functions. We have acquired many businesses over time, and the enterprise resource planning ("ERP") systems of those businesses have not been integrated into a single system. We utilize 23 distinct ERP systems (some of which are multiple instances of the same system) to maintain the financial records, enhance operational functionality and provide timely information to the Company's management team related to the operation of the business. Some of our ERP and information technology systems currently are, and may become, no longer supported by the original vendors or other information technology professionals. In addition, some of our information technology or ERP systems may not remain available on terms acceptable to us and may require replacement, which could result in substantial operational expense and diversion of our resources.

The failure of our information technology and ERP systems to remain in continuous operation as designed could substantially disrupt our business. These systems are vulnerable to breakdown or other interruption or damage from a variety of sources, such as system malfunctions, natural disasters, terrorism, war and telecommunication and electrical failures. Recovery from any failure of these systems could take an extended period of time, cause irreparable data loss and costly business interruptions. We may also be required to expend substantial resources to upgrade and maintain our information technology and ERP systems, including to ensure they remain effective and interoperable with our and our customers' or suppliers' systems or facilities. There are inherent risks associated with replacing or upgrading these systems, including failure to accurately capture data and disruptions to our normal operating processes. There can be no assurances that we will successfully upgrade these systems as planned, that we will be able to successfully train personnel to manage or use new systems, or that any new systems will be as beneficial as predicted. Furthermore, if we cannot maintain our current information technology or ERP systems or consolidate them into other, better supported systems, or if we cannot consolidate their outputs using our consolidation software, our ability to process transactions and record reliable data may be impaired and our business operations may otherwise be disrupted or operate less effectively. Without such data, we may have difficulty or be unable to issue the reports required by the indenture governing the notes. This or any of the other foregoing effects may have a material adverse effect on our financial positions, results of operations and cash flows.

Risks Related To The Notes and This Offering

The notes will not be secured by any of our assets and are effectively subordinated to our secured debt. The ABL Facility and the Amended Term Loan Facility are secured and, therefore, the lenders thereunder will have a prior claim on substantially all of our assets and those of our guarantors.

The notes will not be secured by any of our assets, or those of any guarantor. All of our obligations under the ABL Facility and the Amended Term Loan Facility, and under any swap agreements and cash management arrangements that are entered into by us or any of the subsidiary guarantors thereunder that, in either case, are provided by any lender or agent party to the ABL Facility or the Amended Term Loan Facility, as applicable, or any of their respective affiliates, and the guarantees of such obligations, will be secured, subject (in each case) to permitted liens and other exceptions:

- in the case of the ABL Facility, by (i) a first priority security interest on the "Current Asset Collateral", which includes accounts receivable, inventory, deposit accounts, securities accounts, commodities accounts, and cash and cash equivalents (other than a deposit account or securities account containing exclusively identifiable proceeds of the Fixed Asset Collateral (as defined below)) (but not including capital stock of the subsidiaries of the holding company of the Issuer); and (ii) a second priority security interest on the "Fixed Asset Collateral", which includes substantially all assets (other than the Current Asset Collateral), including but not limited to (A) a pledge on our capital stock, certain of our direct wholly owned domestic restricted subsidiaries or any subsidiary guarantor and up to 65% of the capital stock issued and outstanding by certain of our and any subsidiary guarantor's direct wholly owned foreign restricted subsidiaries and (B) mortgages on certain material fee-owned real property; and
- in the case of the Amended Term Loan Facility, by (i) a first priority security interest on the Fixed Asset Collateral and (ii) a second priority security interest on the Current Asset Collateral.

The lenders under the ABL Facility or the Amended Term Loan Facility, as the case may be, will be entitled to accelerate all obligations thereunder if we become insolvent or are liquidated, or if we otherwise default on any of our obligations and agreements under the ABL Facility or the Amended Term Loan Facility, as applicable. If payment under any of the instruments governing our secured debt is accelerated, the lenders under these instruments will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the instruments governing such debt. Accordingly, the lenders under the ABL Facility and the lenders under the Amended Term Loan Facility will have a prior claim on our assets (and those of the guarantors under the ABL Facility or the Amended Term Loan Facility, as applicable). In that event, because the notes will not be secured by any of our or the guarantors' assets, it is possible that our and the guarantors' remaining assets might be insufficient to satisfy the claims of our note holders in full. Any such exercise of the lenders' remedies under the ABL Facility or the Amended Term Loan Facility could impede or preclude our ability to continue to operate as a going concern.

Our management team will have immediate and broad discretion over the use of a portion of the proceeds from the notes offered hereby and we may use such proceeds in ways with which you disagree.

A portion of the proceeds from the notes offered hereby will be immediately available to our management to use at their discretion, which may include the financing of potential near-term acquisitions, capital expenditures, working capital, repayment of outstanding indebtedness under the Term Loan Facility and other general corporate purposes. We intend to use the net proceeds from the notes offered hereby as discussed under "Use of Proceeds" in this offering circular, and we have not allocated the portion of such proceeds designated for "general corporate purposes" for any particular corporate purpose. Accordingly, our management team will have significant discretion and flexibility in applying such portion of the net proceeds of this offering. You will be relying on the judgment of our management team with regard to the use of this portion of the net proceeds of the notes offered hereby, and you will not have the opportunity, as part of your investment decision, to assess whether such proceeds are being used appropriately. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, and results of operations.

The notes will be effectively subordinated to the claims of the creditors of non-guarantor subsidiaries.

The notes will be unsecured, unsubordinated debt obligations of the Issuer and the guarantees will be unsecured, unsubordinated debt obligations of the guarantors of the notes. As a result, payments on the notes are only required to be made by us and the guarantors. We conduct a substantial portion of our business through our subsidiaries that will not be guarantors of our obligations under the notes and, accordingly, our subsidiaries that are not guarantors of the notes will have no obligation to pay any amounts due under the notes or to make any funds available therefor, whether by dividend, loan or other payment. Accordingly, holders of the notes will be structurally subordinated to the claims of creditors of non-guarantor subsidiaries, including trade creditors and preferred stockholders, if any. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to us or a guarantor of the notes. The non-guarantor subsidiaries will be permitted to incur additional debt in the future under the indenture governing the notes, the Amended Term Loan Facility and the ABL Facility.

For the six months ended December 31, 2022 (after giving effect to the subsequent joinder of certain subsidiaries as guarantors of our existing ABL Facility and Term Loan Facility), our non-guarantor subsidiaries represented approximately 36% of our consolidated Net Sales, and as of December 31, 2022, our non-guarantor subsidiaries represented approximately 50% of our consolidated current assets, approximately 47% of our consolidated property, plant and equipment, net and approximately 8% of our consolidated total liabilities. As of December 31, 2022, our non-guarantor subsidiaries had $31.1 million of interest bearing debt.

Not all of our subsidiaries are guarantors, and, therefore, the notes will be structurally subordinated in right of payment to the indebtedness and other liabilities of our existing and future subsidiaries that do not guarantee the notes. Your right to receive payments on the notes could be adversely affected if any of these non-guarantor subsidiaries declare bankruptcy, liquidate or reorganize.

Not all of our subsidiaries will guarantee the notes, and such non-guarantor subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes and guarantees will be structurally subordinated to all of the liabilities of any of our subsidiaries that do not guarantee the notes and will be required to be paid before the holders of the notes have a claim, if any, against those subsidiaries and their assets. Therefore, if there were a dissolution, bankruptcy, liquidation or reorganization of any such subsidiary, the holders of notes would not receive any amounts with respect to the notes from the assets of such subsidiary until after the payment in full of the claims of creditors, including trade creditors and preferred stockholders, of such subsidiary.

The equity interests of other equity holders in any non-wholly owned non-guarantor subsidiary in any dividend or other distribution made by these entities would need to be satisfied on a proportionate basis with us. These less than wholly owned subsidiaries may also be subject to restrictions on their ability to distribute cash to us in their financing or other agreements, and, as a result, we may not be able to access their cash flow to service our debt obligations, including in respect of the notes.

In addition, our subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

- the designation of that subsidiary guarantor as an unrestricted subsidiary;
- the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the notes by such subsidiary guarantor; or
- the sale or other disposition, including the sale of substantially all the assets, of that subsidiary guarantor.

If any subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the notes. See “Description of Notes — Guarantees”.

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

Any default under the agreements governing our indebtedness, including a default under agreements governing the ABL Facility or the Amended Term Loan Facility, that is not waived by the required lenders thereunder, and the remedies sought by such creditors, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the lenders of such indebtedness may be able to cause all of our available cash flow to be used to pay such indebtedness and, in any event, could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest; the revolving credit lenders under the ABL Facility could elect to terminate their commitments thereunder, cease making further revolving credit loans and institute foreclosure proceedings against our assets and we or the guarantors could be forced into bankruptcy or liquidation. Upon any such bankruptcy filing, we and the guarantors would be stayed from making any ongoing payments on the notes or the guarantees, and the holders of the notes would not be entitled to receive post-petition interest or applicable fees, costs or charges, or any “adequate protection” under Title 11 of the United States Code, or the “Bankruptcy Code”. Furthermore, if a bankruptcy case were to be commenced by or against us or a guarantor under the Bankruptcy Code, claims could be asserted (by us or any guarantor as debtors-in-possession, by any bankruptcy trustee appointed, or potentially by other creditors), with respect to any payments made on the notes or a guarantee within 90 days prior to the commencement of such a case (or, in certain circumstances, a longer period), that we or the guarantors were insolvent at the time any such payments were made and such payments enabled the recipients thereof to receive a greater return than they would in any hypothetical Chapter 7 liquidation, such that all or a portion of such payments, which could include repayments of amounts due under the notes or the guarantees, might be deemed to constitute a preference under the Bankruptcy Code and should therefore be voided by the bankruptcy court and recovered from the recipients for the benefit of the entire bankruptcy estate. Also, in the event that we or a guarantor were to become a debtor in a bankruptcy case seeking reorganization or other relief under the Bankruptcy Code, a delay and/or substantial reduction in payments under the notes or the guarantees may otherwise occur. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under the ABL Credit Agreement or the Amended Term Loan Credit Agreement to avoid being in default. If we breach our covenants under the agreements governing the ABL Facility or the Amended Term Loan Facility and seek a waiver, we may not be able to obtain a waiver from the required lenders thereunder. If this occurs, we would be in default under the ABL Credit Agreement or the Amended Term Loan Credit Agreement the lenders thereunder could exercise their rights as described above and we could be forced into bankruptcy or liquidation. See “Description of Certain Other Indebtedness” and “Description of Notes”.

On or prior to June 30, 2024, upon the occurrence of a change of control, the notes are subject to a special redemption at the option of the Issuer.

On or prior to June 30, 2024, the Issuer may redeem all or a portion of the notes then outstanding following the occurrence of a change of control at a redemption price equal to 109% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, provided that the special redemption occurs within 120 days of the change of control, provided further that in the event that such special redemption is for less than all the then-outstanding notes, at least $250 million of the aggregate principal amount of notes (including any additional notes) remains outstanding. In the event of a special redemption of all or part of the outstanding notes, you may realize a lower return on your investment than if the notes had been outstanding through maturity. As a result, any holder who tenders notes pursuant to a change of control offer may lose the additional value equal to the difference between the change of control offer price and the special redemption price, if the Issuer elects to exercise its special redemption right following a change of control. In addition, should the Issuer elect to redeem only a portion of the then-outstanding notes, the liquidity of the remaining notes may be reduced. See “Description of Notes — Optional Redemption”.

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

Upon the occurrence of a change of control triggering event, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest, unless such notes have been previously called for redemption. See “Description of Notes — Change of Control”. The source of funds for any such purchase of the notes will be our available cash or cash generated from our subsidiaries’ operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control triggering event because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control triggering event. Our failure to repurchase the notes tendered upon a change of control triggering event would cause a default under the indenture governing the notes and a cause a cross-default under the ABL Credit Agreement and the Amended Term Loan Credit Agreement. The ABL Credit Agreement and the Amended Term Loan Credit Agreement will also provide that a change of control will be a default that permits lenders thereunder to accelerate the maturity of borrowings thereunder. See “Description of Certain Other Indebtedness”.

We may be unable to repay or repurchase the notes at maturity.

At maturity, the entire outstanding principal amount of the notes, together with accrued and unpaid interest, will become due and payable. We may not have the funds to fulfill these obligations or the ability to renegotiate these obligations. If, upon the maturity date, other arrangements prohibit us from repaying the notes, we could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. In these circumstances, if we were not able to obtain such waivers or refinance these borrowings, we would also be unable to repay the notes.

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

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

The lenders under the Amended Term Loan Facility will have the discretion to release the guarantors under the Amended Term Loan Credit Agreement in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the notes.

While any obligations under the Amended Term Loan Facility remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture governing the notes, at the discretion of the lenders under Amended Term Loan Facility if the related guarantor is no longer a guarantor of obligations under the Amended Term Loan Facility or certain other indebtedness. See "Description of Notes". The lenders under the Amended Term Loan Facility will have the discretion to release the guarantees under the Amended Term Loan Facility in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of note holders.

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

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

Federal and state fraudulent transfer laws may permit a court to void the notes and the guarantees, subordinate claims in respect of the notes and the guarantees and require note holders to return payments received and, if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of any guarantees of the notes, including the guarantee by the guarantors entered into upon issuance of the notes and subsidiary guarantees (if any) that may be entered into thereafter under the terms of the indenture governing the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or guarantees could be voided as a fraudulent transfer or conveyance if: (i) the Issuer or any of the guarantors, as applicable, issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (ii) the Issuer or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (ii) only, one of the following is also true at the time thereof:

- the Issuer or any of the guarantors, as applicable, was insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;
- the issuance of the notes or the incurrence of the guarantees left the Issuer or any of the guarantors, as applicable, with an unreasonably small amount of capital to carry on the business;
- the Issuer or any of the guarantors intended to, or believed that the Issuer or such guarantor would, incur debts beyond the Issuer's or such guarantor's ability to pay such debts as they mature; or
- the Issuer or any of the guarantors was a defendant in an action for money damages, or had a judgment for money damages docketed against it or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

A court would likely find that the Issuer or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or such guarantee if the Issuer or such guarantor did not substantially benefit directly or indirectly from the issuance of the notes or the applicable guarantee. As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A debtor will generally not be considered to have received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor. The measures of insolvency for purposes of these fraudulent transfer laws vary depending upon the law being applied in any proceeding to determine whether a fraudulent transfer has occurred, such that we cannot be certain as to the standards a court would use to determine whether or not the Issuer or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that a court would not determine that the Issuer or a guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not the Issuer or a guarantor was insolvent on the date the notes or the guarantee was issued, that any payments to holders of the notes or in connection with a guarantee constituted preferences or fraudulent transfers or conveyances on other grounds, or the notes or the guarantees would not be further subordinated to the Issuer's or any of the guarantors' other debt. Generally, however, an entity would be considered insolvent if, at the time it incurred indebtedness:

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

If a court were to find that the issuance of the notes or the incurrence of the guarantees was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such guarantees or further subordinate the notes or such guarantees to presently existing and future indebtedness of the Issuer or of the related guarantors, or require the holders of the notes to repay any amounts received with respect to such guarantees. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes or such guarantees, as applicable. Sufficient funds to repay the notes may not be available from other sources, including any remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. Further, the voidance of the notes could result in an event of default with respect to the Issuer's and its subsidiaries' other debt that could result in acceleration of such debt.

If the guarantees were legally challenged, any guarantee could also be subject to the claim that, since the guarantee was incurred for the Issuer's benefit, and only indirectly for the benefit of the applicable guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of the notes.

Although each guarantee entered into by a subsidiary will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect those guarantees from being voided under fraudulent transfer law, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless. A recent court decision found a similar limitation was ineffective to preserve the enforceability of a guarantee.

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

Finally, as a court of equity, a bankruptcy court may otherwise subordinate the claims in respect of the notes or the guarantees to other claims against us or the guarantors under the principle of equitable subordination, if the court determines that: (i) the holder of the notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of the notes; and (iii) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

Many of the covenants in the indenture governing the notes and the guarantees of the notes will not apply during any period in which the notes are rated investment grade by Moody's and S&P Global Ratings.

Many of the covenants in the indenture governing the notes will not apply to us and the guarantees will be suspended during any period in which the notes are rated investment grade by Moody's and S&P Global Ratings ("S&P") provided at such time no default or event of default has occurred and is continuing. These covenants will restrict, among other things, our ability to pay distributions, incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain these ratings. However, suspension of these covenants would allow us to incur debt, pay dividends and make other distributions and engage in certain other transactions that would not be permitted while these covenants were in force. To the extent the covenants and the guarantees are subsequently reinstated, any such actions taken while the covenants were suspended would not result in an event of default under the indenture governing the notes. See "Description of Notes — Certain Covenants".

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

The notes have been rated by Moody's and S&P and may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any downgrade, suspension or withdrawal of a rating by a rating agency (or any anticipated downgrade, suspension or withdrawal) could reduce the liquidity or market value of the notes. Any future lowering of our ratings may make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may lose some or all of the value of your investment in the notes. In addition, credit rating agencies rate the notes on factors that include our results of operations, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. 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. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of the notes or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of the notes offered hereby.

There are restrictions on your ability to transfer or resell the notes without registration under applicable securities laws.

The notes are being issued pursuant to exemptions from registration under federal and applicable state securities laws. Therefore, you may transfer or resell the notes in the United States only in a transaction registered under or exempt from the registration requirements of the federal and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. By receiving the notes, you will be deemed to have made certain acknowledgements, representations and agreements as set forth under “Transfer Restrictions” and “Plan of Distribution”.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop, or if developed, be maintained, for the notes.

The notes are new issues of securities for which there is no established public market. We do not intend to have the notes listed on a national securities exchange or included in any automated quotation system.

The initial purchasers have advised us that they intend to make a market in the notes as permitted by applicable laws and regulations; however, they are not obligated to make a market in the notes, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for the notes may not develop or, if developed, it may not continue. The liquidity of any market for the notes will depend upon the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. A liquid trading market for the notes may not develop. If an active market does not develop or is not maintained, the price and liquidity of the notes may be adversely affected. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your notes. In addition, the notes may trade at a discount from their value on the date you acquired the notes, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

In addition, recent regulatory actions by the SEC under Rule 15c2-11 of the Exchange Act may restrict the ability of brokers and dealers to publish quotations on the notes on any interdealer quotation system or other quotation medium after January 4, 2025, which may have a material adverse effect on the liquidity and trading prices for the notes.

The trading market for the notes may be adversely affected by future resales of the notes by the initial purchasers or other factors.

On the closing date of this offering, all of the notes will be purchased by the initial purchasers. The initial purchasers may resell the notes at any time and at any price, and there can be no assurance that such resales will not adversely affect the market for the notes and the prices at which you may sell your notes. In addition to the foregoing, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending on other factors that include, without limitation, prevailing interest rates, the market for similar notes and our performance.

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

We do not intend to register the notes under the Securities Act or to offer to exchange the notes in an exchange offer registered under the Securities Act. We are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and you will only be entitled to receive the information about us as specified under "Description of Notes — Certain Covenants — Reports", including the information required by Rule 144A(d)(4) under the Securities Act. Certain information about us may be provided on a confidential basis and, in such case, may not be copied or reproduced, nor may it be distributed or any of its contents disclosed, to anyone other than holders of the notes and prospective purchasers of the notes pursuant to Rule 144A(d)(4). In addition, the indenture governing the notes will not be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and we will not be required to comply with any provision of the Trust Indenture Act.

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

This offering circular does not include all of the information that would be required if we were registering the offering of the notes with the SEC. In particular, this offering circular may not contain all required financial information regarding the Acquisition Transactions or certain historical executive compensation information. We urge you to consider this factor in connection with your evaluation of your investment in the notes.

The unaudited as adjusted and other non-GAAP financial information presented in this offering circular is based on management estimates and assumptions that may prove to be incorrect.

In preparing the unaudited as adjusted financial information included in this offering circular, we have made certain adjustments to our historical consolidated financial information based upon currently available information and upon estimates and assumptions that our management believes are reasonable. This unaudited non-GAAP information is based on certain estimates and assumptions that may prove to be materially different from our actual experience because they are predicated on judgments and other information that are inherently uncertain. Unanticipated events may occur that render the assumptions and estimates underlying such information inaccurate, meaning the actual results achieved by us during the periods to which these estimates relate would have been different than what is presented. Other non-GAAP performance measures included in this offering circular, including EBITDA, Management Adjusted EBITDA, Combined Adjusted EBITDA, free cash flow and similar or derivative metrics are subject to similar risks. Our presentation of combined and other non-GAAP financial information is not intended to be a substitute for historical GAAP measures of operating performance or liquidity. See "Presentation of Financial Information — Non-GAAP, Combined and As Adjusted Financial Measures and Division Information" and "Summary — Summary Financial Information" for a discussion of the limitations of non-GAAP financial measures and calculations included in this offering circular.

Our ability to realize the expected benefits or cost savings associated with certain adjustments included when calculating Combined Adjusted EBITDA, depends on factors beyond our control, such as operating difficulties, increased operating costs, actions of our competitors and customers, delays in implementing initiatives and general economic or industry conditions. Additionally, achieving such benefits may require certain related one-time costs, charges and expenses, which may be material. We cannot assure you that we will be successful in generating growth, maintaining or increasing our cash flows or profitability or achieving cost savings in connection with the items reflected in these adjustments on the anticipated timeline, or at all. We also cannot assure you that our Combined Adjusted EBITDA will reflect the actual benefits of the related adjustments.

We do not intend to update or otherwise revise our unaudited as adjusted financial information or other non-GAAP measures included in this offering circular to reflect circumstances existing or arising after the date hereof, or to reflect the occurrence of unanticipated events. The inclusion of this information should not be regarded as a representation by us or any other person that we will achieve such results. You should not place significant reliance on this information and should make your own independent assessment of our potential future results of operations, cash flows and financial condition, and our ability to make principal and interest payments on the notes. See "Summary — Summary Financial Information" for more information.

The notes will be held in book-entry form and, therefore, holders must rely on the procedures of the relevant clearing systems to exercise their rights and remedies.

Unless and until Certificated Notes (as defined herein) are issued in exchange for book-entry interests in the notes, owners of the book-entry interests will not be considered owners or holders of the notes. Instead, DTC, or its nominee, will be the sole holder of the notes. Payments of distributions and other amounts on or in respect of the notes in global form will be made to the paying agent, which will make payments to DTC. Thereafter, such payments will be credited to DTC participants' accounts that hold book-entry interests in the notes in global form and credited by such participants to indirect participants. Unlike holders of the notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the notes. Instead, if a holder owns a book-entry interest, such holder will be permitted to act only to the extent such holder has received appropriate proxies to do so from DTC or, if applicable, a participant. We cannot assure holders that the procedures implemented for the granting of such proxies will be sufficient to enable holders to vote on any requested actions on a timely basis.

The expected phase out of LIBOR could impact the interest rates paid on our variable rate indebtedness and cause our interest expense to increase.

A substantial portion of our borrowing capacity bears interest at a variable rate based on LIBOR. The publication of the one-week and two-month U.S. dollar LIBOR tenors and all non-U.S. dollar LIBOR tenors have ceased effective January 1, 2022, with publication of the remaining most common U.S. dollar LIBOR tenors (overnight and one, three, six and twelve months) ceasing immediately after June 30, 2023.

Given that LIBOR will cease to exist, we will need to renegotiate some financing agreements that utilize LIBOR as a factor in determining the interest rate. As a result, the amount of interest we pay on our variable rate indebtedness is difficult to predict. Although SOFR has been identified as a recommended alternative reference rate to U.S. dollar LIBOR, SOFR has a limited history and SOFR-based reference rates may perform differently from U.S. dollar LIBOR, which may affect our net interest expense, change our market risk profile.

The Notes will be treated as issued with original issue discount for U.S. federal income tax purposes.

The Notes will be treated as having been issued with original issue discount for U.S. federal income tax purposes. An obligation generally is treated as having been issued with original issue discount if its stated redemption price at maturity exceeds its issue price by at least a statutorily defined de minimis amount. U.S. investors will be subject to tax on that original issue discount as it accrues, in advance of the receipt of cash payments attributable to that income (and in addition to stated interest), using the constant yield method. See "Certain U.S. Federal Income Tax Considerations".

USE OF PROCEEDS

We plan to use the net proceeds from this offering together with the proceeds of the New Term Loan Facility (i) to repay all of the outstanding indebtedness in respect of the Dollar Term Loan Tranche and the Euro Term Loan Tranche (in each case, under the Term Loan Facility), (ii) to repay certain outstanding indebtedness under the ABL Facility, (iii) to redeem all of the outstanding 2024 Notes and 2025 Notes, (iv) to pay fees and expenses related to the foregoing and the offering of the notes hereby and (v) for general corporate purposes. The ABL Facility matures on August 16, 2024 (subject to certain springing maturity conditions (which will cease to apply upon the repayment and/or refinancing in full of the Dollar Term Loan Tranche, the Euro Term Loan Tranche, the 2024 Notes and the 2025 Notes)) and accrues interest at a rate per annum equal to term SOFR (subject to a floor of 0.00%) plus an applicable margin of 1.75% (or 1.50% if average historical excess availability is greater than or equal to 50%), plus a credit spread adjustment of 0.10% for one month interest periods, 0.15% for three-month interest periods, and 0.25% for six-month interest periods, as applicable; the Term Loan Facility (a) matures on (x) in the case of the Dollar Term Loan Tranche and the Euro Term Loan Tranche, October 17, 2024 and (y) in the case of the Term Loan B-3 Tranche and the Term Loan B-4 Tranche, September 17, 2028 (subject to certain springing maturity conditions (which will cease to apply upon the repayment and/or refinancing in full of the Dollar Term Loan Tranche, the Euro Term Loan Tranche, the 2024 Notes and the 2025 Notes)) and (b) accrues interest at a rate per annum equal to (w) in the case of the Dollar Term Loan Tranche, the adjusted LIBOR rate (subject to a floor of 1.00%) plus an applicable margin of 3.25% (or 3.00% if the first lien net leverage ratio is less than or equal to 4.20:1.00) (x) in the case of the Euro Term Loan Tranche, the EURIBOR rate plus an applicable margin of 3.50% (or 3.25% if the first lien net leverage ratio is less than or equal to 4.20:1.00, (y) in the case of the Term Loan B-3 Tranche, the adjusted LIBOR rate (subject to a floor of 0.50%) plus an applicable margin of 4.00% (or 3.75% if the first lien net leverage ratio is less than or equal to 4.50:1.00) and (z) in the case of the Term Loan B-4 Tranche, term SOFR (subject to a floor of 0.50%) plus an applicable margin of 5.25%; the 2024 Notes mature on August 1, 2024 and accrues interest at a rate of 9.250% per annum and the 2025 Notes mature on November 1, 2025 and accrues interest at a rate of 6.625% per annum.

The following table outlines the estimated sources and uses of funds for the notes offered hereby. Actual amounts may vary from estimated amounts depending on several factors, including, among other things, changes in the actual amount of fees and expenses relating to the notes offered hereby. Sources and uses may not total due to rounding. Because we intend to use a portion of the proceeds from this offering to repay borrowings under the ABL Facility and the Term Loan Facility, affiliates of some or all of the initial purchasers will receive a portion of the proceeds from this offering.

(Dollars in millions)

Sources		Uses	
Notes offered hereby[(1)]	$ 620.0	Repayment of outstanding indebtedness under ABL Facility and Term Loan Facility[(2)]	$ 852.0
New Term Loan Facility	$ 880.0	Redemption of existing 2024 Notes and 2025 Notes	605.0
		Estimated fees and expenses[(3)]	40.0
		General corporate purposes[(4)]	3.0
Total sources	**$1,500.0**	**Total uses**	**$1,500.0**

(1) Represents the principal amount of the notes offered hereby, assuming issuance at par and excluding debt issuance costs.

(2) Represents principal amount of outstanding to refinance its existing $598 million USD First Lien Term Loan B Facility due 2024 and €237 million EUR First Lien Term Loan B Facility due 2024. This amount does not include accrued interest and other expenses due in connection with the repayment of the ABL Facility or the Term Loan Facility.

(3) Reflects our estimate of certain fees and expenses associated with the offering of the notes hereby to be repaid from proceeds of the offering. All fees, expenses and other costs are estimates and actual amounts may differ from those set forth in this offering circular.

(4) Remaining cash on balance sheet will be used for general corporate purposes, which may include, among other potential uses, the financing of potential near-term acquisitions, capital expenditures, working capital and repayment of outstanding indebtedness under the ABL Facility or the Term Loan Facility.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2022 on:

- an actual basis; and
- as adjusted basis to give further effect to the Refinancing.

This information should be read in conjunction with "Use of Proceeds", "Summary — The Acquisition Transactions", "Presentation of Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited and unaudited consolidated financial statements and the related notes included elsewhere in this offering circular.

	As of December 31, 2022	
	Actual	As Adjusted
	(unaudited)	
	($ in millions)	
Cash and cash equivalents	$ 43.7	$ 46.7
Indebtedness:		
Long-term debt:		
2024 Notes[(1)]	345.0	—
2025 Notes[(2)]	260.0	—
ABL Facility[(3)]	18.7	18.7
Term Loan Facility[(4)]		
Dollar Term Loan Tranche	598.1	—
Euro Term Loan Tranche	253.7	—
B-3 Dollar Term Loan Tranche (LIBOR)	795.4	795.4
B-4 Dollar Term Loan Tranche (SOFR)	125.0	125.0
Capital lease obligations & Other[(5)]	53.5	53.5
Factoring payables and other debt	21.5	21.5
New Term Loan Facility[(6)]	—	880.0
Notes offered hereby[(7)]	—	620.0
Total indebtedness	$2,470.8	$2,513.6
Existing cash equity	599.8	599.8
Total capitalization	$3,070.6	$3,113.4

(1) Represents the aggregate principal amount of the 2024 Notes. See "Description of Certain Indebtedness — 2024 Notes".

(2) Represents the aggregate principal amount of the 2025 Notes. See "Description of Certain Indebtedness — 2025 Notes".

(3) Represents the aggregate principal amount of the ABL Facility. See "Description of Certain Indebtedness — ABL Facility". Amounts shown exclude OID or upfront payments with respect to the ABL Facility.

(4) Represents the aggregate principal amount of the Term Loan Facility. See "Description of Certain Indebtedness — Term Loan Facility". Amounts shown exclude OID or upfront payments with respect to the two tranches of the Term Loan Facility. The dollar-equivalent amount of the euro tranche of the Term Loan Facility assumes an exchange rate of €1.00 to $1.0724.

(5) Our existing capital lease obligations, factoring payables and certain other debt will remain outstanding following completion of the date hereof.

(6) Amounts shown exclude OID or upfront payments.

(7) Assumes issuance of the notes offered hereby at par. Any issue discount will accrete and be included in interest expense as the notes mature.

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

You should read the following discussion and analysis of our financial condition and results of operations with "Summary — Summary Financial Information" and our audited consolidated financial statements and related notes that appear elsewhere in this offering circular. This discussion and analysis covers periods prior to the Acquisition Transactions and, unless otherwise specified or the context otherwise requires, does not give any effect to the Acquisition Transactions. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors". Actual results may differ materially from those contained in any forward-looking statements.

Unless otherwise specified or the context otherwise requires: (i) "fiscal year 2020" refers to the period ended June 30, 2020; (ii) "fiscal year 2021" refers to the period ended June 30, 2021; (iii) "fiscal year 2022" refers to the period ended June 30, 2022; (iv) the terms "we", "our", "ours", "us", "Tekni-Plex" and the "Company" refer to Tekni-Plex, Inc. and its subsidiaries; and (v) financial amounts are presented in millions. For reconciliations of our financial results by division to our consolidated financial results, see "Summary — Summary Financial Information". For additional discussion of the presentation of financial information in this Offering circular, see "Presentation of Financial Information".

Overview

We are a leading global provider of technically sophisticated materials science solutions to many of the world's largest Healthcare and Consumer brands. Our solutions are aimed at delivering better patient outcomes, protecting products and strengthening brands. We operate our business through two key market-focused divisions: Healthcare and Consumer Products. Our divisions serve targeted end market segments where advanced materials science solutions drive value and are increasingly required to meet rapidly evolving patient and consumer needs with exacting performance requirements. These targeted end markets include medical, pharmaceutical and diagnostics markets in Healthcare, and fresh foods and food service, household and beauty and personal care markets in Consumer Products. We are an "enabler" for our customers as we partner with them to help them achieve their specific market needs, product and performance goals and commitments through innovative materials science solutions. Examples of our primary solutions offerings for Healthcare include medical device solutions such as critical care tubing, medical grade compounds and barrier products; pharmaceutical barrier solutions such as unit and multi-dose containers and clean room and high-barrier films; and diagnostic solutions such as customizable films and dosing applications. Examples of our primary Consumer Products solutions include fresh food solutions around the "perimeter of the store" such as drink pods, dairy containers, meat and produce trays, and egg cartons; integrated performance solutions around "center of the aisle" such as dispensing components and closure liners; and food service solutions such as paper and plastic containers for concessions, food delivery and takeout applications. Our customers include many Fortune 500 companies that leverage our solutions to manufacture, market or package a wide range of end products, some examples include metered dose inhalers, intravenous drug delivery medical tubing, prescription and OTC drug medication, caps and closures for jars and bottles, aerosol valves, pumps and trigger sprayers and fresh foods such as eggs, dairy, protein and produce.

We focus on product categories in non-discretionary end-markets poised for growth, where we believe we can achieve sustainable, competitive advantages. Because our solutions are typically critical to our customers' offerings, we are generally able to pass through price increases and decreases to address changes in the cost of raw materials. We often custom develop our specific customer applications leveraging a unique complement of materials and substrate and process technologies versatility that helps foster entrenched customer relationships. In addition, many of the solutions we produce become integral components in our customers' end product applications, which may be subject to regulatory requirements and/or lengthy and stringent approval processes by various governmental agencies such as the FDA. We believe that we are able to maintain our outstanding positions due to our unique solutions orientation as well as our market-driven focus, our broad capabilities, technical know-how and intellectual property development, manufacturing efficiency, consistent quality and customer service.

Our business and operations are currently diversified into our Healthcare and Consumer Products divisions. Within these divisions, we maintain long-term relationships with a broad base of customers who are leaders in their respective industries, and we enjoy relationships of longer than 25 years with many of our top customers. We serve over 3,500 customers in over 80 countries. Our five largest customers accounted for 19.2% of Net Sales for the twelve months ended December 31, 2022, with our largest customer accounting for 10.6% of Net Sales.

Management has realigned our strategy and culture around our two divisions. Both divisions are committed to growing both organically and through strategic acquisitions with an emphasis on enabling differentiated customer success through innovative materials science solutions. Our organic growth is driven by favorable, non-discretionary demand trends across our global markets, our continued focus on international expansion and our significant investments in innovation to develop new solutions and capabilities. This growth is further supported by our strategic initiatives in sales and marketing, operational cost reductions, productivity improvements, and procurement. In addition to our organic growth drivers, we have completed 20 acquisitions since 2014. Our dedicated M&A team continues to focus on evaluating and executing new investment opportunities with specific strategies to drive growth across our divisions as well as into adjacent, non-core areas where we can leverage our existing expertise. We believe that we are well-positioned to capitalize on significant and sustainable growth opportunities across our two divisions.

Factors Affecting our Results of Operations

Net Sales

Our Net Sales depend on varying economic, regulatory and other conditions impacting our different divisions.

Healthcare: This division specializes in medical device, pharmaceutical and diagnostics solutions which include medical tubing, medical compounds and medical and pharmaceutical barrier films. Growth in this division is driven by a variety of macro factors such as aging and growing populations, increasing incidence of chronic diseases, trends toward less invasive surgical techniques and the increasing demand for professional healthcare solutions in developing economies. We are a partner to our customers in supplying mission-critical, high-value components that require exacting specifications, high tolerances and must adhere to regulatory standards. For example, many of our customers specify our solutions into devices and packaging applications that are subject to review and clearance by the FDA and other regulatory regimes. As a result, among numerous other factors, we believe that customers are inclined to continue to partner with us and purchase our solutions as long as we continue to provide high quality solutions at competitive prices in order to avoid the time, expense and uncertainty associated with regulatory reviews. Our reported Net Sales for the Healthcare division were $425.2 million in fiscal year 2021, $562.3 million in fiscal year 2022 and $290.0 million for the six months ended December 31, 2022, reflecting a CAGR of 25.5% over these periods. Combined Net Sales for the Healthcare division were $430.5 million in fiscal year 2021, $565.8 million in fiscal year 2022 and $290.0 million for the six months ended December 31, 2022, reflecting a CAGR of 24.5% over these periods.

Consumer Products: This division specializes in advanced materials science solutions for companies in the food and beverage and consumer packaged goods industries with a focus on protecting products, strengthening brands and innovating sustainably. These solutions include protective packaging for fresh foods such as dairy, eggs, produce and meat and drink pods primarily for coffee. Through our integrated performance solutions unit, we also provide dispensing and sealing solutions such as aerosol inner gasket dispensing components and closure liners. Growth trends in our fresh foods solutions business unit are driven by a strong consumer preference for fresher, healthier options in fast-growing “perimeter-of-store” categories. Our integrated performance solutions business unit exhibits growth trends that are driven by consumer preferences for convenience and easy-opening features in their packaging and growth in disposable income. Certain products may be negatively impacted by macroeconomic conditions that reduce discretionary consumer spending. Our reported Net Sales for the Consumer Products division were $649.9 million in fiscal year 2021, $1,119.7 million in fiscal year

2022 and $621.5 million for the six months ended December 31, 2022, reflecting a CAGR of 55.0% over these periods. Combined Net Sales for the Consumer Products division were $1,137.1 million in fiscal year 2021, $1,289.4 million in fiscal year 2022 and $648.1 million for the six months ended December 31, 2022, reflecting a CAGR of 10.5% over these periods.

Raw Materials

We maintain a diverse raw materials base including polystyrene, various plasticizers, PVC, PCTFE, LDPE, PET, various types of synthetic rubber, polypropylene, pulp/paper and aluminum foil. The diversity of our raw materials makes us less susceptible to pricing pressures from any one raw material. Our sourcing team manages the procurement of raw materials to maintain pricing discipline across our divisions. Additionally, our management team conducts regular reviews of the current raw materials markets and adjusts sourcing and pricing strategies as appropriate. Our contractual arrangements, customer relationships and market conventions generally allow for price adjustments based on changes in costs.

Foreign Currency Exchange Rate Risk

We have manufacturing facilities in twelve countries and our products are sold throughout the world. As a result, we are exposed to movements in various currencies against the U.S. Dollar and against the currencies in countries in which we have manufacturing operations. The major foreign currencies in which our foreign currency risk exists are the Euro, Colombian Peso, Mexican Peso, Brazilian Real, Canadian Dollar, British Pound Sterling, Chinese Yuan and Indian Rupee. In addition to its direct effect, changes in foreign currency exchange rates relative to the U.S. dollar will also potentially affect future sales volumes and foreign currency sales prices, which may have an effect on our Net Sales, gross profit and interest expense.

Expenses

Our expenses primarily include the following:

Cost of goods sold. This category of expenses relates to expenditures associated directly or indirectly with the production and distribution of the products we sell to customers within the various divisions we serve. Among these costs are raw materials as discussed above, component and finished goods, labor and employee benefits, facility and equipment rents, energy costs, maintenance, freight and that portion of depreciation expense associated with the various assets employed in the production and delivery of our products.

Factors influencing these costs can range from input material price movements, materials availability, transportation and supply chain costs to changes in market-based compensation levels, access to sufficient labor supply and changes in the cost of maintaining various insurance coverages for our workforce. Movements in the price of commodities such as oil, natural gas and petroleum can influence the cost of operating our manufacturing facilities as well as costs related to the storage and transport of both our raw materials and finished goods. We have taken steps to reduce the cost of producing the goods we sell through initiatives such as centralized procurement, workflow re-engineering, waste reduction and improvements in logistics and inventory management.

Selling, general and administrative. Costs contained within this category of expenses typically relate to the sale and marketing of our products and the provision of central management and administrative support across the various operations that comprise the Tekni-Plex organization. Primarily, these costs include the labor and benefits expense associated with our sales, management and administrative workforce that is responsible for executive leadership, corporate counsel, research and development, safety, regulatory and tax compliance, accounting and financial reporting, human resources, treasury, credit and collections, procurement and information systems management. Certain costs associated with externally sourced professional and support services such as financial audit and tax compliance, legal consultation, corporate insurance, banking and business management also fall within this category. The cost of maintaining corporate and regional management headquarters, sales offices and our Global Innovation Center, along with the expenses relating to the amortization of various intangible assets and that portion of depreciation associated with assets employed in an organizational support role, are reflected here as well.

Factors impacting these costs primarily relate to the economic and competitive market conditions that influence wage and benefit rates, labor availability, professional service fees, commercial facility lease rates, insurance premiums and supply costs.

Other Expense/(Income). This category of expenses includes gains and losses from foreign currency transactions, gains and losses from the disposal or write-off of long-lived assets, gains and losses from our hedging activities and other non-operating income and expenses.

Interest. These expenses include interest costs on our outstanding indebtedness, including without limitation capital lease obligations and our deferred sale liability relating to our Ridgefield, New Jersey location, and the amortization of bond discount and debt issuance costs. Interest expense is impacted by our average outstanding indebtedness and the interest rates in effect from time to time.

Business Combinations

Our dedicated M&A team focuses on evaluating and executing new investment opportunities to drive growth across our business as well as into adjacent, non-core areas where we can leverage our existing expertise. We have completed the following acquisitions over the past three years:

Ematec. On November 1, 2022, the Company acquired all of the outstanding equity interests of Ematec, a manufacturer of molded fiber and PET packaging for consumer products and which is located in Mexico. The preliminary cash purchase price, net of cash acquired, was approximately $138.0 million. A portion of the transaction consideration for the acquisition of Ematec took the form of a $27.0 million deferred payment promissory note in favor of the seller payable by Holdings. As a result, Holdings made a $27.0 million non-cash contribution of the investment in Ematec to the Company.

Fibro Corporation. On January 18, 2022, the Company acquired certain assets and licensed technologies of Fibro Corporation, an innovative pulp products provider based in Tacoma, Washington. The Company acquired the Fibro Corporation assets in order to acquire technological capabilities. The total purchase price, net of cash acquired, was approximately $23.4 million which included the fair value of deferred consideration of approximately $8.4 million. At December 31, 2022, the fair value of the deferred consideration of $9.0 million was reflected in total liabilities on our consolidated balance sheet.

JPG. On October 1, 2021, the Company acquired all of the outstanding equity interests of JPG, a manufacturer of complete extrusion solutions for a variety of medical device applications for interventional and therapeutic procedures. The Company acquired JPG in order to expand our product offerings and to acquire technological capabilities. The total purchase consideration, net of cash acquired, was approximately $16.1 million. The Company recorded contingent consideration of approximately $4.9 million, which is reflected in Total liabilities on the consolidated balance sheet for fiscal year 2022. At June 30, 2022, the Company assessed the fair value of the contingent consideration liability and no adjustment was needed. At December 31, 2022, the Company assessed the fair value of the contingent consideration liability and recorded an adjustment to reduce the liability by $1.0 million to $3.9 million. As part of the purchase consideration paid, the sellers of JPG are eligible to receive an aggregate amount of up to $9.0 million as contingent consideration should JPG meet certain performance thresholds. The contingent consideration payments are contingent upon both net sales and adjusted EBITDA targets being met concurrently for two distinct measurement periods.

Keyes. On September 23, 2021, the Company acquired all of the outstanding equity interests of Keyes Packaging, a manufacturer of protective packaging for the food and beverage industry. The Company acquired Keyes Packaging in order to expand our product offerings and to acquire technological capabilities. The total purchase consideration, net of cash acquired, was approximately $82.2 million.

Grupo Phoenix. On September 17, 2021, the Company acquired all of the outstanding equity interests of Grupo Phoenix, a manufacturer of both plastic and paper products to global brands in a variety of vertical markets, such as dairy, desserts, coffee, beverages, ice cream, soups, spreads, cosmetics and household cleaning. Grupo Phoenix has operations in the United States, Mexico and Colombia. The Company acquired Grupo Phoenix in order to expand both its product offerings and geographic presence. The total purchase consideration, net of cash acquired, was approximately $675.7 million. A portion of the transaction consideration for the acquisition of Grupo Phoenix took the form of a $50.0 million deferred payment promissory note in favor of the seller payable by Holdings. As a result, Holdings made a $50.0 million noncash contribution of the investment in Grupo Phoenix to the Company. In addition, included in the purchase price allocation of Grupo Phoenix is approximately $42.5 million of capital lease liabilities, $12.5 million of supplier financing and other assumed debt of $2.2 million.

M-Industries. On August 9, 2021, the Company acquired all of the outstanding equity interests of M-Industries, a manufacturer of complex venting lining solutions for products that need air pressure regulation due to ingredients, filling methods, and/or the way they are shipped and stored. The Company acquired M-Industries in order to expand its product offerings. The total purchase consideration, net of cash acquired, was approximately $24.1 million. The Company recorded contingent consideration of approximately $2.4 million, in the preliminary allocation of purchase consideration. At June 30, 2022, the Company computed the fair value of the contingent consideration and recorded an adjustment to reduce the liability by $1.4 million to $1.0 million, which is reflected in Total liabilities on the consolidated balance sheet for fiscal year 2022. As part of the purchase consideration paid, the sellers of M-Industries are eligible to receive an aggregate amount of up to $10.0 million as contingent consideration should M-Industries achieve certain revenue targets for two distinct measurement periods. The contingent consideration payments are contingent upon Net Sales targets being met for two distinct measurement periods. The Net Sales target for 2022 was not achieved, and therefore the remaining aggregate consideration as of December 31, 2022 was up to $5.0 million.

There were no acquisitions completed in fiscal year 2021.

On September 3, 2019, the Company completed the acquisition of all of the outstanding shares in MMC Packaging Equipment Ltd. (“MMC”), located in Laval, in the Montreal metropolitan region, Québec, Canada. MMC is a leading automation equipment manufacturer including cap lining, slitting/folding, assembling and closing systems. Additionally, the company develops and sells vision systems and custom automation equipment. MMC supports global customers in the food, beverage, personal and homecare, pharmaceutical, chemical and industrial sectors. The total purchase price for MMC was approximately $32.8 million and was financed through the issuance of the 2024 Notes and contributions from Parent.

On July 10, 2019, the Company completed the acquisition of all of the outstanding shares in Geraldiscos Comercia Industria e Representacoes de Cortica Ltda (“Geraldiscos”), located near São Paulo, Brazil. Geraldiscos manufactures innovative closure liners and induction seals for a wide variety of container types including polypropylene, polyethylene, high-density polyethylene, PVC, PET and glass. Closure solutions are provided for market segments such as food, beverage, personal care, healthcare, agriculture, chemical and others. The total purchase price for Geraldiscos was approximately $49.7 million and was financed through the issuance of the 2024 Notes and contributions from Parent.

On July 1, 2019, the Company completed the acquisition of all of the outstanding shares in Lameplast SpA (“Lameplast”), located near Modena, Italy. Lameplast is a leading Italian manufacturer of plastic single/multi-dose containers for pharmaceutical, diagnostic, medical device, veterinary and cosmetic applications, with an emphasis on ophthalmic, vaccine, vaginal and rectal applications. Lameplast is also known for its injection molding, blow molding and injection blow molding expertise which enables it to produce custom packaging solutions for demanding applications. The total purchase price for Lameplast was approximately $100.1 million and was financed through the issuance of the 2024 Notes and contributions from Parent.

Business Outlooks and Trends

Critical Accounting Policies

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory cost is generally determined using standard cost, which is adjusted to actual cost on a first-in, first-out basis. Management reviews inventory on a quarterly basis to determine whether inventory is stated at the lower of cost or market and to determine whether there is sufficient reserve for obsolete and slow-moving items.

Goodwill and intangible assets

The Company performs an annual impairment test of goodwill for each reporting unit during the second quarter of its fiscal year. In applying the goodwill impairment test, the Company assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Qualitative factors may include, but are not limited to, macroeconomic conditions, industry conditions, the competitive environment, changes in the market for the Company's products and services, regulatory and political developments, and entity specific factors such as strategies and financial performance. If, after completing the qualitative assessment or the Company elects to skip the qualitative assessment, the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company proceeds to a quantitative impairment test.

Intangible assets may be subject to impairment charges. Intangible assets acquired through acquisitions are initially measured at fair value and any changes in expectations used in the valuation of such intangible assets could potentially lead to an impairment.

Determining fair value requires the exercise of significant judgment. The more significant judgments and assumptions made to determine the fair value of the Company's reporting units were (1) the amount and timing of expected future cash flows which are based primarily on the Company's estimates of future sales, earnings, taxes and investments, (2) the expected long-term growth rates for each of the Company's reporting units, (3) discount rates that are used to discount future cash flows to their present values, and (4) the determination of appropriate earnings multiples used to estimate a reporting unit's fair value under the market approach and the selection of appropriate comparable companies for each reporting unit to be used for purposes of determining those multiples.

In-process research and development ("IPRD") that has not reached commercialization is tested for impairment on an annual basis and more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. If the carrying value of IPRD is determined to exceed the fair value, an impairment loss is recognized for the difference.

At June 30, 2022 and 2021, the Company had no material intangible assets with indefinite lives other than goodwill and in-process research and development.

Definite-lived intangible assets, including customer relationships, know-how, developed technology and trademarks and trade names are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period in which the assets are expected to contribute to future cash flows and generally range from seven to 20 years.

Intangible assets with finite lives are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable over their estimated useful life. When a triggering event for impairment is identified, the Company compares the carrying value of the relevant assets to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. When the estimated undiscounted future cash flows are less than their carrying amount, an impairment loss is recognized equal to the difference between the asset's fair value and its carrying value.

To determine fair value, the Company principally uses internal discounted cash flow estimates, but also uses quoted market prices when available and independent appraisals as appropriate to determine fair value at the valuation date. Cash flow estimates are derived from historical experience and internal business plans with an appropriate discount rate applied.

The Company evaluates the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Income taxes

The Company's annual provision for income taxes and determination of the deferred tax assets and liabilities require management to assess uncertainties, make judgments regarding outcomes and utilize estimates. Management must make judgments about such uncertainties and determine estimates of the Company's deferred tax assets and liabilities. Deferred tax assets and liabilities are measured and recorded using currently enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. While management believes that its judgments and interpretations regarding income taxes are appropriate, significant differences in actual experience may require future adjustments to the Company's deferred tax assets and liabilities, which could be material.

The Company is also required to assess the realizability of its deferred tax assets. The Company evaluates all positive and negative evidence and uses judgments regarding past and future events, including operating results and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, the Company determines when it is more likely than not that all or some portion of its deferred tax assets may not be realized, in which case the Company records a valuation allowance to offset its deferred tax assets in an amount equal to future tax benefits that may not be realized. To the extent facts and circumstances change in the future, adjustments to the valuation allowances may be required.

Significant judgment is required in determining income tax provisions and in evaluating tax positions. The Company establishes additional provisions for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold, which is a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority. In the normal course of business, the Company is examined by various Federal, state and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of its provision for income taxes. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes.

Results of Operations

Six Months Ended December 31, 2022 Compared To Six Months Ended December 31, 2021

	Six Months Ended			
	December 31, 2022	December 31, 2021	Increase (Decrease)	Percentage Change
	(in millions, except percentages)			
Net Sales	$911.5	$741.1	$170.4	23.0%
Cost of goods sold	697.8	565.9	131.9	23.3%
Gross profit	213.7	175.2	38.5	22.0%
% of Net Sales	23.4%	23.6%		
Operating expenses:				
Selling, general and administrative	153.3	138.1	15.2	11.0%
% of Net Sales	16.8%	18.6%		
Income from operations	60.4	37.1	23.3	62.8%
Other expense:				
Interest expense, net	88.0	60.3	27.7	45.9%
Other (income) expense	20.2	(21.8)	42.0	(192.7)%
Income (loss) before income taxes	(47.8)	(1.4)	(46.4)	3,314.3%

	Six Months Ended			
	December 31, 2022	December 31, 2021	Increase (Decrease)	Percentage Change
	(in millions, except percentages)			
Provision (benefit) for income taxes	5.6	(9.1)	14.7	(161.5)%
Net (loss) income	$ (53.4)	$ 7.7	$ (61.1)	(793.5)%

Net Sales

	Six Months Ended			
	December 31, 2022	December 31, 2021	Increase (Decrease)	Percentage Change
		(non-GAAP)		
	(in millions, except percentages)			
Healthcare	$290.0	$254.4	$ 35.6	14.0%
Consumer products	621.5	486.7	134.8	27.7%
	$911.5	$741.1	$170.4	23.0%

Total Net Sales increased $170.4 million, or 23.0%, to $911.5 million for the six months ended December 31, 2022 compared to $741.1 million for the six months ended December 31, 2021. This increase is primarily due to the contribution from our recent acquisitions, an increase in organic sales volumes within the Healthcare division, and increased pricing levels across both divisions driven by input cost increases.

Net Sales in our Healthcare division increased by $35.6 million, or 14.0%, to $290.0 million for the six months ended December 31, 2022 compared to $254.4 million for the six months ended December 31, 2021. The increase was primarily due to a combination of higher organic volumes, obtaining new business in the market space and generally higher average selling prices.

Net Sales in our Consumer Products division increased by $134.8 million, or 27.7%, to $621.5 million for the six months ended December 31, 2022 compared to $486.7 million for the six months ended December 31, 2021. The increase was primarily driven by the added contributions from the prior year and current year acquisitions of M-Industries, Grupo Phoenix, Keyes Packaging Group and Ematec. Also benefitting the period were generally higher average selling prices associated with rising input costs and offset with unfavorable impacts from foreign exchange rate movements.

Gross Profit

Gross profit increased by $38.5 million, or 22.0%, to $213.7 million for the six months ended December 31, 2022 compared to $175.2 million for the six months ended December 31, 2021. The gross profit as a percentage of net sales was 23.4% for the six months ended December 31, 2022 compared to 23.6% for the six months ended December 31, 2021. Gross profit increased due to the added profit on volume growth in certain portions of the business, along with the contributions from recent acquisitions. Gross profit as a percent of sales was virtually flat to the prior year.

Selling, General and Administrative Expenses (SG&A)

SG&A expenses increased by $15.2 million, or 11.0%, to $153.3 million for the six months ended December 31, 2022 compared to $138.1 million for the six months ended December 31, 2021. As a percentage of Net Sales, SG&A expenses decreased to 16.8% for the six months ended December 31, 2022 from 18.6% for the six months ended December 31, 2021.The dollar increase in SG&A expenses was primarily caused by the accelerated amortization expense of $13.0 million associated with the Company's rebranding initiative, partially offset by a slowdown in acquisition-related expenses.

Interest Expense

Interest expense increased by $27.7 million, or 45.9%, to $88.0 million for the six months ended December 31, 2022 compared to $60.3 million for the six months ended December 31, 2021. The increase was primarily related to the additional interest expense associated with the incremental borrowing of the first lien term loan incurred in connection with the financing of the Company's recent acquisitions and increased interest rates.

Other Expense (Income)

Other expense totaled $20.2 million for the six months ended December 31, 2022 compared to other income of $21.8 million for the six months ended December 31, 2021. For the six months ended December 31, 2022, other expense primarily consisted of $21.4 million unrealized and realized foreign exchange losses on Euro-denominated long-term debt and intercompany loans denominated in foreign currencies. For the six months ended December 31, 2021, other income primarily consisted of $19.2 million of proceeds from insurance recoveries net with costs related to the fire at the facility in Gallarate, Italy and $2.9 million unrealized and realized foreign exchange gains on Euro-denominated long-term debt and intercompany loans denominated in foreign currencies.

Provision for Income Taxes

The Company's income tax expense for the six months ended December 31, 2022 was $5.6 million compared to a benefit of $9.1 million for the six months ended December 31, 2021. The Company's income tax rate for the six months ended December 31, 2022 was (11.7%) compared to 650% for the six months ended December 31, 2021. The change in tax rate was driven primarily by a mix of income with both non-US profits and US losses taxed at differing rates where the non-US profits are taxed at rates above the U.S. statutory tax rate, net reductions to income tax reserve driven by tax statute expirations, and the prior year benefit attributable to merger of two of the Company's foreign subsidiaries recognized at December 31, 2021.

Fiscal Year 2022 Compared To Fiscal Year 2021

	Fiscal Year Ended			
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
	(in millions, except percentages)			
Net Sales	$1,681.9	$1,075.1	$606.8	56.4%
Cost of goods sold	1,286.9	790.1	496.8	62.9%
Gross profit	395.0	285.0	110.0	38.6%
% of Net Sales	23.5%	26.5%		
Operating expenses:				
Selling, general and administrative	286.7	194.7	92.0	47.3%
% of Net Sales	17.0%	18.1%		
Impairment	—	2.2	(2.2)	100.0%
Income from operations	108.3	88.1	20.2	22.9%
Other expense:				
Interest expense, net	129.4	95.3	34.1	35.8%
Other income	(45.2)	(5.1)	(40.1)	786.3%
Income (loss) before income taxes	24.1	(2.1)	26.2	(1,247.6)%
Provision (benefit) for income taxes	0.2	(8.8)	9.0	(102.3)
Net income	$ 23.9	$ 6.7	$ 17.2	256.7%

Net Sales

	Fiscal Year Ended			
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
	(in millions, except percentages)			
Healthcare	$ 562.3	$ 425.2	$137.1	32.2%
Consumer products	1,119.6	649.9	469.7	72.3%
	$1,681.9	$1,075.1	$606.8	56.4%

Net Sales increased $606.8 million, or 56.4%, to $1,681.9 million in fiscal year 2022 compared to $1,075.1 million in fiscal year 2021. The increased Net Sales was driven by higher organic volumes within the Healthcare and Consumer Products divisions, the completion and addition of five acquisitions (the largest of which was Grupo Phoenix, effective September 2021), as well as the favorable impact of price pass through from increasing input costs. Additionally the re-opening of the Gallarate Plant in Italy, after recovering from fire damage, drove Net Sales growth for 2022. Foreign exchange rates had an unfavorable impact to 2022 Net Sales on a prior year comparative basis. Net Sales in our Healthcare division increased by $137.1 million, or 32.2%, to $562.3 million in fiscal year 2022 compared to $425.2 million in fiscal year 2021 primarily driven by new business wins, price pass through of material cost increases, recovery from the COVID-19 impact, and the re-opening of the Gallarate plant damaged by fire in March 2020. Net Sales in our Consumer Products division increased by $469.7 million, or 72.3%, to $1,119.6 million in fiscal year 2022 compared to $649.9 million in fiscal year 2021, primarily driven by four strategic acquisitions (most significant of which is Grupo Phoenix), price pass through of material cost increases, and organic volume gains.

Gross Profit

Gross profit increased by $110.0 million, or 38.6%, to $395.0 million in fiscal year 2022 compared to $285.0 million in fiscal year 2021. The gross profit as a percentage of Net Sales declined slightly from 26.5% in fiscal year 2021 to 23.5% in fiscal year 2022. The gross profit increase was driven by the increase in net sales which was driven primarily by higher organic volumes within the Healthcare and Consumer Products divisions, higher sale prices due to passing through price increases, and the benefit from the completion and addition of five acquisitions (the largest of which was Grupo Phoenix effective September 2021). Gross profit as a percentage of Net Sales declined slightly due to the effect of the price pass through of material cost increases impacting Net Sales and gross profit dollar for dollar.

Selling, General and Administrative Expenses

SG&A increased by $92.0 million, or 47.3%, to $286.7 million in fiscal year 2022 compared to $194.7 million in fiscal year 2021. As a percentage of Net Sales, SG&A expenses decreased to 17.0% in fiscal year 2022 from 18.1% in fiscal year 2021. The increase in SG&A expenses was mainly attributable to the ongoing SG&A expenses of acquired businesses, and the professional fees associated with acquiring businesses; and employee compensation mostly related to a management restructuring.

Impairment

The Company did not record any impairment charges during fiscal year 2022. During fiscal year 2021, the Company recorded impairment charges of $2.2 million related to certain IPRD projects that were determined to have no future value.

Interest Expense

Interest expense increased by $34.1 million to $129.4 million in fiscal year 2022 compared to $95.3 million in fiscal year 2021, primarily related to the additional interest expense associated with the new $767.8 million first lien term loan incurred in connection with the financing of the Company's recent acquisitions.

Other (Income) Expense

Other income increased by $40.1 million to $45.2 million in fiscal year 2022 compared to $5.1 million in fiscal year 2021. During fiscal year 2022, other income consisted of $35.9 million unrealized and realized foreign exchange gains on Euro-denominated long-term debt and $19.2 million of proceeds from the settlement on insurance recoveries related to the fire at the facility in Gallarate, Italy, partially offset by $10.0 million unrealized and realized foreign exchange losses on inter-company loans denominated in foreign currencies and $0.7 million net losses on disposal of fixed assets.

During fiscal year 2021, other income consisted of $14.2 million of proceeds from the settlement on insurance recoveries related to the fire at the facility in Gallarate, Italy which were partially offset by $9.3 million unrealized and realized foreign exchange losses on Euro-denominated long-term debt and inter-company loans denominated in foreign currencies and $0.4 million net losses on disposal of fixed assets.

Provision (Benefit) for Income Taxes

The income tax expense for fiscal year 2022 was $0.2 million compared to an income tax benefit of $8.8 million for fiscal year 2021. The Company's income tax rate for fiscal year 2022 was 0.8% compared to 406.1% for fiscal year 2021. The tax rate for fiscal year 2022 is lower than the statutory rate primarily due to the merger of Brazil subsidiaries and benefits gained as well as the continuing benefits from adoption of U.S. global intangible low taxed income ("GILTI") high tax exception regulations offset by foreign income taxed at higher rate than U.S. statutory rate in foreign jurisdictions. The tax rate for fiscal year 2021 is lower than the statutory rate primarily due to foreign income included because of the company retroactive adopting new regulations related to the tax reform provisions of GILTI and IRC Section 163(j) limitation and realized federal tax benefit of $9.3 million related to the June 30, 2019 and June 30, 2020 tax periods in June 30, 2021, offset by an increase in the Company's state tax rate, settlement of an Italian tax audit, and valuation allowance on losses generated in Brazil.

Fiscal Year 2021 Compared To Fiscal Year 2020

	Fiscal Year Ended			
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
	(in millions, except percentages)			
Net Sales	$1,075.1	$1,040.8	$ 34.2	3.3%
Cost of goods sold	790.1	791.8	(1.7)	(0.2)%
Gross profit	285.0	249.0	36.0	14.5%
% of Net Sales	26.5%	23.9%		
Operating expenses:				
Selling, general and administrative	194.7	182.3	12.4	6.8%
% of Net Sales	18.1%	17.5%		
Impairment	2.2	—	2.2	100.0%
Income from operations	88.1	66.7	21.4	32.2%
Other (income) expense:				
Interest expense, net	95.3	103.3	(8.0)	(7.7)%
Other (income) expense	(5.1)	10.2	(15.3)	(149.3)%
Income (loss) before income taxes	(2.1)	(46.8)	44.7	(95.3)%
Provision for income taxes	(8.8)	4.7	(13.5)	(288.6)%
Net income (loss)	$ 6.7	$ (51.5)	$ 58.2	(112.9)%

Net Sales[1]

	Fiscal Year Ended			
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
	(in millions, except percentages)			
Healthcare	$ 425.2	$ 451.1	$(25.9)	(5.7)%
Consumer Products	649.9	589.7	60.2	10.2%
	$1,075.1	$1,040.8	$ 34.3	3.3%

(1) At the beginning of fiscal year 2022, the Company reorganized its lines of business into two divisions: Healthcare and Consumer Products. Previously, the Company had been organized under three lines of business: Healthcare, Specialty Packaging and Food Packaging. Presentation for fiscal year 2020 has been recast and prepared by us for comparability purposes and has not been reviewed or audited by our auditors.

Net Sales increased $34.3 million, or 3.3%, to $1,075.1 million in fiscal year 2021 compared to $1,040.8 million in fiscal year 2020. The increase in Net Sales was primarily the result of higher organic growth volumes within the Consumer Products division. This growth was augmented by the first quarter incremental contribution of sales from our acquisition of all of the outstanding shares of MMC in September 2019, higher average selling prices across portions of the business, and favorable foreign exchange rates with respect to European-based operations when compared to fiscal year 2020. This was partially offset by lower sales volumes within the Healthcare division, together with lower sales from our Gallarate, Italy plant as production continued to ramp up following the initial disruption in business operations due to a fire in late March 2020. In addition, foreign exchange rates were less favorable for our Brazilian operations compared to the prior year.

Net Sales in our Healthcare division decreased by $25.9 million, or 5.7 %, to $425.2 million in fiscal year 2021 compared to $451.1 million in fiscal year 2020 primarily due to volume declines resulting from a COVID-19 driven decrease in elective surgery procedures, partially offset by favorable foreign exchange rates as compared to fiscal year 2020.

Net Sales in our Consumer Products division increased by $60.2 million, or 10.2%, to $649.9 million in fiscal year 2021 compared to $589.7 million in fiscal year 2020 primarily due to higher organic volumes across numerous portions of the business. The increase was also attributed to the first quarter incremental sales contribution from the MMC Packaging acquisition, offset, in part, by the loss of sales related to the temporary disruption in the production from our Gallarate, Italy plant due to a fire in late March 2020 together with the less favorable foreign exchange environment experienced in our South American operations.

Gross Profit

Gross profit increased by $36.0 million, or 14.5%, to $285.0 million in fiscal year 2021 compared to $249.0 million in fiscal year 2020. Gross profit as a percentage of Net Sales increased to 26.5% in fiscal year 2021 from 23.9% in fiscal year 2020. Gross profit increased due to the added profit on organic volume growth in numerous portions of the business, together with the first quarter incremental contribution from MMC acquisition and more favorable foreign exchange environments generally in fiscal year 2021. The increase in gross margin as a percentage of sales is primarily attributable to increased profitability generally across several business lines.

Selling, General and Administrative Expenses

SG&A increased by $12.4 million, or 6.8%, to $194.7 million in fiscal year 2021 compared to $182.3 million in fiscal year 2020. As a percentage of Net Sales, SG&A expenses increased to 18.1% in fiscal year 2021 from 17.5% in fiscal year 2020. The increase in SG&A expenses was mainly attributable to increases in employee compensation and COVID-19 related costs, professional service fees related to M&A activity and amortization from the Company's recent acquisitions offset by reduced travel expenses due to COVID-19 restrictions.

Impairment

During fiscal year 2021, we recorded impairment charges totaling approximately $2.2 million, related to certain IPRD projects that were determined to have no future value. The Company did not record any impairment charges during fiscal year 2020.

Interest Expense

Interest expense decreased by $8.0 million to $95.3 million in fiscal year 2021 compared to $103.3 million in fiscal year 2020, primarily due to the write-off of $3.4 million of debt issuance costs associated with the repayment of the $295.0 million unsecured bridge loan facility made available to us under the bridge credit agreement, as amended and restated, among the Issuer, as borrower, the guarantors party thereto, the several lenders from time to time parties thereto and Jefferies Finance LLC, as the administrative agent (the "Bridge Facility") in the fiscal year 2020. In addition, the Company recognized lower interest expense on its Term Loan Facility during the fiscal year 2021 as a result of lower base rates and applicable margins.

Other (Income) Expense

Other income totaled $5.1 million in fiscal year 2021 compared to other expenses of $10.2 million in fiscal year 2020.

During fiscal year 2021, other income consisted of $14.2 million of proceeds from the advance on insurance recoveries related to the fire at the facility in Gallarate, Italy, which were partially offset by $9.3 million unrealized and realized foreign exchange losses on Euro-denominated long-term debt and inter-company loans denominated in foreign currencies and $0.4 million net loss on disposal of fixed assets.

During fiscal year 2020, other expense consisted of $10.9 million unrealized and realized foreign exchange losses on Euro-denominated long-term debt and inter-company loans denominated in foreign currencies. In addition, the Company experienced a fire at its facility in Gallarate, Italy in the third quarter of fiscal year 2020. The Company recognized a loss related to the destroyed property, plant and equipment totaling $5.0 million. The Company also received an advance from the insurer in the amount of $8.4 million.

Additionally, during fiscal year 2020, the Company recognized a loss on disposal of assets totaling $3.3 million, primarily associated with the sale and exit of facilities in Somerville, NJ, Flemington, NJ and Alliance, OH.

Provision (Benefit) for Income Taxes

The income tax provision in fiscal year 2021 was an income tax benefit of $8.8 million compared to tax expenses of $4.7 million in fiscal year 2020. The Company's income tax rate for fiscal year 2021 was 406.1% compared to (10.0%) for fiscal year 2020. The tax rate for fiscal year 2021 is higher than the statutory rate primarily due to the retroactive adoption of U.S. GILTI high tax exception regulations offset by foreign income taxed at higher rate than U.S. statutory rate in foreign jurisdictions. The tax rate for fiscal year 2020 is lower than the statutory rate primarily due to foreign income included because of GILTI provisions, an increase in the Company's state tax rate, settlement of an Italian tax audit, and valuation allowance on losses generated in Brazil.

Liquidity and Capital Resources

Our principal sources of liquidity include cash provided by operating activities, borrowing under the Senior Secured Credit Facilities, as well as the issuance of debt securities as appropriate given market conditions.

We expect that these sources of funds will be adequate to provide for our liquidity needs for at least the next twelve months. Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, as well as make acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control.

Liquidity and capital resources as of December 31, 2022

As of December 31, 2022, cash and cash equivalents were $43.7 million. Borrowings under the ABL Facility totaled $18.7 million and our available borrowing capacity was approximately $101.4 million as of December 31, 2022. Outstanding letters of credit at December 31, 2022 totaled $5.8 million, of which $1.2 million is used to secure deductibles related to our workers compensation insurance program and $4.6 million is used to secure a surety bond associated with potential financial obligations associated with potential import duties and taxes.

Liquidity and capital resources as of June 30, 2022

At June 30, 2022, our cash and cash equivalents were $24.8 million. There were no borrowings under the ABL Facility and our available borrowing capacity was approximately $118.8 million. Outstanding letters of credit at June 30, 2022 totaled $5.8 million, of which $1.2 million is used to secure deductibles under our workers compensation insurance program and $4.6 million is used to secure a surety bond associated with potential financial obligations associated with potential import duties and taxes.

Cash Flows

Six Months Ended December 31, 2022 Compared To Six Months Ended December 31, 2021

The following sets forth a summary of our cash flows for the six months ended December 31, 2022 and the six months ended December 31, 2021:

	Six Months Ended		
	December 31, 2022	December 31, 2021	Change
		(in millions)	
Net cash provided by (used in) operating activities	$ 36.9	$ (10.7)	$ 47.6
Net cash used in investing activities	$(175.9)	$(760.3)	$ 584.4
Net cash provided by financing activities	$ 158.8	$ 738.5	$(579.7)

Cash Flows from Operating Activities

Net cash provided by operating activities for the six months ended December 31, 2022 was $36.9 million compared to $10.7 million used in operating activities for the six months ended December 31, 2021. The increase of $47.6 million was the result of $29.4 million from favorable changes in working capital driven primarily from lower accounts receivable, as well as $18.2 million of increased net income, as adjusted for non-cash items. The cash used during the six months ended December 31, 2022 included the payment of approximately $5.5 million of non-recurring costs associated with mergers and acquisitions activity, business optimization, severance and recruiting expenses compared to $23.9 million in the prior period.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended December 31, 2022 was $175.9 million compared to $760.3 million for the six months ended December 31, 2021. The decrease in net cash used in investing activities was primarily due to reduced net cash paid for net assets and intangible assets acquired in the six months ended December 31, 2022 compared to the prior period, partially offset by increased capital expenditures and less cash received from insurance recoveries.

On November 1, 2022, the Company acquired all of the outstanding equity interests of Ematec. The preliminary cash purchase price, net of cash acquired, was approximately $138.0 million. A portion of the transaction consideration for the acquisition of Ematec took the form of a $27.0 million deferred payment promissory note in favor of the seller payable by Holdings. As a result, Holdings made a $27.0 million non-cash contribution of the investment in Ematec to the Company.

Net cash used in investing activities during the six months ended December 31, 2021 was primarily attributable to $746.3 million of payments made in connection with the Company's acquisitions of M-Industries, Grupo Phoenix, Keyes Packaging and JPG, and $25.8 million of capital expenditures, partially offset by $11.7 million of proceeds from insurance recoveries related to the fire at the facility in Gallarate, Italy.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended December 31, 2022 was $158.8 million compared to $738.5 million for the six months ended December, 31 2021.

During the six months ended December 31, 2022, the Company borrowed $153.4 million, net of an $8.8 million discount, and incurred $4.1 million of debt issuance costs in connection with a new first lien term loan for the purchase of Ematec. In addition, the Company borrowed $18.7 million, net of repayments, under its ABL Facility, and repaid $10.2 million of long-term debt.

During the six months ended December 31, 2021, the Company borrowed $743.4 million, net of a $1.9 million discount and incurred $17.9 million of debt issuance costs in connection with a new first lien term loan, and borrowed $31.3 million, net of repayments, under the ABL Facility in connection with the closing of the Company's acquisitions and related professional fees. Additionally, the Company made repayments of long-term debt of $7.7 million.

Fiscal Year 2022 Compared To Fiscal Year 2021

The following sets forth a summary of our cash flows for fiscal years 2022 and 2021:

	Fiscal Year Ended		
	June 30, 2022	June 30, 2021	Change
	(in millions)		
Net cash provided by operating activities	$ 21.9	$ 71.5	$ (49.6)
Net cash used in investing activities	$(810.7)	$(54.2)	$(756.5)
Net cash provided by (used in) financing activities	$ 724.6	$ (9.5)	$ 734.1

Cash Flows from Operating Activities

Net cash provided by operating activities totaled $21.9 million during fiscal year 2022 compared to $71.5 million during fiscal year 2021. The decrease of $49.6 million was the result of $84.7 million unfavorable changes in working capital and other operating activities, partially offset by $35.1 million of higher net income, as adjusted for non-cash items. The $40.6 million increase of cash used in Account Receivable was primarily driven by the increase of sales volumes and higher average selling price during recent months. The $28.8 million increase of cash used in Inventory was primarily driven by increased raw material costs and higher safety stock levels to secure against the risk of supply chain interruption. The cash used during the fiscal year 2022 included the payment of approximately $31.9 million of non-recurring costs associated with the five acquired businesses, business optimization, severance and recruiting expenses compared to $5.6 million in the prior period.

Cash Flows from Investing Activities

Net cash used in investing activities totaled $810.7 million during fiscal year 2022 compared to $54.2 million during fiscal year 2021. The increase is primarily attributable to payments made in connection with the Company's recent acquisitions as described below. Capital expenditures during fiscal year 2022 were $66.9 million compared to $68.5 million during fiscal year 2021. Proceeds from insurance recoveries related to the fire at the facility in Gallarate, Italy were $11.7 million during fiscal year 2022 compared to $14.6 million during the prior year period. The Company does not expect to receive any more insurance proceeds related to the incident.

On August 9, 2021, the Company acquired all of the outstanding equity interests of M-Industries. The total purchase price paid, net of cash acquired, was approximately $21.7 million.

On September 17, 2021, the Company acquired all of the outstanding equity interests of Grupo Phoenix. The total purchase price, net of cash acquired, was approximately $625.7 million.

On September 23, 2021, the Company acquired all of the outstanding equity interests of Keyes Packaging. The total purchase price, net of cash acquired, was approximately $82.2 million.

On October 1, 2021, the Company acquired all of the outstanding equity interests of JPG. The total purchase price paid, net of cash acquired, was approximately $11.0 million.

On January 18, 2022, the Company acquired assets and licensed technologies of Fibro Corporation. The total purchase price, net of cash acquired, was approximately $15.0 million.

Cash Flows from Financing Activities

Net cash provided by financing activities was $724.6 million compared to net cash used in financing activities of $9.5 million. During fiscal year 2022, the Company borrowed $765.9 million, net of a $1.9 million discount and incurred $18.4 million of debt issuance costs in connection with the new first lien term loan in connection with the closing of the Company's recent acquisitions and related professional fees. Additionally, the Company made repayments of long-term debt of $18.0 million. In addition, the Company had net distributions of $8.7 million to Parent.

During fiscal year 2021, the Company had no borrowings or repayments under its revolving credit facility and made repayments of long-term debt of $10.4 million. Additionally, the Company received proceeds of $0.9 million from additional capital contributions from Parent.

Fiscal Year 2021 Compared To Fiscal Year 2020

The following sets forth a summary of our cash flows for fiscal years 2021 and 2020:

	Fiscal Year Ended		
	June 30, 2021	June 30, 2020	Change
		(in millions)	
Net cash provided by operating activities	$ 71.5	$ 77.6	$ (6.1)
Net cash used in investing activities	$(54.2)	$(191.1)	$136.9
Net cash (used in) provided by financing activities	$ (9.5)	$ 78.1	$ (87.6)

Cash Flows from Operating Activities

Net cash provided by operating activities was $71.5 million during fiscal year 2021 compared to $77.6 million during fiscal year 2020. This overall decrease of $6.1 million is the result of unfavorable changes in working capital and other operating activities of $24.9 million partially offset by $18.8 million higher net income, as adjusted for non-cash items.

Cash Flows from Investing Activities

Net cash used in investing activities was $54.2 million during fiscal year 2021, which was primarily attributable to capital expenditures of $68.5 million partially offset by $14.6 million of proceeds from insurance recoveries, principally related to the fire at the facility in Gallarate, Italy.

Net cash used in investing activities was $191.1 million during fiscal year 2020, consisting primarily of $181.0 million of payments made in connection with the acquisitions of Lameplast, Geraldiscos and

MMC. Capital expenditures totaled $38.7 million in fiscal year 2020. These uses of cash were partially offset by proceeds from the disposal of assets, primarily related to the sale of real property located in Somerville, NJ and Flemington, NJ and a portion of the real property in Alliance, OH for which the Company received net proceeds of approximately $12.3 million, $7.7 million, and $0.5 million respectively. The Company also recognized $8.4 million of proceeds from the advance on the insurance recoveries associated with the losses incurred related to the fire at our facility in Gallarate, Italy.

Cash Flows from Financing Activities

Net cash used in financing activities was $9.5 million. During fiscal year 2021, the Company had no borrowings or repayments under its revolving credit facility and made repayments of long-term debt of $10.4 million. Additionally, the Company received proceeds of $0.9 million from additional capital contributions from Parent.

Net cash provided by financing activities during fiscal year 2020 was $78.1 million. During fiscal year 2020, the Company borrowed $35.0 million under the Bridge Facility, and received proceeds of $57.4 million from additional capital contributions from Parent primarily in connection with the purchase of Lameplast and Geraldiscos. Additionally, the 2024 Notes were issued, net of discount, for $341.6 million and used to repay $295.0 million of outstanding borrowings under the Bridge Facility. The Company incurred borrowings of $17.4 million and made repayments of $59.4 million under its ABL Facility. The Company also made repayments of Term Loan Facility of $9.1 million and incurred $7.5 million of debt issuance costs in connection with the 2024 Notes.

Off Balance Sheet Arrangements

Off balance sheet arrangements include certain contractual arrangements pursuant to which a company has an obligation, such as certain contingent obligations, certain guarantee contracts, retained or contingent interest in assets transferred to an unconsolidated entity, certain derivative instruments classified as equity or material variable interests in unconsolidated entities that provide financing, liquidity, market risk or credit risk support. Disclosure is required for any off balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, results of operations, liquidity or capital resources. We do not have and generally do not enter into any significant off balance sheet arrangements.

Qualitative and Quantitative Disclosure About Market Risks

Market Risk

We are exposed to market risk associated with changes in foreign currency exchange rates, certain commodity prices and interest rates. We do not hold or issue derivative instruments for trading or speculative purposes. We mitigate the risk that the counter-party might default by only entering into financial instruments with major financial institutions, with an investment-grade credit rating, as counterparties.

Currency Rate Risk

We have manufacturing facilities in twelve countries and our products are sold throughout the world. As a result, we are exposed to movements in various currencies against the U.S. Dollar and against the currencies in countries in which we have manufacturing operations. The major foreign currencies in which our foreign currency risk exists are the Euro, British Pound Sterling, Chinese Yuan, Colombian Peso, Mexican Peso, Brazilian Real, Canadian Dollar and Indian Rupee.

In addition to its direct effect, changes in foreign currency exchange rates relative to the U.S. Dollar will also potentially affect future sales volumes and foreign currency sales prices. The functional currency for the majority of our foreign operations is the applicable local currency. Adjustments resulting from translating foreign functional currency financial statements into U.S. Dollars are included in currency translation adjustments in accumulated other comprehensive income (losses) on our consolidated balance sheet. At December 31, 2022, our net assets subject to foreign currencies were approximately $617.7 million. A 10% change in combined foreign currencies would change our net assets by approximately $56.2 million.

Interest Rate Risk

We are exposed to interest rate risk in connection with our borrowings under our ABL Facility and Term Loan Facility, which bear interest at floating rates based on LIBOR, Term SOFR or EURIBOR or a base rate plus an applicable borrowing margin. For variable rate debt, interest rate changes generally do not affect the fair value of the instrument, but do impact future earnings and cash flows, assuming other factors are held constant. In the ordinary course of business, we may enter into contractual arrangements to reduce our exposure to interest rate risks. Our ABL Facility is subject to a SOFR floor of 0.00% and our Term Loan Facility is subject to (x) in the case of the Dollar Term Loan Tranche and the Term Loan B-3 Tranche, LIBOR floors of 1.00% and 0.50%, respectively, (y) in the case of the Term Loan B-4 Tranche, a Term SOFR floor of 0.50%, and (z) in the case of the Euro Term Loan Tranche, a EURIBOR floor of 0.00%. Based on outstanding borrowings of $598.1 million under our Dollar Term Loan Tranche as of December 31, 2022, a hypothetical 1.0% adverse change in the LIBOR rate would have resulted in higher interest expense of approximately $3.1 million for the six-month period ended December 31, 2022. Based on outstanding borrowings of $253.7 million under our Euro Term Loan Tranche as of December 31, 2022, a hypothetical 1.0% adverse change in the EURIBOR rate would have resulted in higher interest expense of approximately $1.2 million for the six-month period ended December 31, 2022. Based on outstanding borrowings of $795.4 million under our Term Loan B-3 Tranche as of December 31, 2022, a hypothetical 1.0% adverse change in the LIBOR rate would have resulted in higher interest expense of approximately $4.0 million for the six-month period ended December 31, 2022. Based on outstanding borrowings of $125.0 million under our Term Loan B-4 Tranche as of December 31, 2022, a hypothetical 1.0% adverse change in the Term SOFR rate would have resulted in higher interest expense of approximately $0.3 million for the six-month period ended December 31, 2022. Borrowings under our ABL Facility as of December 31, 2022 totaled $18.7 million. Any additional amounts borrowed under the ABL Facility in the future will be subject to changes in SOFR and resultant interest expense. For additional discussion on the risks associated with the phase-out of LIBOR, see “Risk Factors — Risks Related To The Notes and This Offering — The expected phase out of LIBOR could impact the interest rates paid on our variable rate indebtedness and cause our interest expense to increase”.

BUSINESS

Overview

We are a leading global provider of technically sophisticated materials science solutions to many of the world's largest Healthcare and Consumer brands. Our solutions are aimed at delivering better patient outcomes, protecting products and strengthening brands. We operate our business through two key market-focused divisions: Healthcare and Consumer Products. Our divisions serve targeted end market segments where advanced materials science solutions drive value and are increasingly required to meet rapidly evolving patient and consumer needs with exacting performance requirements. These targeted end markets include medical, pharmaceutical and diagnostics markets in Healthcare, and fresh foods and food service, household and beauty and personal care markets in Consumer Products. We are an "enabler" for our customers as we partner with them to help them achieve their specific market needs, product and performance goals and commitments through innovative materials science solutions. Examples of our primary solutions offerings for Healthcare include medical device solutions such as critical care tubing, medical grade compounds and barrier products; pharmaceutical barrier solutions such as unit and multi-dose containers and clean room and high-barrier films; and diagnostic solutions such as customizable films and dosing applications. Examples of our primary Consumer Products solutions include fresh food solutions around the "perimeter of the store" such as drink pods, dairy containers, meat and produce trays, and egg cartons; integrated performance solutions around "center of the aisle" such as dispensing components and closure liners; and food service solutions such as paper and plastic containers for concessions, food delivery and takeout applications. Our customers include many Fortune 500 companies that leverage our solutions to manufacture, market or package a wide range of end products, some examples include metered dose inhalers, intravenous drug delivery medical tubing, prescription and OTC drug medication, caps and closures for jars and bottles, aerosol valves, pumps and trigger sprayers and fresh foods such as eggs, dairy, protein and produce.

We focus on product categories in non-discretionary end-markets poised for growth, where we believe we can achieve sustainable competitive advantages. Because our solutions are typically critical to our customers' offerings, we are generally able to pass through price increases and decreases to address changes in the cost of raw materials. We often custom develop our specific customer applications leveraging a unique complement of materials and substrate and process technologies versatility that helps foster entrenched customer relationships. In addition, many of the solutions we produce become integral components in our customers' end product applications, which may be subject to regulatory requirements and/or lengthy and stringent approval processes by various governmental agencies such as the FDA. We believe that we are able to maintain our outstanding positions due to our unique solutions orientation as well as our market-driven focus, our broad capabilities, technical know-how and intellectual property development, manufacturing efficiency, consistent quality and customer service.

Our business and operations are currently diversified into our Healthcare and Consumer Products divisions. Within these divisions, we maintain long-term relationships with a broad base of customers who are leaders in their respective industries, and we enjoy relationships of longer than 25 years with many of our top customers. We serve over 3,500 customers in over 80 countries. Our five largest customers accounted for 19.2% of Net Sales for the twelve months ended December 31, 2022, with our largest customer accounting for 10.6% of Net Sales.

Management has realigned our strategy and culture around our two divisions. Both divisions are committed to growing both organically and through strategic acquisitions with an emphasis on enabling differentiated customer success through innovative materials science solutions. Our organic growth is driven by favorable, non-discretionary demand trends across our global markets, our continued focus on international expansion and our significant investments in innovation to develop new solutions and capabilities. This growth is further supported by our strategic initiatives in sales and marketing, operational cost reductions, productivity improvements, and procurement. In addition to our organic growth drivers, we have completed 20 acquisitions since 2014. Our dedicated M&A team continues to focus on evaluating and executing new investment opportunities with specific strategies to drive growth across our divisions as well as into adjacent, non-core areas where we can leverage our existing expertise. We believe that we are well-positioned to capitalize on significant and sustainable growth opportunities across our two divisions.

Strategic Transformation

The appointment of Chief Executive Officer, Brenda Chamulak, in July 2021 marked the beginning of a comprehensive strategic transformation of our business, transitioning the business from a focus on legacy products and operations to a renewed focus on market-driven, innovative solutions and accelerated growth. The strategy has taken hold across the organization in large part due to reorganizing our business from a house of multiple siloed business units and more than twelve brands to two market-oriented primary divisions under one Tekni-Plex branded house. We also engaged experienced Chief Executive Officers for each primary division to identify talent gaps and create global leadership teams with fresh perspectives to drive our strategic transformation. In the second half of fiscal year 2022, we launched a fundamental strategy shift, integrating commercial excellence initiatives with superior operations and our unique complement of existing substrates and materials science capabilities coupled with an array of process technologies to deliver materials science solutions that address complex customer challenges in diverse end markets. The market-oriented solutions-based strategy allows us to protect and grow our core business and accelerate target market penetration by:

- *Developing Higher Order Solutions*: Leveraging comprehensive materials / substrates capabilities, process technologies and value-added services platforms ("toolkit") and superior innovation to address prevailing market needs and customer challenges.
- *Enhancing Customer Connectivity*: Consultative R&D partnership approach creating greater customer intimacy and scale while promoting greater and more timely access to key decision makers.
- *Driving High Value Opportunities*: Expert customer value management driving customer adoption and satisfaction, protecting core business and ensuring we are the first point of call for new opportunities; and
- *Fueling Innovation & Strengthening Toolkit*: Integrating market and customer insights into our innovation pipeline — bolstering our portfolio of materials / substrates capabilities, process technologies, value-added services and professionalized sales forecasting and analytics systems.

As part of this strategic transformation, we have advanced our sustainability initiative with an increased use of renewable and bio-based materials, such as fiber, paper, polyactide and rPET. The strategic transformation has yielded strong results with the business achieving financial results in-kind with significant business momentum, commercial pipeline growth and new business wins aligned with strategic direction of both primary divisions. In the twelve months ended December 31, 2022, we launched over 150 new solutions and have established a commercial pipeline that we believe is worth approximately $1.0 billion. Our commercial pipeline is bolstered by our revamped go-to-market strategy, which is geared towards growing our market share with existing customers, and onboarding our recent acquisitions.

Fiscal Year 2022 & 2023 Transactions

On August 9, 2021, we acquired all of the outstanding equity interests of M-Industries. M-Industries is a leader in container vented lining technology and is one of only a few manufacturers worldwide that provide complex vented lining solutions for products that require air pressure regulation due to ingredients, filling methods, and/or the way they are shipped and stored. The purchase price for M-Industries was $24.1 million.

We believe that the M-Industries Transaction strengthened our materials science capabilities to help protect our customers' brands and products by increasing the global scope of solutions we are able to provide our customers, including venting expertise and technical packaging, each of which has a particular value-add for e-commerce and home delivery channels.

On September 17, 2021, we acquired all of the outstanding equity interests of Grupo Phoenix. Grupo Phoenix is a rigid packaging solutions leader providing both plastic and paper products to global brands in a variety of vertical markets, including dairy, desserts, coffee, beverages, ice cream, soups, spreads, cosmetics and household cleaning. The purchase price for Grupo Phoenix was $675.7 million.

We believe that the Grupo Phoenix Transaction placed us in a stronger position to broaden our market-focused, customer-driven innovations, particularly in food and beverage markets, aiming to provide and enhance our sustainable solutions offerings. The Grupo Phoenix Transaction allows us to provide existing and new customers with enhanced product offerings, higher levels of service and offer a stronger value proposition. Enhancements include greater materials science versatility, broader technical support and more diverse strategic problem solving, thus expanding our portfolio of solutions geared to store perimeter fresh foods and niche center aisle high performance products and strengthening our ability to provide sustainable solutions for packaging, food service and disposable consumer products.

The Grupo Phoenix Transaction also bolsters our ability to help customers create differentiated brand-enhancing product design. This complementary business profile, together with the potential for accelerated innovation and new product offerings across both divisions, was a significant aspect of our strategic rationale for the Grupo Phoenix Transaction.

On September 23, 2021, we acquired all of the outstanding equity interests of Keyes Packaging. Keyes Packaging is a leading provider of protective packaging for the food and beverage industry. Keyes Packaging is comprised of two lines of business: Keyes Fibre and Wrap Pack. Keyes Fibre is among a limited number of suppliers that produce molded fiber trays for packaging and shipping apples, avocados, eggs and wine bottles. Keyes Packaging has the largest molded fiber plant on the West Coast of the United States, located in North America’s largest apple and pear growing regions. Wrap Pack produces fruit and vegetable specialty-tissue protective wrap for storing and shipping pears, apples and citrus fruit. The purchase price for Keyes Packaging was $82.2 million.

We believe that the Keyes Packaging Transaction strengthened our sustainable offerings to food and beverage industry customers as we increase our tray and flat portfolio, and we believe the Keyes Packaging Transaction is a strong strategic fit within our broader fiber- and paper-based packaging business.

On October 1, 2021, we acquired all of the outstanding equity interests of JPG. JPG is a precision extrusion manufacturer specializing in precision extrusions for medical device applications. JPG provides complete extrusion solutions into a variety of medical device applications for interventional and therapeutic procedures. The purchase price for JPG was $16.1 million.

We believe that the JPG Transaction expanded our Healthcare division’s medical device capabilities and broadened our Healthcare division’s global footprint by adding a presence in Mexico by building upon our innovative patient care solutions platform centered on materials science and process technologies while bringing us closer to key customers in target regions.

On January 18, 2022, we acquired select assets and licensed technologies of Fibro Corporation. Fibro Corporation develops and manufactures innovative molded-fiber packaging solutions geared to the fresh food marketplace. Fibro Corporation’s advanced pulp technologies are the driver behind a revolutionary, smooth-finish, fiber-based egg carton that allows for easier and more precise package printing, improved product protection, and a more streamlined packaging line operation. The purchase price for the Fibro Corporation assets was $23.4 million.

We believe that the Fibro Transaction helped position us as the only U.S. supplier of egg cartons manufactured in foam polystyrene, PET and fiber-based materials. The Fibro Transaction furthers our strategy of achieving sustainability-minded, material agnosticism across a broad spectrum of packaging solutions. We believe these solutions will be extremely attractive to high-growth fresh foods markets, especially in the perimeter of the store.

On November 1, 2022, we acquired all of the outstanding equity interests of Ematec. Ematec is a leading provider of molded fiber packaging solutions for eggs, produce, food service, and other fresh food items. Molded fiber is a renewable bio-based material derived from 100% natural, typically-recycled paper and cardboard fibers, making it highly attractive to brands seeking to expand their bio-based packaging offerings. Ematec also offers a line of post-consumer rPET plastic containers such as egg cartons and clamshells. The purchase price for Ematec was $165.0 million.

We believe Ematec's portfolio of sustainable molded cellulose pulp packaging solutions and its position as a leading provider of molded fiber egg cartons further strengthens our outstanding position as a solutions provider of diverse materials in the fresh foods industry. Ematec's proven ability to develop and commercialize sustainable packaging solutions bolsters our commitment to leadership in the fresh foods and food service categories, reinforcing our strategy to focus on helping our customers win in the perimeter of the store — leveraging a powerful fiber solution with the combined strengths of Keyes Packaging, Fibro Corporation, Ematec and Tekni-Plex.

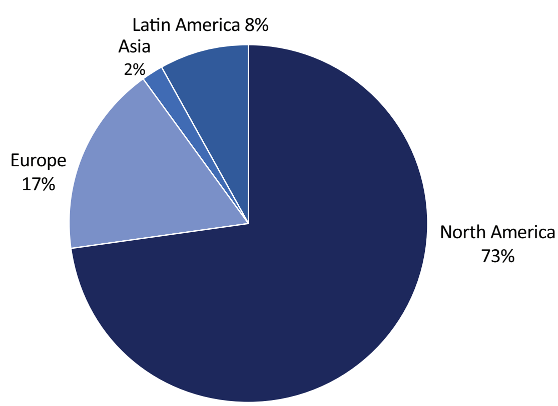
For the twelve months ended December 31, 2022, we generated Net Sales of $1,852.3 million, Combined Net Sales of $1,919.5 million and Combined Adjusted EBITDA of $374.5 million, representing 41.7% year-over-year growth in Net Sales, 13% year-over-year growth in Combined Net Sales, and 14% year-over-year growth in Combined Adjusted EBITDA. For the twelve months ended December 31, 2022, Combined Adjusted EBITDA reflects a margin of 19.5%. For a further discussion of Combined Net Sales and Combined Adjusted EBITDA, see "— Summary of Non-GAAP Financial Information and Combined Data".

Our Divisions

In this offering circular, we present certain information by our primary divisions: Healthcare and Consumer Products. We believe that this presentation provides useful additional information regarding the performance of these distinct divisions.

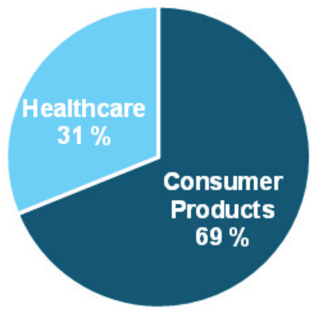
The charts below illustrate our diversification by division as a percentage of Combined Net Sales and Combined Adjusted EBITDA, and our diversification by manufacturing location as a percentage of Combined Net Sales and our quarterly Combined Net Sales trend, for the period presented.

COMBINED NET SALES BY MANUFACTURING LOCATION (For the twelve months ended December 31, 2022)[(1)]

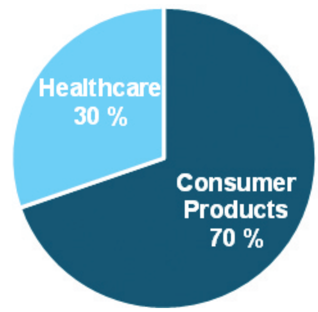


(1) Net Sales by manufacturing location for the twelve months ended December 31, 2022 were: North America 72%, Europe 17%, Latin America 9%, and Asia 2%.

COMBINED NET SALES BY DIVISION (For the twelve months ended December 31, 2022)[1]

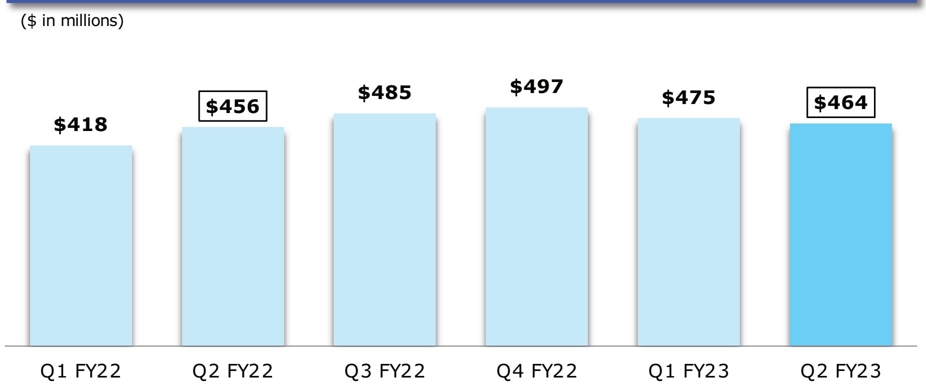


COMBINED ADJUSTED EBITDA BY DIVISION (For the twelve months ended December 31, 2022)



(1) Net Sales by division for the twelve months ended December 31, 2022 were $597.9 million for our Healthcare division and $1,254.4 million for our Consumer Products division.

Combined Quarterly Net Sales Trend[1]



(1) Net Sales for Q1 FY22 were $303.4 million, Q2 FY22 were $437.8 million, Q3 FY22 were $464.5 million, Q4 FY22 were $476.3 million, Q1 FY23 were $454.2 million and Q2 FY23 were $457.3 million.

The following table summarizes our Net Sales, Combined Net Sales, Combined Adjusted EBITDA and certain key business information with respect to our primary divisions for the periods presented:

	Healthcare	Consumer Products
Twelve months ended December 31, 2022:		
Net Sales	$597.9 million	$1,254.4 million
Combined Net Sales[1]	$598.0 million	$1,321.5 million
Combined Adjusted EBITDA[2]	$123.4 million	$285.2 million
% Margin	20.6%	21.6%
Six months ended December 31, 2021:		
Net Sales	$254.4 million	$486.8 million
Combined Net Sales[1]	$257.8 million	$616.0 million
Combined Adjusted EBITDA[2]	$53.1 million	$121.2 million
% Margin	20.6%	19.7%
Six months ended December 31, 2022:		
Net Sales	$290.0 million	$621.5 million
Combined Net Sales[1]	$290.0 million	$648.1 million
Combined Adjusted EBITDA[2]	$56.9 million	$139.8 million
% Margin	19.6%	21.6%

(1) For a reconciliation of our Combined Net Sales by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see “Summary — Summary Financial Information”.

(2) For a reconciliation of our Combined Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "Summary — Summary Financial Information".

Material Science Solutions Toolkit

Materials and Substrates Capabilities	• Proprietary compounds • PET / PX • Copolymers • Polychlorotrifluoroethylene • rPET • Recycled Polystyrene • Aluminum, foil • Rubber	• Aclar • COC, Cyclic Olefin Polymer • Ethylene-vinyl alcohol copolymer • Old newspaper / Old corrugated containers • Styrenic Block Copolymers • Recycled polypropylene • Polystyrene • Paper, paperboard • Bio-polymers	• Polyethylene • PVC / Polyvinylidene chloride • Silicones • Coatings • Tyvek • Polypropylene • High density polyethylene Non-woven • Fiber / pulp
Process Technologies	• Cleanroom production • Injection molding • Die Cutting • Adhesive / extrusion lamination • Decorating and finishing • Flexo / offset gravure printing • Foam extrusion and thermoforming	• Grid coating • Polymer compounding • Multi-layer film extrusion • Filing machine manufacturing • Air knife boating • Silicone processing • Slitting • Contract filling • Pad machines	• Tube extrusion • Blow molding • Vented liners • Calendaring • Specialty sealants • Injection molding / IML • Sleeves • Solution / extrusion coating
Value Added Services	• Technical sales & marketing • Process engineering • Global Innovation Center	• Materials engineering • Quality / regulatory • Dedicated R&D • Lifecycle analysis	• Global supply chain • Device sub-assembly • Equipment design
Market Expertise	• Medical device • Diagnostics • Pharmaceutical	• Fresh foods • Shelf-stable food and beverage • Food service	• Beauty, personal, and home care • Consumer healthcare • Nutraceuticals

		Consumer Products	
	Healthcare	Fresh Foods Solutions	Integrated Performance Solutions
Product Lines	• Critical care medical tubing • Laminated and coated pharmaceutical and medical device barrier coated paper and films • Medical compounds (resin) • Unit and multi-dose containers for pharmaceutical applications • Custom films for pharmaceutical and medical component manufacturing	• Packaging for fresh food products • Packaging for commercial food packaging • Packaging for food service • Packaging for single-use consumer products industries	• Aerosol, trigger sprayer and dispensing pump components • Closure liners • Films for foil laminated pouches • Foil lidstock • PVC tape films • Dropper bulbs
Key Positions	We believe we hold: • A leading position in the United States for vinyl medical compounds • A leading position in the United States for vinyl medical tubing • A leading position in the United States and Europe for pharmaceutical high barrier films	We believe we hold: • A leading position in the United States for coffee drink pods • A leading position in the United States for rigid packaging for eggs	We believe we hold: • A leading position in aerosol inner gaskets • A leading position in the United States for coextruded foamed polyethylene closure liners
Examples of Uses	• Cardiovascular procedures • Drug delivery • Dialysis tubing • IV tubing • Catheters • Wound care films • Vinyl and TPE compounds for medical devices • Oral dose	• Drink pods • Dairy & non-dairy cups • Spreads & dips containers • Lids, foils & domes • Fresh produce trays • Protein trays • Egg cartons • Food service containers	• Plastic and rubber gaskets for: ◦ Aerosol containers ◦ Trigger sprayers ◦ Pumps • Nutraceutical containers • Dispensing tubing • Closure liners and seals for: ◦ Plastic bottles

	Healthcare	Consumer Products: Fresh Foods Solutions	Consumer Products: Integrated Performance Solutions
	pharmaceutical packaging • Pharmaceutical drug manufacturing	• Retail food containers • Single-use beverage cups • Single-use cutlery • Fiber-based alternatives	◦ Glass and metal containers • Foil laminated pouches for oral, topical and transdermal drugs
Representative Customers	• AbbVie • Agilent • Bayer • B Braun • BD (Becton Dickinson) • Cardinal Health • Fresenius • Hologic • ICU Medical • Medline • Medtronic • Merck • Novartis • Pfizer • 3M	• noosa • Cal-Maine Foods • Danone • Eggland's Best • Hillandale Farms • Keurig Dr Pepper • Kraft Heinz • Miller Poultry • Premio • Rose Acre Farms • Smithfield • Trillium Farms • Tyson Foods • Voskos • Walmart • Aptar Group	• Bunzl • Berry Plastics • Coster • General Mills • Lindal Group • MFA • Mold-Rite Plastics • Precision Global • Silgan Specialty • Summit Packaging Systems • VBC Packaging

Healthcare (31% of Combined Net Sales for the twelve months ended December 31, 2022)

Our Healthcare division deploys world-class materials science expertise to deliver value in creating medical device, pharmaceutical and diagnostics solutions. With a deep understanding of the needs of end users, our offerings enable innovative patient care solutions. We supply mission-critical, high-value components, materials and solutions to medical device manufacturers, pharmaceutical companies and diagnostics providers. Our Healthcare division partners with customers to deliver patient care solutions that strive to make the world healthier.

We believe that we are a leading global manufacturer of medical tubing, medical compounds and medical and pharmaceutical barrier solutions. Our Healthcare manufacturing footprint consists of 20 manufacturing facilities, including eight ISO-certified cleanrooms, in the United States, Costa Rica, Northern Ireland, Belgium, Italy and China, which allows us to manufacture our products in close proximity to our customers throughout the world.

The following table summarizes our Net Sales and Management Adjusted EBITDA with respect to our Healthcare division for the periods presented:

Healthcare Operating Performance ($ in millions)

	Fiscal Year Ended			Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2022
Net Sales	$451.1	$425.2	$562.3	$597.9
Management Adjusted EBITDA(1)	$105.2	$ 98.2	$122.6	$125.9
% Margin	23.3%	23.1%	21.8%	21.1%

(1) For a reconciliation of our Management Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "Summary — Summary Financial Information".

Medical Device Solutions

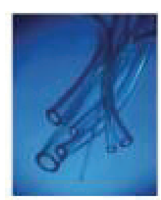
We offer an extensive line of medical-grade components which include tubing and compounds engineered to deliver the ideal solution for specific medical device application objectives. Our engineered medical compounds are suitable for extrusion, injection and blow molding processes and are highly customizable to meet specific medical application requirements. Our precision medical tubing solutions are suitable for a wide range of single-use medical device applications. These include IV administration, hemodialysis devices, insulin delivery, cardiopulmonary bypass equipment and wound drains, among others. For the twelve months ended December 31, 2022, our medical device solutions represented approximately 40% of the Combined Net Sales of our Healthcare division.

We believe that we are a leading global supplier of medical compounds, which are the primary materials used in the production of medical tubing and disposable medical devices. The devices that include our compounds are used in hemodialysis, infusion, respiratory care, urology and cardiovascular applications. We supply a broad array of compounds which include both vinyl and non-vinyl compounds, such as Cellene®, a line of thermoplastic elastomer compounds, and other TPE and non-phthalate compounds.

PVC Compounds

High Performance PVC Compounds

Cellene™



Other TPE Compounds

We sell our compounds to some of the largest healthcare and medical device manufacturers in the world, including Becton Dickinson, ICU Medical, Fresenius and B Braun. In addition, the majority of the raw materials used in the production of our medical tubing is supplied by our medical compounds business. We manufacture our compounds in the United States, Northern Ireland and China.

We believe that we are a leading supplier of medical tubing in the United States. We supply a broad array of medical tubing products, such as vinyl, TPE, silicone, thermoplastic polyurethane and phthalate-free medical tubing, and specialize in high-quality, close tolerance and tight tolerance tubing, such as multi-layer tubing, silicone tubing, cardiovascular tubing, micro-extrusion tubing and coextruded medical tubing, for various surgical procedures and related medical applications. These applications include chemotherapy, intravenous therapy, hemodialysis therapy, cardiovascular procedures such as coronary bypass surgery, suction and aspiration products, neurovascular surgeries, dialysis, pressure monitoring and insulin therapy, unstable drug delivery, as well as tubing used for interventional vascular procedures. We sell our medical tubing primarily to manufacturers of medical devices such as Becton Dickinson, ICU Medical, Smith + Nephew and Medtronic.

Multi-Layer Tubing

Silicone Tubing

Cardiovascular

Microextrusion Tubing

PowerPath

We have developed medical tubing products, including microbore tubing and silicone formulations. Microbore tubing can be used to regulate the delivery of critical intravenous fluids without the need for more expensive drip control devices. Medical professionals are able to precisely control the drug delivery speed simply by selecting the proper diameter tube, each of which is color-coded, potentially improving accuracy and reducing cost. More importantly, as home healthcare trends continue, we believe the use of microbore tubing may help eliminate critical dosage errors on the part of non-professional caregivers and patients. We also produce a variety of highly engineered tubing constructions using acetal for interventional catheter construction, Pebax and nylon for other medical tubing products.

We manufacture the majority of our medical tubing using proprietary materials from our own medical compound operations. We manufacture medical tubing in the United States, Europe, Costa Rica and China.

Pharmaceutical & Medical Device Barrier Solutions

We offer a diverse complement of top and bottom sterilizable web packaging materials, flexible films, lidding foils and pouch materials for medical device applications and thermoformable blister barrier films (blister packs), flexible films, lidding foils and pouch materials for pharmaceutical, animal health and other healthcare and personal care applications.

We believe that we are a top supplier for clear high-barrier plastic films for pharmaceutical blister packaging in the United States and Europe. We believe that we are also one of the global leaders in providing Super-B films, a lower cost alternative to certain high barrier polychlorotrifluoroethylene films, such as Honeywell Aclar®, for pharmaceutical blister packaging. In addition, we also supply mid-barrier and low-barrier films used in pharmaceutical blister packaging, as well as our proprietary, high performance PX films used in applications such as medical device trays. For the twelve months ended December 31, 2022, our barrier solutions represented approximately 60% of the Combined Net Sales of our Healthcare division.

Pharma Blister Pack

Medical Device Tray

PVC Packing Tape

These low-, mid- and high-barrier pharmaceutical films are typically used for solid, oral-dosed pharmaceuticals, and to protect drugs from moisture ingress. Blister packaging is a preferred packaging form when dispensing/handling can negatively affect shelf life or drug efficacy, or when uniform dose packaging is needed. The advantages of transparent blisters, as opposed to opaque foil-based materials, include the ability to visually inspect the contents of the blister, enabling users to ensure product integrity and ensure that they are handling or consuming the correct pharmaceuticals.

Our pharmaceutical barrier solutions are sold to major pharmaceutical companies such as Novartis, Bayer, Eli Lilly, AbbVie/Abbott and AC Folien (or their designated contract packagers). We manufacture pharmaceutical barrier films primarily in the United States and Europe.

As part of our medical device barrier solutions, we offer a broad portfolio of sterilizable medical device packaging substrates, including coated and uncoated DuPont Tyvek®, heat-seal and coldseal coated paper and films, medical grade laminates, die-cut lids and labels, printed roll stock and extrusion laminations. We believe we are a leading supplier of coated and uncoated DuPont Tyvek® for sterilizable barrier packaging in the United States. Our solutions are primarily used to package medical devices and medical components to ensure safe delivery of products and patient safety. Our medical device barrier solutions are sold to major medical device companies such as BD, Medtronic, 3M and Cardinal Health.

Diagnostics

We offer a growing portfolio of customizable film solutions, components and unit & multi-dose containers for various applications in diagnostic products. Our solutions offerings for diagnostics continue to grow as the market for faster diagnosis of medical conditions, at-home and rapid testing continue to gain traction. These applications include endovascular tubing, laparoscopy tubing, arthroscopy tubing, diagnosis reagent unit-dose packaging, contract filling, COC based extrusions and custom film extrusions & laminations.

Consumer Products (69% of Combined Net Sales for the twelve months ended December 31, 2022)

Our Consumer Products division specializes in advanced materials science solutions for companies in the food and beverage and consumer packaged goods industries with a focus on protecting products, strengthening brands, and innovating sustainably. Our Consumer Products division serves companies around the world in sectors including beauty and personal care, household items, and food and beverage. With an expanding selection of material-diverse solutions, bolstered in recent years by a series of strategic acquisitions, our Consumer Products division creates next-generation packaging solutions that address real-world challenges in the markets we serve. Most notably, we are focused on developing more sustainable solutions that continue to provide product safety and consumer satisfaction. The Consumer Products division is organized into two units: the fresh foods solutions unit, focused on innovative fresh foods packaging solutions, which represented 65% of our Combined Net Sales for our Consumer Products division for the twelve months ended December 31, 2022, and the integrated performance solutions unit, focused on dispensing and sealing solutions, which represented 35% of our Combined Net Sales for our Consumer Products division for the twelve months ended December 31, 2022.

Our Consumer Products division focuses on collaborating with customers to deliver innovative and sustainable solutions with superior speed-to-market. Our materials and substrates capabilities include paper, plastic, molded fiber, aluminum, rubber, post-consumption materials and bio-polymers. Our process technologies expertise includes thermoforming and injection, paper forming, high barrier, high tolerance precision molding, extrusion and co-extrusion, lamination, decoration and finishing, shelf life product preservation and sustainability and recyclability.

We believe we are a leading domestic manufacturer of coffee drink pods. In addition, we believe we are a leading domestic supplier of egg cartons, which are increasingly diversified across PET, rPET, molded fiber and polystyrene substrate formats. We also provide solutions for protecting fresh food products such as dairy, chicken, beef, sausage, apples and pears and various food service applications. We have an extensive molded-fiber and paper product line, bolstered by recent acquisitions (including, Grupo Phoenix, Keyes Packaging, Fibro Corporation and Ematec) in addition to a growing rPET product line to address growing demand for sustainable packaging formats. We operate manufacturing facilities throughout the world, many of which are either safe quality food or British retail consortium certified for the production of items used for food packaging. These facilities are strategically located to minimize our freight costs and optimize logistics for customers.

We believe that we are a leading global supplier of aerosol inner gasket dispensing components and closure liners. We continually work to expand our closure liner product portfolio, through developing new proprietary solutions, such as EdgePull, Luxe® seals, wine and spirit liners, and dual side liners, as well as through strategic acquisitions.

The following table summarizes our Net Sales and Management Adjusted EBITDA with respect to our Consumer Products division for the periods presented:

Consumer Products Operating Performance ($ in millions)

	Fiscal Year Ended			Twelve Months Ended
	June 30, 2020	June 30, 2021	June 30, 2022	December 31, 2022
Net Sales	$589.7	$649.9	$1,119.6	$1,254.4
Management Adjusted EBITDA[(1)]	$135.7	$156.8	$ 230.9	$ 271.7
% Margin	23.0%	24.1%	20.6%	21.7%

(1) For a reconciliation of our Management Adjusted EBITDA by division to net income (loss) for each respective division, which is the most directly comparable GAAP measure, see "Summary — Summary Financial Information".

Coffee and Drink Pods

We believe we are a leading manufacturer of coffee pods in the United States, with over 10 billion pods manufactured in fiscal year 2022. We serve as a long-term R&D and commercial partner to Keurig Dr Pepper, creating the first 100% recyclable K-Cup by solving complex technical challenges and introducing a new substrate compatible with customers' ultra-high volume filling lines around the globe. Our scaled operations, process technology expertise and materials science capabilities enables us to meet exacting technical requirements, quality standards and volume levels at full production.

Plastic, Paper and Aluminum Cups, Containers, Lids, Foils & Domes

We offer a wide range of cups, containers, lids, foils and domes for use in a variety of end market applications, including coffee drinks, dairy products, spreads and dips, pet food and food service, among others. Our broad breadth of capabilities in thermoforming, injection molding, multilayer barrier extrusion, aluminum impact extrusion, fiber and paper combined with one-stop-shop decorating and finishing offset printing, shrink sleeving, foil lidding and cardboard overwrap delivers differentiated value proposition to Consumer Products customers. Products are collaboratively designed with customers, and developed and produced in accordance with exacting performance thresholds, such as weight, stability, strength, thermic transmission, oxygen permeability, shelf-life preservation, recyclability, shipping feasibility, fill-speeds, intuitive end consumer functionality, and on-shelf branding, among others.

Our solutions-based offering and outstanding innovation capabilities underpin long-term customer partnerships and complex supply relationships. In the case of many customers, we deliver complete solutions, such as foil, cup and decoration, instead of individual components, and develop fully sustainable (e.g., up to 100% recyclable) products by solving numerous physical, material and design constraints. This differentiated value proposition leverages our unique complement of in-house materials and substrates capabilities, process technologies and value added services.

Our customers include Keurig Dr Pepper, Danone and noosa. We manufacture and sell our packaging solutions through our strategically located facilities around the globe.

Molded Fiber, Plastic and Foam Protective Packaging

We believe that we are a leading manufacturer of protective fresh produce trays, meat and poultry trays and egg cartons in the United States, utilizing a growing portfolio of materials and substrates across PET, rPET, molded-fiber and foam polystyrene. We have produced protective packaging products for over 50 years, leveraging unique materials science and process technology expertise specifically aimed at providing maximum protection. We believe we maintain one of the industry's broadest and most complex product line, with a full range of material substrates, carton sizes, designs, colors, silkscreen graphics, labels and universal product codes.

In terms of economic and functional characteristics, our products are able to offer a combination of protection, high strength, minimum material content and effective moisture barrier performance at competitive value for select customers. Our product offerings also offer dimensional consistency that enhances high speed mechanical feeding of cartons into automated package filling operations. We also produce thermoformed hinged-lid food service containers, as well as agricultural packaging products such as pear and apple trays. Our protein tray operations produce thermoformed meat and poultry trays used for pre-packaged meat and poultry products. Our packaging offers fresh, clean, sanitary, lightweight packaging for food products that break or bruise easily.

Our customers include Cal-Maine Foods, Rose Acre Farms, Tyson Foods, Hickman's Family Farms, Hillandale Farms, Midwest Foods Association, H.R. Spinner and Walmart. We manufacture and sell packaging solutions through our strategically located facilities around the globe.

Molded-Fiber, Paper and Other Targeted Sustainable Alternatives

Molded fiber is a renewable bio-based material derived from 100% natural, typically recycled paper and cardboard fibers, making it highly attractive to brands seeking to expand their bio-based packaging offerings. We have made significant investments in developing differentiated molded-fiber capabilities and capacity with an emphasis on protecting and growing our core business. Current offerings are predominantly focused on egg cartons, produce trays, wine shippers and food service solutions.

GeoPack®
we serve the planet

In addition to an expanding portfolio of molded-fiber and paper solutions, we continue to build capabilities in sustainability-minded plastics — especially those comprising significant amounts of post-consumer recycled content, or composed of more recyclable resins such as PET. Recently, we have expanded our GeoPack product family, which addresses various combinations of materials science sustainability's "4 Rs" — reduce, recycle, reuse and renew — including biodegradable or compostable materials, post-consumer recycled content, recyclability, renewable substrates and legislation compliance.

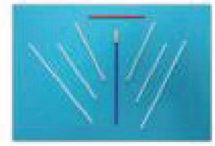
Engineered Packaging Components

We believe that we are one of the world's leading manufacturers of aerosol valve and dispenser pump gaskets, which we have manufactured for over 50 years using proprietary formulations and manufacturing processes. These formulations are designed to provide consistent functional performance throughout the entire shelf life of the product, by incorporating chemical resistance characteristics appropriate to the package contents. We have developed unique formulations to service customers in a wide variety of applications. Our products include dip tubes, which transmit the contents of the container to the nozzle; specialized, molded or punched rubber-based valve gaskets that serve to control the release of the contents from the container; and rubber, plastic and foamed gaskets used to seal the container closed. We utilize our specialty rubber and plastic extrusion capabilities to manufacture a variety of specialty compounds, such as droppers and brush applicator wipers. We have also developed proprietary methods for achieving extremely accurate thickness control, superior surface finish and the elimination of internal imperfections prevalent in other processing methods.


Molded Products


Punched Gaskets

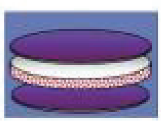

Extruded Dip Tubes & Extension Tubes


Other

Our customers include Aptar Group, Lindal, Summit Packaging Systems, Coster, Precision Valve and Silgan Specialty for pharmaceutical, healthcare, personal care, household, chemical and food and beverage applications. Our manufacturing and sales operations are located in the United States, Belgium, Italy and China.

Closure Liners

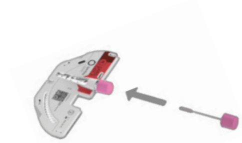
We believe that we are a leading global producer of sophisticated extruded, co-extruded and laminated cap-liners and seals, known as closure liners, for glass, metal and plastic containers. We believe that we are also a leading global supplier of foam, non-induction liners. We also supply pressure sensitive and induction heat seal liners, and we have developed new wine and spirit liner products. Closure liners perfect the seal between a container and its closure, and are an integral part of the container/closure package. Without the sealing effect of the liner, most container/closure packages would not be secure enough to protect the contents from contamination, leakage, tamper evidence or loss of product efficacy.


Foam & Solid Closure Liners


Pressure Sensitive Liners


Induction Heat Seal Liners

Luxe® seals


Sealing Film

Our customers for closure liners include Berry, Mold-Rite, VBC Packaging and Silgan Specialty. We manufacture closure liners in the United States, Belgium, India, Germany and Brazil.

Films for Foil Laminated Pouches

We are a supplier of multi-ply barrier films for foil laminated pouches, primarily for pharmaceutical applications. Our customers are North American contract packers, with whom we have enjoyed long-term relationships. The stringent requirements for these pouches require us to work closely with our customers and may lead to long-term relationships. We manufacture these pouches in the United States.

Our Competitive Strengths

Materials-Science Driven Sustainable Value Proposition

We provide high value-added materials science solutions to our customers. We partner directly with our customers to develop highly customized solutions aimed at solving our customers' most challenging needs. This unique positioning allows us to develop deep and long-standing relationships with our customers. Our robust materials science expertise and global intellectual property portfolio drive innovation and new product development supported by a deep bench of in-house materials scientists, chemical engineers, mechanical engineers and process technology engineers. Our consultative R&D partnership model and end-to-end solutions support our customers through material development, quality testing, process engineering, data analysis, regulatory approval and manufacturing ramp-up.

Our materials science-based approach also positions us as an “enabler” for our customers as they seek to solve their most challenging problems and meet their specific goals and objectives, in particular regarding their sustainability objectives. Often our customers will seek to partner with us to help innovate and develop solutions that achieve their product performance objectives while also improving the products sustainability profile.

Among the Leaders in Stable End Markets and Essential Product Categories

We have a strong presence across both our primary divisions in the United States and internationally. Sales of substantially all of our products are traditionally stable throughout economic cycles. Some of the stable, long-term trends that drive demand across our key product categories include: aging and growing populations, increasing incidence of chronic diseases, trends toward less invasive surgical techniques, increasing demand for healthcare and certain of our consumer products in developing economies, new applications for dispensing packaging, drug patent expiration and the resulting conversion to use of generic drugs (which allows for greater competition and increased sales opportunities for our business), growth in disposable income in developing economies, increasing per capita fresh food consumption and the increasing use of protective packaging by retailers to reduce shrinkage. Our primary divisions have performed well in recent years and have demonstrated solid growth amidst significant disruptions in the global economy, providing us with a reliable source of cash flow.

We have long-standing relationships with many of our customers that are strengthened because certain of our medical packaging and tubing products conform to FDA and U.S. Pharmacopeia (and European equivalent) standards. Our materials and products are used as critical enablers of customers’ medical devices and pharmaceutical products, and are also used by our customers as food packaging. For example, in the case of pharmaceuticals and medical devices, the safety and suitability of the solutions we offer may be reviewed as part of the FDA’s premarket approval or clearance process for the particular drug or device to the extent that premarket review is required for the product. As a result, once a new medical device or drug offering including our products has gained FDA clearance or approval, we may enjoy a competitive advantage over competing products that are not included in the cleared or approved device or drug in situations where modifying product packaging or other components requires FDA premarket review and authorization. Another source of competitive advantage is that many of our products utilize proprietary formulations that address the specific needs of individual customers that we believe cannot be readily replicated by other suppliers. We believe these proprietary formulations, coupled with our long-term customer relationships and high quality products and services, allow us to better serve our customers as compared to our competitors. Further, in our Consumer Products division, we believe that the high capital costs and high technical competence required for manufacturing processes encourage customers to partner with us on a long-term basis.

Highly Diversified Business Across Diverse End Markets and Geographies

We manufacture a broad range of high value-added products for a variety of end markets in approximately 50 countries around the world and are focused on non-cyclical, recession-resistant professional healthcare, food and beverage and personal care and household end markets. Our diverse end markets, stringent product quality requirements and expansive geographic presence all contribute to the resilience of our business.

We operate two primary divisions: Healthcare and Consumer Products. In our Healthcare division, we manufacture engineered medical compounds used in producing single-use medical devices, barrier healthcare films for prescription packaging and OTC drugs and medical tubing. These solutions serve a wide range of essential and increasingly sophisticated healthcare applications. Within our Consumer Products division, our integrated performance solutions business unit includes critical components including aerosol inner gaskets, dispensing tubes, closure liners, industrial specialty films, foil laminated pouches and foil lidstock for a variety of end markets and product applications. We believe that our fresh foods solutions business unit is one of the leading manufacturers of coffee drink pods and egg cartons in the United States while increasingly diversified across an expanding portfolio of materials and substrates and end product applications in attractive segments, such as dairy, spreads and dips, fresh produce, protein and other food and beverage.

A majority of our revenues come from the United States, though we believe we are well-positioned to continue growing in select high-growth international markets, both by serving customers locally (through our manufacturing operations in Latin America, China, India and Costa Rica) as well as shipping from across our global business platform.

Diverse, Long-standing Customer Relationships

We have long-term relationships with our customers — many longer than 25 years. These relationships and our outstanding positions evidence our reputation for delivering exceptional value to our customers. Our customers value our technical capabilities, materials science solutions tailored to their needs, consistent quality, high service levels, global footprint and security of supply. Our highly customized and engineered products, many of which are sold into regulated markets, drive strong relationships, complex supply relationships and very high customer retention.

We maintain a diversified blue-chip customer base comprised of global leaders serving attractive, growing industries and end markets globally. We serve over 3,500 customers in over 80 countries. Our five largest customers accounted for 19.2% of Net Sales for the twelve months ended December 31, 2022, with our largest customer accounting for 10.6% of Net Sales. The majority of our revenue is derived from customer relationships that are strengthened by one or more factors such as a contract, regulatory qualifications, multi-component solutions, proprietary product formulations or proprietary production processes.

Portfolio of Highly Engineered Materials Science Solutions

We produce an extensive offering of highly engineered materials science solutions that are custom developed to meet our customers' unique performance specifications and demanding requirements. In substantially all of our products, there is an element of materials science expertise, knowledge of specifications and regulatory and technical know-how, all of which have been developed over many years of experience.

Our solutions generally represent a small portion of our customers' overall end-product cost. However, these solutions are mission-critical to enable the functionality of the end products and the cost of failure for customers can be very high — particularly for ultra-high volume applications where the cost of unplanned downtime is prohibitive. Many of our products and product features are protected by patents, trade secrets or in-depth manufacturing, regulatory approvals, material science and technical know-how.

Materials-Science Partner in Developing Sustainable Solutions

We are an industry leader in the development, commercialization and manufacturing of sustainable solutions for a host of blue-chip Consumer Products and Healthcare customers. We leverage our full suite of materials science capabilities, application expertise and industry knowledge to develop lasting relationships with our customers who rely on us to help meet their sustainability goals. We deploy a "Sustainability And" strategy, focused on sustainability and adding value to all stakeholders. In one such example, we deployed our materials science expertise to develop a proprietary, fiber-based egg carton design that delivered on customer sustainability objectives, resulting in a sales agreement for greater than $50 million of revenue. We offer over 20 core substrate categories, have seven molded fiber facilities, and are able to offer sustainable alternatives across our solution offerings.

Track Record of Passing Through Raw Material Costs

Fluctuations in our raw material input costs have historically been passed through to customers, and this practice has allowed us to keep gross margins relatively stable during periods of increasing raw material prices.

We are less susceptible to pricing pressure from any one raw material than some of our competitors as a result of our diverse raw material base, as well as our broad supplier base. Our sourcing teams manage the procurement of raw materials across our two primary divisions. These teams enhance our ability to effectively monitor raw material pricing trends, achieve purchasing economies of scale and strengthen relationships with our suppliers. Additionally, our management team holds regular reviews that address the current raw material environment to better address any changes and identify requisite actions. Lastly, our contractual arrangements, customer relationships and market conventions generally allow for price adjustments based on changes in costs.

Proven, Growth-Oriented Management Team

Our executive management team is led by our Chief Executive Officer, Brenda Chamulak, and includes professionals with significant experience in the healthcare and consumer products industries. Our executive management team is focused on driving value creation and leveraging talent across our entire business and is executing a strategic transformation toward market-oriented, materials science solutions to drive growth. We have completed 20 strategic acquisitions since 2014, and we have actively invested in and expanded our human capital resources and capabilities to drive continued commercial success, operational cost reductions and develop and commercialize new products globally.

Our Business Strategies

We seek to take advantage of our competitive strengths and maximize our free cash flow generation by pursuing the following business strategies:

Capitalize on Growth Trends in Our Divisions

We focus on attractive divisions that serve growing end market niches where we have sustainable, competitive advantages. Our divisions feature stable fundamentals, strong organic growth dynamics and non-cyclical recession-resistant trends. As a long-standing player in each of our primary divisions—technologically sophisticated, high value-added healthcare and consumer materials science solutions — supported by strong customer relationships, we have developed a deep understanding of the drivers of our organic growth and we focus on developing products to capitalize on these trends.

Our Healthcare division is focused on the professional side of healthcare and strong growth is driven by aging and growing populations, increasing incidence of chronic diseases, trends toward less invasive surgical techniques and the increasing demand for professional healthcare solutions in developing economies. Many diseases are becoming more manageable, which is driving a trend of more doctor visits, medications and interventional treatments, all of which contribute to organic sales growth. An increasing onus on enabling more effective and shorter procedure recoveries drives demand for medical tubing. Growing emphasis on patient safety and sanitation creates demand for sterile disposable medical device applications. Drug delivery innovation requires new and unique materials science solutions. Increased demand for early screening and testing is fueling diagnostic testing component requirements. We are strategically indexed to such trends given our differentiated ability to combine and adapt materials and process technologies to deliver higher order solutions for our customers. As such, we seek to enhance our medical compound and medical tubing business by providing higher order solutions that meet the evolving and exacting quality needs for these clinical applications. Our customers typically prefer supplies local to where they operate, and we have addressed this market need by expanding our global footprint to produce medical compounds and medical tubing in the United States, Europe, Asia and Costa Rica. We are also positioned to capitalize on the increasing demand for improved healthcare in emerging economies. For pharmaceutical applications, development of new drugs is a lengthy and costly process, which drives preference for proven suppliers with an established track record of quality and regulatory expertise. In addition, we strive to address the market need for higher levels of quality and product cleanliness by expanding cleanroom investments, especially in emerging markets.

Within our Consumer Products division, growth trends in our fresh foods solutions business unit are driven by a strong consumer preference for fresher, healthier options in fast-growing “perimeter-of-store” categories. Fresh food applications across retail, food service and processor channels increasingly require specialized packaging features designed to extend shelf life, protect food and strengthen branding — augmenting end consumer demand with accelerating packaging penetration. Further, secular demand for sustainable materials utilizing fully recyclable, lighter-weight and/or recycled content materials creates an even greater need for materials science solutions which can deliver innovative, effective products to enable differentiated customer success in the marketplace. We are strategically indexed to such trends given our differentiated ability to combine and adapt materials and process technologies to deliver higher order solutions for our customers. Within our Consumer Products division, our integrated performance solutions business unit exhibits growth trends that are driven by consumer preferences for convenience and easy-opening features in their packaging and growth in disposable income. Consumers prefer more convenience in container and closure dispensing systems, so our customers design and develop products to address this market demand. In turn, we develop liners, gaskets, dip tubing and seals that assist our customers in their efforts to improve dispensing solutions. In our integrated performance solutions business unit, we are focused on developing new materials and specifications that respond to our customers' needs. As such, we focus on maintaining our long-term customer relationships through consistently high quality products, our ability to develop customized solutions, our materials science expertise and our advantaged cost base. We also focus on maintaining our prominent positions in dispensing components and closure liners by providing excellent and reliable product quality and service, together with technical developments that address our customers' needs. Moreover, we plan to continuously expand into higher margin, higher growth product lines by investing in the development of new and existing products and strengthening our intellectual property portfolio.

Drive Growth through Solutions Approach and Innovation

We have undergone a comprehensive strategic transformation of business strategy and culture, transitioning the business from a legacy focus on products and operations to a renewed focus on market-driven, innovative solutions and accelerated growth. Fundamental to the strategy shift has been a redefined go-to-market strategy integrating commercial excellence initiatives with outstanding operations and our unique complement of existing substrates and materials capabilities and process technologies to deliver materials science solutions that solve higher order customer challenges in diverse end markets. As demonstrated by the below graphic, our market-oriented solutions-based strategy creates a powerful feedback loop to protect and grow our core business and accelerate penetration of our target markets:

The strategic transformation has yielded strong results with the business achieving financial results in-kind with significant business momentum, commercial pipeline growth and new business wins aligned with strategic direction in both of our divisions. Notably, accelerated target market penetration is predominantly driven by gains with existing customers in existing end markets.

We continually seek to drive incremental growth by enhancing our product development capabilities and innovation. Our robust materials science expertise and global intellectual property drive innovation and new product development supported by a deep bench of in-house materials scientists, chemical engineers, mechanical engineers and process technology engineers. Our consultative R&D partnership model and end-to-end solutions support our customers through material development, quality testing, process engineering, data analysis, regulatory approval and manufacturing ramp-up. Our Global Innovation Center provides focused development efforts regarding new products, process and technology improvements and materials enhancements that are closely tied to the strategic growth initiatives of our divisions. The Global Innovation Center has significantly enhanced the development of our intellectual property and product offerings. Since we opened the Global Innovation Center in November 2011, we have commercialized numerous new products across many different categories and we currently have over 280 foreign and domestic patents. Although we maintain and continue to develop our patent and trademark portfolio, we presently do not consider any individual patent or trademark, or any family of patents, to be material to our business. We also protect our products with proprietary formulations and production processes and other trade secrets. Our current development pipeline is aligned across several development "platforms", such as common materials and/or processes, which helps to drive synergies and communication across our divisions. We intend to continue to develop proprietary products to differentiate ourselves from our competitors and further grow our business as we solve higher order challenges for our customers.

Continue to Grow and Invest in Developing Markets

We believe that there are significant geographic expansion growth opportunities for our business. We continue to strategically position our Healthcare and Consumer Products divisions in Europe, China, India and Latin America in order to better serve our customers as they continue to expand and grow overseas. We have made a number of recent investments that have increased our exposure to these faster-growing products and markets.

In order to better serve our medical tubing customers moving offshore, we made a strategic investment in Costa Rica, which enables us to serve global customers in a lower cost region. Medical device manufacturers continue to build a local presence in Costa Rica and then export single-use medical devices back to the United States. We believe that there is further upside from eventual expansion into silicone tubing, injection molding components and medical device assembly, from which we believe we are positioned to benefit.

We have also invested in a state-of-the-art manufacturing facility in Wujiang, China, which provides medical compounds, medical tubing and dispensing components across our Healthcare and Consumer Products divisions.

Continue to Reduce Costs Through Technical Process Improvement and Operational Excellence

We remain focused on seeking operational excellence by improving manufacturing processes to save costs. Our manufacturing engineering group is focused on increasing productivity and minimizing costs across our business. The group supports our manufacturing plants with safety and continuous improvement projects and large capital project management. Across our divisions, we are continuously evaluating strategic options to lower manufacturing costs, including plant consolidations, production capacity modernization, process control enhancements and automation opportunities. These initiatives are designed to further improve our productivity and on-time delivery globally.

Emphasize Free Cash Flow Generation and EBITDA Growth

Free cash flow generation is a focus of our business. We generate a stable and growing cash flow stream, driven by our diversification and exposure to defensive end markets. From fiscal year 2020 to the twelve months ended December 31, 2022, our Management Adjusted EBITDA has grown from $207.2 million to $359.9 million and our Net Sales increased from $1,040.8 million to $1,852.3 million. Operational savings and production efficiencies have been driven by standardization of manufacturing operations, safety best practice systems, the implementation of operational improvement frameworks, facility consolidation and manufacturing footprint improvements. Increasing productivity and disciplined price management have driven steady gross margins over time, translating to resilient free cash flows. With relatively low capital expenditure requirements — approximately $55 million for fiscal year 2022, $54 million for fiscal year 2021 and $79 million for the twelve months ended December 31, 2022 — our Combined Free Cash Flow has grown from $166 million in fiscal year 2021 to $296 million for the twelve months ended December 31, 2022. Our high-return on investment, focused capital expenditure initiatives in the first half of fiscal year 2023 have helped us accelerate our growth outlook. Based on publicly available information, we believe that we have been able to maintain competitive margins compared to our direct competitors.

Growth in our Combined Net Sales and Combined Adjusted EBITDA can be attributed to the following key factors:

- Strong topline growth driven by increase in organic sales volumes within the Healthcare division and increased pricing levels across both divisions associated with input cost increases;
  - Healthcare: increase was primarily due to a combination of higher organic volumes, particularly in barrier solutions products in the Americas, and higher selling prices associated with rising input costs;
  - Consumer Products: increase was due to higher average selling prices associated with rising input costs across all businesses, partially offset by mixed impact in certain business units;
- Commercial excellence driving pricing opportunities as we reorganized ourselves to be a proactive, market-driven solutions partner under one Tekni-Plex branded house;
- Materials science expertise driving share-of-wallet gains and defending current share with diverse, growing customer base;
- Effective supply chain management, which continues to be a key differentiator for our business; and
- Differentiated value proposition, leveraging proprietary formulations, process versatility, trade secret knowledge base and market expertise.

In addition to significant growth in sales, Combined Adjusted EBITDA and free cash flow that we expect to generate from organic growth and continued cost reductions, we believe that our business platform is well positioned for additional strategic acquisition opportunities. We continue to leverage the customer relationships of recent acquisitions to target market share and geographic expansion opportunities in business lines and regions with high growth potential. We remain well-positioned to pursue our M&A strategy of building upon our divisions while expanding into new verticals and adjacencies. Notably, an increasingly large and integrated global network of facility operations presents growing opportunity for compounding commercial and operational benefits across the enterprise.

The Sponsor

Founded in 1988, Genstar Capital Partners LLC ("Genstar") is a private equity firm that works with middle market companies in the industrials, healthcare, software and financial services sectors to expand and grow their businesses. Its investments are focused on opportunities where Genstar has deep industry and domain expertise and can partner with leading management teams to accelerate growth and profitability. It currently has approximately $35 billion in assets under management and operates out of a single office in the heart of San Francisco.

Genstar manages funds with total capital commitments of approximately $35 billion and is currently investing out of its Fund X, which closed in April 2021 with $10.2 billion of committed capital. It has been investing in industrial technology and healthcare companies for over two decades, including Boyd Corporation, Brook + White, Tecomet, Catalent, Pretium Packaging and Infinite Electronics.

Research and Development

Our Global Innovation Center based in Holland, Ohio provides focused development efforts on new product, process technology and materials enhancements that are closely tied to the strategic growth initiatives of our divisions. We use the facility to work closely with our customers and become an innovation and development partner to design, develop and commercialize new products, as well as provide sales support. Since the creation of the Global Innovation Center in 2011, we have commercialized several new products across many different categories (such as Cellene®, PX Film and engineered tubing in our Healthcare division; and high temperature waxless liners, Protecseals® reduced plastic content liners, and foamed PET trays in our Consumer Products division). We currently have a pipeline of over 100 products under development and various stages of commercialization.

In addition, the facility also serves as the main site for administering global regulatory compliance and intellectual property management. The Global Innovation Center allows us to leverage our extensive technical expertise across our divisions, leading to a broad range of patents, trade secrets and proprietary manufacturing processes. We currently own over 280 foreign and domestic patents.

Intellectual Property

We own approximately 340 United States and foreign patents and patent applications that relate to our products, manufacturing processes, and equipment, and we also license certain patents from third parties. We own a number of trademarks and have registered or applied to register many of these trademarks in the United States and in other countries. We also protect certain of our technology, formulations and processes as trade secrets. Our patents, licenses, and trademarks collectively provide us with a competitive advantage. However, we presently do not consider any individual patent or trademark, or any family of patents, to be material to our business, and therefore, the loss of any single patent or license alone would not have a material adverse effect on our results of operations as a whole or those of our reportable segments. Patents, patent applications, and license agreements will expire or terminate over time by operation of law, in accordance with their terms, or otherwise.

Marketing and Distribution

Our sales are made primarily through our direct sales force. Our Net Sales to Keurig Dr Pepper constituted 10.5%, 10.8% and 9.6% of Net Sales, in fiscal years 2022, 2021, and 2020, respectively.

Backlog and Raw Materials

We strive to maintain inventory levels that provide a reasonable balance between obtaining raw materials at favorable prices and maintaining adequate inventory levels to enable us to timely fulfill our customer orders. Manufacturing backlogs are currently not a significant factor in the markets in which we operate.

Polymer resins and films, paper, fiber, inks, adhesives, aluminum, and chemicals constitute the major raw materials we use. For much of our supply, these are purchased from a variety of global industry sources, and we are not significantly dependent on any one supplier for our raw materials. We have a few sole-sourced materials, such as DuPont Tyvek®, Honeywell Aclar® and a specialty tie layer material. From time to time, we may be significantly dependent on a single supplier depending on the availability of global supply; for example, we currently purchase a substantial majority of our EVOH barrier material from a single supplier. In addition, our supply agreement with DuPont will terminated by its terms on December 31, 2024, unless renewed or amended. While persistent industry-wide shortages of certain raw materials have been continuing, we have been able to manage supply disruptions with no material impact by working closely with our suppliers and customers. Supply shortages can lead and have in the past led to increased raw material price volatility. Increases in the price of raw materials are generally able to be passed on to customers through contractual price mechanisms over time and other means. We expect supply disruption and price volatility to continue into fiscal year 2023 and will continue to work closely with our suppliers and customers in an effort to minimize the impact on our operations.

Competition

The markets for our products are highly competitive. We compete with other companies that manufacture and sell healthcare and consumer products. While the pricing of competing products is relevant, we believe that competition in these end markets is more heavily based on various factors including the ability to meet product specifications and regulatory requirements, complex production processes, quality, and manufacturing footprint.

Within the market for healthcare applications, some of our main competitors include Amcor, Oliver, Raumedic, Freudenberg, Biomerics, Teknor Apex and ATL. Within the market for consumer product applications, some of our main competitors include Carvajal, Genpak, Hartmann, Huhtamaki, Pactiv, Printpak and Winpack.

Employees

We have over 6,000 employees as of December 31, 2022. Approximately 6.7% of our employees in the United States are represented by labor unions, as are many of our employees in Europe and Asia. We believe our labor relations with our employees and those unions are satisfactory. In the last five years, we have experienced no significant work stoppages.

Properties

Our executive headquarters is located in leased premises in Wayne, PA. Our manufacturing facilities are described below. We periodically evaluate our properties and from time to time may open new manufacturing facilities or distribution centers in strategic locations. Certain of our properties in the United States are subject to mortgages in favor of the lenders under the Senior Secured Credit Facilities.

The following table sets forth our main properties as of December 31, 2022:

Location	Approximate Square Feet	Owned/Year of Lease Expiration	Line(s) of Business
United States			
Ashland, MA	50,000	Expires 2025	Healthcare
Blauvelt, NY	56,000	Expires 2030	Consumer Products
Bloomfield, NY	122,000	Owned	Consumer Products
City of Industry, CA	110,000	Expires 2026	Healthcare
Clinton, IL	62,000	Owned	Consumer Products
Schaumburg, IL	98,000	Expires 2040	Consumer Products
Dallas, TX	137,000	Owned	Consumer Products
Dallas, TX	106,000	Expires 2028	Consumer Products
Decatur, IN	187,000	Owned	Consumer Products
Holland, OH	63,000	Owned	Healthcare
Honeoye, NY	271,000	Owned	Consumer Products
Lawrenceville, GA	150,000	Owned	Consumer Products
Manchester, NH	200,000	Owned	Healthcare
Milwaukee, WI	170,000	Expires 2026	Healthcare
Ridgefield, NJ	230,000	Expires 2031	Healthcare
San Diego, CA	Varies	Expires 2024	Healthcare
Sparks, NV	133,000	Expires 2032	Healthcare
Triadelphia, WV	60,000	Owned	Consumer Products
Wenatchee, WA	60,000	Expires 2024	Consumer Products
Wenatchee, WA	92,000	Owned	Consumer Products
Clayton, NC	100,000	Owned	Healthcare
Wayne, PA	17,000	Expires 2026	Corporate
Wenatchee, WA	188,000	Owned	Consumer Products

Location	Approximate Square Feet	Owned/Year of Lease Expiration	Line(s) of Business
Suwanee, GA	27,000	Month to Month	Consumer Products
Cashmere, WA	51,000	Expires 2023	Consumer Products
Yakima, WA	35,000	Month to Month	Consumer Products
Tacoma, WA	39,000	Expires 2032	Healthcare
Burgettstown, PA	25,000	Expires 2025	Healthcare
Northwood, OH	40,000	Expires 2023	Healthcare
Veron Hills, IL	2,000	Expires 2025	Healthcare
Madison, WI	116,000	Expires 2040	Healthcare
Chandler, AZ	104,000	Expires 2027	Consumer Products
Dublin, VA	1,175,000	Expires 2034	Consumer Products
Pulaski, VA	30,000	Month to Month	Consumer Products
Ada, MI	12,000	Expires 2024	Consumer Products
Ada, MI	33,000	Expires 2026	Consumer Products
Doral, FL	47,000	Expires 2024	Consumer Products
Winston-Salem, NC	484,000	Expires 2030	Consumer Products
Belgium			
Puurs	27,000	Expires 2033	Healthcare
Erembodegem	216,000	Owned	Consumer Products
Erembodegem	12,000	Expires 2025	Consumer Products
Erembodegem	107,000	Expires 2034	Consumer Products
Brazil			
Sao Paulo	132,000	Expires 2039	Consumer Products
China			
Wujiang	138,000	Expires 2032	Healthcare
Costa Rica			
Cartago	55,000	Expires 2025	Healthcare
Germany			
Gronau	32,000	Owned	Consumer Products
India			
Ahmedabad	29,000	Owned	Consumer Products
Ahmedabad	41,000	Expires 2030	Consumer Products
Kundli	76,000	Expires 2028	Consumer Products
Italy			
Milan (Gaggiano)	200,000	Expires 2028	Consumer Products
Milan (Gallarate)	214,000	Owned	Consumer Products
Milan (Tradate)	199,000	Owned	Healthcare
Modena	82,000	Expires 2027	Healthcare
Modena	31,000	Owned	Healthcare
Northern Ireland			
Belfast	59,000	Owned	Healthcare
Colombia			
Fontibon	45,000	Owned	Consumer Products

Location	Approximate Square Feet	Owned/Year of Lease Expiration	Line(s) of Business
Puente Aranda	16,000	Owned	Consumer Products
Bogota	28,000	Owned	Consumer Products
Bogota	134,000	Expires 2026	Consumer Products
Cartagena	161,000	Expires 2031	Consumer Products
Canada			Consumer Products
Laval	44,000	Expires 2024	Consumer Products
Uruguay			Consumer Products
San Jose	1,313,000	Owned (Closed operations, pending sale)	Consumer Products
Mexico			Consumer Products
Cuautitlan Izcalli	323,000	Owned	Consumer Products
Cuautitlan Izcalli	273,000	Expires 2034	Consumer Products
Mexicali	50,000	Expires 2025	Healthcare
Apodaca	218,000	Owned	Consumer Products
Apodaca	63,000	Expires 2023	
Jiutepec	133,000	Owned	Consumer Products
El Salto	391,000	Expires 2023	Consumer Products
Hermosillo	215,000	Expires 2026	Consumer Products
Guadalupe	64,000	Expires 2024	Consumer Products

We also use a third-party contract manufacturing facility in Argentina. We believe that our facilities are suitable for their purposes and have sufficient productive capacity for our current and foreseeable operational and administrative needs.

During peak seasons, we may enter into short-term leases to provide overflow storage facilities or use third-party logistics providers. Additionally, we lease several small satellite offices to support our sales force.

Government Laws and Regulation

Our operations and the real property we own or lease are subject to broad governmental laws and regulations, including environmental laws and regulations by multiple jurisdictions. These laws and regulations pertain to employee health and safety, the discharge of certain materials into the environment, handling and disposition of waste, cleanup of contaminated soil and ground water, other rules to control pollution and manage natural resources, and other government regulations. We believe that we are in substantial compliance with applicable health and safety laws, environmental laws and regulations. However, we cannot predict with certainty that we will not, in the future, incur liability with respect to noncompliance with health and safety laws, environmental laws and regulations due to contamination of sites formerly or currently owned or operated by us (including contamination caused by prior owners and operators of such sites) or the off-site disposal of regulated materials, or other broad government regulations which could be significant. In addition, these laws and regulations are constantly changing, and we cannot always anticipate these changes.

Certain of our products are directly or indirectly affected by government regulation. Bans on certain uses of plastics have been implemented in various jurisdictions, including within the United States and the European Union. In the United States, bans on polystyrene food packaging have been implemented at both state and municipal levels. In most cases, these bans impact food service products such as take out containers, rather than egg cartons or processor trays. In addition, several states have adopted “extended producer responsibility” laws that impose various obligations on the producers of plastic and other materials to address the various costs associated with the use, disposal and/or recycling of such materials. The European Union has adopted a circular economy package. The package maps out a series of actions planned over several years. Some actions have resulted in regulations aimed to reduce marine litter, increase plastic recycling rates, prohibit single-use plastic packaging and introduce new taxes in relation to the end-of-life management of packaging. Proposed regulations in the European Union may limit or forbid the use of various materials, including fluoropolymers used in some of our healthcare barrier products. The potential exists for these types of laws and regulations to expand in scope, and to expand worldwide. Independent of any government regulation, consumer preferences may also drive trends that favor or disfavor different materials and solutions.

In our Healthcare division, we work to ensure compliance with applicable regulations in determining the suitability for use of our products in medical devices, diagnostics, and pharmaceutical applications. Sterility and patient safety are top priorities. Currently, the use of reusable, recycled, post-content recycled content or bio-based materials is prohibited. Our product development also encompasses research on alternative materials; designing and sourcing raw materials from sustainable sources; and monitoring industry trends and regulations and their potential impact on our future raw material selection. In barrier pharmaceutical applications, our long-term strategy is to address sustainability needs in pharmaceutical blister solutions for oral solid dosage drugs. Traditional blister packaging cannot be recycled in conventional waste streams due to the aluminum/PVC construction. We have developed an innovative range of “recyclable” blister solutions that are fully compatible with polypropylene waste streams. We are working to obtain patent protection for these solutions, and to obtain third party certification of their recyclability.

In the Consumer Products division, we have completed several acquisitions in molded fiber and paper forming capabilities. Our growing molded fiber-based solutions portfolio allows us to expand our offerings of renewable bio-based materials, responding to government regulation, our customers’ environmental goals, and evolving consumer preferences. Sustainability and product protection are essential drivers in our product development. Our GeoPack portfolio offers food packaging products comprising varying combinations of biodegradable or compostable materials, post-consumer recycled content, and recyclable substrates. In our integrated performance solutions business unit we have introduced a new dip tube, made of up to 100% post-consumer recycled content.

As a business with a significant global footprint, we are also required to comply with evolving regulations and standards in data privacy and cybersecurity, which apply to our collection, sharing, use and protection of personal information. These laws and regulations continue to expand, differ from jurisdiction to jurisdiction, and are subject to evolving (and at times inconsistent) governmental interpretation.

Legal Proceedings and Environmental Matters

We are party to various legal proceedings arising in the ordinary course of business, including those related to foreign tax matters, intellectual property claims and compliance with environmental regulations. While it is not possible to predict the ultimate outcome of such matters, we believe that the final outcome of these proceedings will not have a material adverse effect on our financial position, results of operations or cash flows.

We are subject to environmental laws requiring the investigation and cleanup of environmental contamination. In addition to remediation being undertaken by third parties at a limited number of our locations, we are investigating and remediating existing environmental conditions resulting from past industrial activity at several of our facilities, including several of our New Jersey facilities pursuant to the requirements of New Jersey’s Industrial Site Recovery Act (“ISRA”). If any events were to occur in the future that would be deemed to have effected a transfer of ownership or operations of, or cessation of operations at, any of our New Jersey facilities that are defined under ISRA as an “industrial establishment”, we would be required to take additional actions to comply with that statute, possibly resulting in additional investigations and remediation costs.

As of December 31, 2022, the Company had a $70,000 reserve associated with environmental remediation obligations for the Burlington, New Jersey site that we sold. We also provided the buyer of this property with indemnification against certain remediation costs that they may incur in the future. To date we have not received any such indemnification claims from the buyer.

In 2019, we acquired three manufacturing facilities from Amcor and became the operator of a Milwaukee, Wisconsin facility where remediation efforts related to chlorinated volatile organic compound contamination are ongoing under the supervision of the Wisconsin Department of Natural Resources. The property owner has been performing and funding remediation at the property. Although the lease does not provide for indemnification in the event we are subject to liability pursuant to certain statutes or regulations or in connection with tort claims, the Wisconsin Department of Natural Resources has recognized that we are not responsible for the existing contamination. Amcor agreed to indemnify us for liabilities related to prior contamination at the Milwaukee facility, but we and Amcor may not agree on the scope of such indemnification. See “Risk Factors — Risks Related to our Business — We may be subject to losses due to liabilities or lawsuits related to contaminated land at our current or former facilities or arising out of environmental damage or personal injuries associated with exposure to hazardous substances or the release of hazardous substances.”

MANAGEMENT

The board of directors with oversight of the Company is the board of directors of Parent, the members of which are set forth in the table below. The table also lists our executive officers, the positions held by these officers and the age of each of the directors and executive officers.

Name	Age	Position(s)
Brenda Chamulak	51	President, Chief Executive Officer, Director
Kym Johnson	53	Chief H.R. Officer
Sujal D. Mehta	49	Chief Corporate Development Officer
Chuck Pfister	58	Chief Financial Officer
Christopher Qualters	55	Chief Executive Officer, Healthcare, Director
Eldon Schaffer	57	Chief Executive Officer, Consumer Products, Director
David Waksman	56	Senior Vice President, Chief Legal Officer, Secretary
David Golde	41	Director
Jeff Greene	63	Director
Robert Rutledge	44	Director

Brenda Chamulak. Ms. Chamulak joined the Company in October 2020 as President of Consumer Products division and since June 2021 Ms. Chamulak has served as the Company's President and Chief Executive Officer. Prior to joining the Company, Ms. Chamulak served as president and chief executive officer of Jabil Packaging Solutions from July 2018 to October 2020 and held various leadership positions at Aptar from November 1992 to June 2018. She earned her B.A. in International Business, Marketing from Carthage College and an MBA from Marquette University.

Kym Johnson. Ms. Johnson joined the Company in February 2022 as Chief Human Resources Officer. Prior to joining Tekni-Plex, Ms. Johnson was the chief human resources officer at two publicly traded companies: FMC Corp. from July 2013 to October 2014 and Quaker Houghton from June 2015 to February 2022. Ms. Johnson earned a B.S. in Chemistry from the University of Delaware and a master's degree in Human Resource Management from Rutgers University.

Sujal D. Mehta. Mr. Mehta joined Tekni-Plex in 2009 as vice president, deputy general counsel and now serves as Chief Corporate Development Officer. Prior to joining Tekni-Plex, Mr. Mehta was a principal and executive at New Generation Hospitality, a hotel management and development company, and supported the governance and corporate development functions at Verizon Wireless. Mr. Mehta received his B.S. in Finance from Rutgers University, his J.D. from Seton Hall School of Law, and his LLM in banking, corporate & finance law from Fordham University Law School.

Chuck Pfister. Mr. Pfister joined the Company in July 2021 as its Chief Financial Officer. Prior to joining Tekni-Plex, Mr. Pfister served as chief financial officer and vice president of finance at Alphabroder Holdings, Inc. from September 2017 to June 2021. Mr. Pfister earned his B.S. in Economics from University of Illinois Urbana-Champagne.

Christopher Qualters. Mr. Qualters joined the Company in November 2020 as Chief Executive Officer of our Healthcare division. Prior to joining Tekni-Plex, Mr. Qualters served as Executive Vice President of Life Sciences at NN, Inc. from September 2014 to October 2020. Mr. Qualters received his BSME in Mechanical Engineering at the University of Massachusetts- Lowell and an MBA from the University of Michigan Stephen M. Ross School of Business.

Eldon Schaffer. Mr. Schaffer joined the Company in April 2021 as Chief Executive Officer of our Consumer Products division. Prior to joining Tekni-Plex, Mr. Schaffer led two of the three divisions in AptarGroup and also held other P&L roles from June1989 to December 2020. Mr. Schaffer has also served as a board member and Compensation Chair for Fabri-Kal. Mr. Schaffer received his B.S. in Marketing from the University of Illinois at Urbana-Champagne and his MBA in Finance and Marketing from Indiana University Kelley School of Business.

David Waksman. Mr. Waksman joined the Company in January 2011 as Vice President, General Counsel and Secretary and now serves as our Senior Vice President, Chief Legal Officer and Secretary. He previously served at Constar International Inc. as Senior Vice President, Human Resources, General Counsel and Secretary from 2008 to 2010, and as Vice President, General Counsel and Secretary from 2003. Previously, Mr. Waksman was a partner at the law firm of Dechert LLP. Mr. Waksman holds B.A. and M.A. degrees in History from The Johns Hopkins University, an M.B.A. in Finance from New York University and a J.D. from New York University.

David Golde. Mr. Golde is a Managing Director at Genstar, helping to identify, evaluate and execute acquisition and investment opportunities. Prior to re-joining Genstar as a Senior Associate in 2010, Mr. Golde spent two years as an Associate at Genstar from 2006 to 2008. Mr. Golde began his career in the investment banking division of Credit Suisse First Boston. Mr. Golde holds a B.B.A degree from the University of Wisconsin-Madison and an M.B.A. from Stanford University.

Jeff Greene. Mr. Greene has over 30 years of operational and management experience in the packaging sector. From 2006 to 2014, Mr. Greene was the President and Chief Executive Officer of Consolidated Container Company, a leading supplier of rigid plastic packaging, serving the beverage, consumer products and industrial market sectors. Prior to Consolidated Container Company, Mr. Greene held divisional President and General Management roles, as well as positions heading global operations. He led the global commercial organization for Union Camp, a $4 billion paper and chemical company, and Exopack, a leading packaging technology center that develops new products and manufacturing systems. In December 2018, Mr. Greene was appointed to the Board of Directors of TriMas, a company headquartered in Michigan that manufactures products for the consumer products, aerospace and industrial markets, where he continues to serve as a director. He is also a Founding Partner and chief executive officer of Orion Advisors. Mr. Greene holds a B.S. in Biology and Business from Springfield College.

Robert Rutledge. Mr. Rutledge is a Managing Partner at Genstar, helping to identify, evaluate and execute acquisition and investment opportunities. Prior to re-joining Genstar as a Senior Associate in 2007, Mr. Rutledge spent two years as an Associate at Genstar from 2003 to 2005 and also served as an Associate in the investment banking division of Salomon Smith Barney in San Francisco, where he advised on mergers and acquisitions and executed capital markets offerings. Mr. Rutledge began his career in the investment banking division of Salomon Smith Barney in New York. Mr. Rutledge holds a Bachelor of Commerce degree from Queen’s University and an M.B.A. from Stanford University.

Governance Matters

Composition of Parent’s Board of Directors

Parent’s board of directors is comprised of six members. Messrs. Rutledge, Golde and Greene were designated by the Sponsor. Ms. Chamulak, Mr. Qualters and Mr. Schaffer are the other members of the board.

Board Committees

Parent’s board of directors has a designated standing audit committee. The audit committee operates pursuant to a written charter. The following is a brief description of the audit committee and its responsibilities.

Audit Committee. The audit committee assists Parent’s board of directors in fulfilling its fiduciary oversight responsibilities by reviewing: (i) the integrity of financial information; (ii) the performance of the Company’s internal audit function and systems of internal controls; and (iii) compliance with legal and regulatory requirements. In addition, the audit committee has direct responsibility for the appointment, compensation, retention (including termination) and oversight of the Company’s independent certified public accountants. The audit committee also reviews related party transactions.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers and employees of the Company and its subsidiaries, including the Company’s principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions.

Executive Compensation and Employee Benefits

The aggregate amount of cash remuneration, including salary and bonuses, paid by us to our executive officers totaled approximately $3.9 million for the six months ended December 31, 2022. Our executive officers are also entitled to receive certain customary benefits and, upon qualifying terminations of employment, severance payments and other additional benefits.

Stock Option Plan

We award equity-based compensation in the form of stock options to certain members of management in order to recruit and retain individuals who we believe have leadership abilities necessary for increasing long-term stockholder value while aligning with the interests of our investors. We believe that grants of equity-based compensation are necessary to enable us to be competitive from a total remuneration standpoint. Generally, stock options are awarded upon hiring or promotion of the executive.

Pension and Post-Retirement Benefits

We maintain a defined benefit pension plan, which is frozen to new benefit accruals. None of our executive officers participate in the defined benefit pension plan. Our current funding policy is to contribute no less frequently than annually an amount at least equal to the minimum contribution required by law. We also maintain a program in one of our domestic business units under which retiring employees hired before 2002 and between the ages of 60-65 with 15 years of service may participate in the Company's standard health plan, for a premium paid by the retiree equal to 100% of the COBRA rate. We also maintain an insured defined benefit plan for certain eligible employees of Tekni-Plex Europe, N.V. (Belgium) and certain of our eligible employees in Italy benefit from membership in the national labor contract. We also sponsor defined benefit pension plans for certain employees in Mexico, and we are subject to legally-required, actuarially-computed post-employment benefits for employees in Mexico. We do not maintain any other Company funded plans that provide for payments or other benefits (e.g. retiree medical or retiree life insurance) in connection with the retirement of any current executive officer or any of our employees.

See note 11 to our audited consolidated financial statements for fiscal year 2022 included elsewhere in this offering circular for more information about our employee pension and post-retirement benefit plans.

Nonqualified Deferred Compensation

We do not maintain any non-qualified defined contribution plans. The Company maintains customary bonus plans and sales incentive compensation programs.

Director Compensation

Mr. Greene receives customary fees for his service on the board of directors. None of Messrs. Rutledge or Golde receives any compensation in connection with his service as a director.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

A related party transaction includes any transaction since the beginning of the Issuer's last fiscal year, or any currently proposed transaction, in which the Issuer was or is to be a participant and the amount involved exceeds $120,000, and in which any related person had or will have a direct or indirect material interest.

Agreements with our Investors

Parent has entered into a stockholders agreement with (i) investment funds affiliated with or managed by the Sponsor, (ii) the Rollover Investors (including certain members of management), (iii) Northwestern Mutual and (iv) additional co-investors from time to time. The stockholders agreement contains the rights and obligations of the parties thereto with respect to restrictions on transfers of shares of Parent, permitted transferees, tag-along rights, drag-along rights, preemptive rights, repurchase rights, registration rights with respect to outstanding equity securities of Parent and other customary provisions.

Board Observer Rights

As long as it holds shares of Parent, a representative of Northwestern Mutual will be entitled to attend meetings of the board of directors of Parent, and of committees of such board, as an observer, and will be entitled to receive (subject to certain conditions and exceptions) all written information and reports provided to the board of directors.

Expense Reimbursement Agreement

Parent, Holdings and the Issuer have entered into an agreement with the Sponsor pursuant to which Parent has agreed to reimburse certain consulting, financial, management and other expenses of the Sponsor on a quarterly basis. The agreement has a ten-year term expiring in October 2027 and will automatically renew for successive one-year periods unless notice of termination is given at least 90 days prior to the end of the applicable term in accordance with the terms of the agreement.

Grupo Phoenix Agreements

Certain subsidiaries of Grupo Phoenix were, prior to the consummation of the Grupo Phoenix Transaction, and continue to be, parties to agreements with parties affiliated with the former majority shareholder of Grupo Phoenix. The former majority shareholder of Grupo Phoenix did not remain a related party to the Company following the consummation of the Grupo Phoenix Transaction.

On July 7, 2016, Phoenix Packaging Mexico S.A. de C.V., a Mexican subsidiary of the Company, entered into an Electricity and Thermal Supply Agreement from an Eco generation plant with Elan Energy Generadora Dos S.A.P.I de C.V., which is a company minority-owned by Gabriel Guevara, Jaime Lederman and Ed Kopetman, employees of the Company. This agreement will remain in effect under its current term until June 2029.

On March 1, 2021, Multidimensionales S.A.S., a Colombian subsidiary of the Company, entered into an agreement for the provision of security services (Contrato Civil de Prestacion de Servicios Profesionales) with Zehirut Ltda., a Colombian company partially owned by Carlos Tapias, an employee of the Company. The term of this agreement expired on February 28, 2023. However, security services continue being provided under the agreement and a one-year extension is in the process of being formalized.

On April 1, 2020, Envases Phoenix de Cartagena S.A.S., a joint venture in Colombia in which the Company holds a 50% interest, entered into a services agreement for the provision of financial analysis and consulting services with Multidimensionales S.A.S., a Colombian subsidiary of the Company. The initial term of the contract was one year with automatic one-year renewals.

On February 11, 2019 Phoenix Packaging Caribe S.A.S., a Colombian subsidiary of the Company, entered into a sublease agreement with Envases Phoenix de Cartagena S.A.S., a joint venture in

Colombia in which the Company holds a 50% interest. This sublease agreement is in full force and effect until December 31, 2023.

Indemnification of Directors and Officers

The Company has entered into employment agreements with Ms. Chamulak and Mr. Qualters, which entitle Ms. Chamulak and Mr. Qualters to customary indemnification rights. Mr. Waksman and Mr. Mehta are entitled to continuing indemnification and exculpation rights pursuant to that certain Agreement and Plan of Merger, dated as of August 29, 2017, by and among Parent, Holdings, Trident Merger Sub, Inc., the Company and the stockholder representative, as amended.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of certain provisions of the agreements evidencing the New Term Loan Facility, Senior Secured Credit Facilities, the 2024 Notes and the 2025 Notes. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of such agreements, including the definitions of certain terms therein that are not otherwise defined in this offering circular.

Overview

We are party to the Senior Secured Credit Facilities, which are comprised of (i) the Term Loan Facility, consisting of a U.S. Dollar tranche of term loans in an aggregate outstanding principal amount of approximately $598.1 million (the "Dollar Term Loan Tranche"), a Euro tranche of term loans in an aggregate outstanding principal amount of approximately €236.6 million (the "Euro Term Loan Tranche"), a U.S. Dollar tranche of term loans in an aggregate outstanding principal amount of approximately $795.4 million (the "Term Loan B-3 Tranche"), and a U.S. Dollar tranche of term loans in an initial aggregate outstanding principal amount of approximately $125.0 million (the "Term Loan B-4 Tranche"), with the Issuer as borrower and Credit Suisse AG (acting through any of its affiliates or branches) as the sole administrative agent and the collateral agent and (ii) the ABL Facility, in an aggregate principal committed amount equal to $126.0 million, including a swingline subfacility and a letter of credit subfacility, with the Issuer as borrower and BMO Harris Bank N.A. as the sole administrative agent, the collateral agent, a letter of credit issuer, the swingline lender and a lender and the other lenders party thereto from time to time. We are also party to the 2025 Notes Indenture, under which we have issued $260.0 million of our 6.625% Senior Notes due 2025 and the 2024 Notes Indenture, under which we have issued $345.0 million of our 9.250% Senior Notes due 2024.

Refinancing Transactions

In connection with the offering of the notes, we plan to enter into the Term Loan Amendment, which is expected to provide for (i) the incurrence of the New Term Loan Facility, the net proceeds of which will be used in part to repay in full the outstanding indebtedness in respect of the Dollar Term Loan Tranche and the Euro Term Loan Tranche, and (ii) certain other amendments to the Term Loan Credit Agreement. See "— Term Loan Facility". The entry into the Term Loan Amendment, the incurrence of the New Term Loan Facility, the offering of the notes hereby and the application of proceeds therefrom collectively to repay outstanding indebtedness under the ABL Facility, the Term Loan Facility, the 2024 Notes and the 2025 Notes, as applicable, and to pay fees and expenses in connection therewith, are referred to collectively as the "Refinancing".

New Term Loan Facility

The New Term Loan Facility is expected to contain substantially the same terms (other than with respect to pricing, interest rate, premiums, fees and other similar terms and maturity) as the Term Loan Facility, and is expected to be have the same maturity date as the Term Loan B-3 Tranche and the Term Loan B-4 Tranche.

Term Loan Facility

Maturity; Prepayments

The Term Loan Facility matures on (x) in the case of the Dollar Term Loan Tranche and the Euro Term Loan Tranche, October 17, 2024, and (y) in the case of the Term Loan B-3 Tranche and the Term Loan B-4 Tranche, September 17, 2028 (subject to certain springing maturity conditions (which will cease to apply upon the repayment and/or refinancing in full of the Dollar Term Loan Tranche, the Euro Term Loan Tranche, the 2024 Notes and the 2025 Notes)). We are required to prepay the Term Loan Facility with the proceeds of certain issuances of indebtedness (other than permitted indebtedness) and certain non-ordinary course asset sales and casualty and condemnation events (subject to certain exceptions and customary reinvestment rights). A percentage (to be determined based upon the consolidated first lien net leverage ratio as of the applicable fiscal year) of our excess cash flow for each fiscal year must also be applied to prepay the Term Loan Facility.

Voluntary prepayments of the Term Loan Facility may be made at any time (subject to minimum prepayment amounts and customary notice periods) without premium or penalty, other than customary "breakage" costs, if applicable.

Security; Guarantees

Our obligations under the Term Loan Facility and, at our election, to the extent not secured under the ABL Facility, our obligations under any interest rate protection or other swap or hedging agreements, in each case, provided by the administrative agent or any lender under the Term Loan Facility or any person that at the time such arrangements were entered into was an affiliate of any lender or the administrative agent or with any other financial institution reasonably acceptable to the administrative agent (collectively, the "Term Loan Hedging and Cash Management Obligations"), are guaranteed by Holdings and by the ABL Guarantors (as defined below) and each existing and subsequently acquired or organized direct or indirect wholly owned domestic restricted subsidiary of Holdings, subject to certain exceptions and limitations set forth in the documentation governing the Term Loan Facility (the "Additional Guarantors" and, together with the ABL Guarantors, collectively, the "Credit Facilities Guarantors"). The obligations of the Issuer under the Term Loan Facility and the Term Loan Hedging and Cash Management Obligations are expected to be secured by, in the case of the Issuer and each Credit Facilities Guarantor (collectively, the "Loan Parties"), (i) a second priority security interest on the Current Asset Collateral, which includes accounts receivable, inventory, deposit accounts, securities accounts, commodities accounts, and cash and cash equivalents (other than a deposit account or securities account containing exclusively identifiable proceeds of the fixed asset collateral) (but not including capital stock of the subsidiaries of the holding company of the Issuer); and (ii) a first priority security interest on the fixed asset collateral, which includes substantially all assets (other than the current asset collateral) of each Loan Party, including but not limited to (A) a pledge on the capital stock of the Issuer, certain direct wholly owned domestic restricted subsidiaries of the Loan Parties and up to 65% of the capital stock issued and outstanding by certain direct wholly owned foreign restricted subsidiaries of the Loan Parties and (B) mortgages on certain material fee-owned real property of the Loan Parties.

Currencies

Indebtedness outstanding under the Dollar Term Loan Tranche and the Euro Term Loan Tranche is denominated in U.S. Dollars and Euros, respectively.

Interest and Fees

The interest rate of the Term Loan Facility is (i) in the case of the Dollar Term Loan Tranche, the adjusted LIBOR rate (subject to a floor of 1.00%) plus an applicable margin of 3.25% (or 3.00% if the first lien net leverage ratio is less than or equal to 4.20:1.00), or the alternate base rate (subject to a floor of 2.00%) plus an applicable margin of 2.25% (or 2.00% if the first lien net leverage ratio is less than or equal to 4.20:1.00) and (ii) in the case of the Euro Term Loan Tranche, the EURIBOR rate plus an applicable margin of 3.50% (or 3.25% if the first lien net leverage ratio does not exceed 4.20:1.00), (iii) in the case of the Term Loan B-3 Tranche, the adjusted LIBOR rate (subject to a floor of 0.50%) plus an applicable margin of 4.00% (or 3.75% if the first lien net leverage ratio is less than or equal to 4.50:1.00) and (iv) in the case of the Term Loan B-4 Tranche, term SOFR (subject to a floor of 0.50%) plus an applicable margin of 5.25%.

Incremental Facility

We are able, at our option and subject to certain other conditions described in the credit agreement governing the Term Loan Facility, to request that the Term Loan Facility be increased by up to (i) the greater of the U.S. Dollar-equivalent of $145.0 million and 100% of Consolidated EBITDA, plus (ii) all voluntary prepayments of the Term Loan Facility (except to the extent funded with proceeds from incurrences of long-term indebtedness and subject to certain other exceptions), plus (iii) an unlimited amount so long as, under this clause (iii) only, such amount at such time could be incurred without causing (i) in the case of indebtedness to be secured equally and ratably with the Term Loan Facility, the pro forma consolidated first lien net leverage ratio to exceed 4.95:1.00, (ii) in the case of indebtedness to be secured on a junior basis to the Term Loan Facility, the pro forma consolidated secured net leverage ratio to exceed 4.95:1.00,and (iii) in the case of unsecured indebtedness, the pro forma consolidated total net leverage ratio to exceed 6.75:1.00.

Amortization

Each of the Dollar Term Loan Tranche and the Euro Term Loan Tranche amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of such tranche (after giving effect to any incremental increases), with the balance payable on October 17, 2024. Each of the Term Loan B-3 Tranche and the Term Loan B-4 Tranche amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of such tranche, with the balance payable on September 17, 2028 (subject to certain springing maturity conditions (which will cease to apply upon the repayment and/or refinancing in full of the Dollar Term Loan Tranche, the Euro Term Loan Tranche, the 2024 Notes and the 2025 Notes)).

Covenants

The Term Loan Facility contains a number of customary affirmative covenants and customary negative covenants that, among other things, limits or restricts the ability of the Issuer and restricted subsidiaries of the Issuer to (each subject to certain exceptions):

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- make investments, acquisitions, loans or advances;
- pay dividends and distributions or repurchase our capital stock;
- prepay, redeem or repurchase any subordinated indebtedness;
- enter into agreements that limit our ability to incur liens on our assets for the benefit of the ABL Facility or the Term Loan Facility, or that restrict the ability of non-guarantor restricted subsidiaries to pay dividends or make other payments to us;
- enter into certain transactions with our affiliates; and
- change the passive holding company status of Holdings.

Events of Default

The Term Loan Facility contains customary events of default (subject to customary grace periods, baskets and materiality thresholds). Failure to comply with the provisions of the Term Loan Credit Agreement (subject to certain grace periods) could, absent a waiver or an amendment from the applicable lenders, permit the acceleration of all outstanding borrowings under the Term Loan Facility.

ABL Facility

We are party to the ABL Facility in an aggregate principal committed amount of up to $126.0 million, subject to a borrowing base, with the Issuer as borrower and with BMO Harris Bank N.A. as the sole administrative agent (in such capacity, the “ABL Administrative Agent”), the collateral agent, a letter of credit issuer, the swingline lender and a lender and the other lenders party thereto from time to time.

The borrowing base under the ABL Facility, subject to certain exceptions and customary reserves, equals the sum of (i) 85% of the appraised net orderly liquidation value of eligible inventory (including work-in-progress, raw materials and in-transit inventory) of the Issuer and the ABL Guarantors organized in the United States or any state thereof, plus (ii) 85% of eligible accounts receivable of the Issuer and the ABL Guarantors organized in the United States or any state thereof, plus (iii) at the option of the Issuer, 100% of qualified cash.

Historical net borrowings under the ABL Facility have been minimal, with outstanding draws in two of the last 16 fiscal quarters.

Maturity; Prepayments

The ABL Facility matures on August 16, 2024 (subject to certain springing maturity conditions (which will cease to apply upon the repayment and/or refinancing in full of the Dollar Term Loan Tranche, the Euro Term Loan Tranche and the 2024 Notes)). If at any time the aggregate amount outstanding pursuant to the ABL Facility exceeds the lesser of (i) the commitment amount at such time and (ii) the borrowing base at such time (the "Loan Cap"), we will be required to repay outstanding loans and/or cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount.

Voluntary prepayments of the ABL Facility and voluntary reductions of the unutilized portion of the commitment amount may be made at any time (subject to minimum repayment amounts and customary notice periods) without premium or penalty, other than customary "breakage" costs, if applicable.

In addition, if excess availability is less than the greater of (i) $10.5 million and (ii) 10% of the Loan Cap for five consecutive business days until such time as excess availability exceeds such threshold for 20 consecutive calendar days, or upon the occurrence and continuance of specified events of default, amounts in specified deposit accounts controlled by the administrative agent under the ABL Facility will be swept into a concentration account held by such administrative agent and applied to reduce outstanding borrowings under the ABL Facility.

Security; Guarantees

The obligations of the Issuer under the ABL Facility and, at our election, to the extent not secured under the Term Loan Facility, our obligations under any interest rate protection or other swap or hedging agreements, in each case, provided by the administrative agent or any lender under the ABL Facility or any person that at the time such arrangements were entered into was an affiliate of any lender or the administrative agent or with any other financial institution reasonably acceptable to the administrative agent (collectively, the "ABL Hedging and Cash Management Obligations"), are guaranteed by Holdings and, subject to certain exceptions, each existing and subsequently acquired or organized direct or indirect material domestic wholly owned subsidiary of the Issuer (collectively, the "ABL Guarantors"). The obligations of the Issuer under the ABL Facility and the ABL Hedging and Cash Management Obligations are secured by, (i) a first priority security interest on the Current Asset Collateral, which includes accounts receivable, inventory, deposit accounts, securities accounts, commodities accounts, and cash and cash equivalents (other than a deposit account or securities account containing exclusively identifiable proceeds of the Fixed Asset Collateral) (but not including capital stock of the subsidiaries of the holding company of the Issuer); and (ii) a second priority security interest on the Fixed Asset Collateral, which includes substantially all assets (other than the Current Asset Collateral) of the Issuer and each ABL Guarantor, including but not limited to (A) a pledge on the capital stock of the Issuer, certain direct wholly owned domestic restricted subsidiaries of the Issuer or any subsidiary ABL Guarantor and up to 65% of the capital stock issued and outstanding by certain direct wholly owned foreign restricted subsidiaries of the Issuer or any subsidiary ABL Guarantor and (B) mortgages on certain material fee-owned real property of the Issuer and the ABL Guarantors.

Currencies

Borrowings are available under the ABL Facility in U.S. Dollars.

Interest and Fees

With respect to the ABL Facility, the interest rate is, at the option of the Issuer, term SOFR plus an applicable margin plus a credit spread adjustment, or the alternate base rate plus an applicable margin (which margin is subject to reduction or increase based upon our average utilization).

In addition, we are required to pay certain recurring fees with respect to the ABL Facility, including fees on the unused commitments of the lenders in the amount of 0.375% per annum (which fee is subject to reduction based upon our average utilization); and to pay letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing banks.

Covenants

The ABL Facility contains a number of customary affirmative covenants and customary negative covenants that, among other things, limits or restricts the ability of Holdings and its restricted subsidiaries to (each subject to certain exceptions):

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- make investments, acquisitions, loans or advances;
- pay dividends and distributions or repurchase our capital stock;
- prepay, redeem or repurchase any subordinated indebtedness;
- enter into agreements that limit our ability to incur liens on our assets for the benefit of the ABL Facility, or that restrict the ability of non-guarantor restricted subsidiaries to pay dividends or make other payments to us;
- enter into certain transactions with our affiliates; and
- change the passive holding company status of Holdings.

In addition, we are required to maintain a consolidated fixed charge coverage ratio of at least 1.00 to 1.00 when we have excess availability less than the greater of (i) 10% of the Loan Cap and (ii) $10.5 million, which covenant is tested on a trailing four quarter basis immediately upon trigger based on the most recently completed fiscal quarter for which financial statements were required to be delivered and on the last day of each subsequently completed fiscal quarter of the Issuer until the Issuer exceeds the threshold specified above for 20 consecutive days.

Excess availability under the ABL Facility equals the remainder of (i) the Loan Cap over (ii) the sum of (x) the aggregate principal amount of all outstanding loans (including swingline loans) under the ABL Facility and (y) all outstanding letters of credit under the ABL Facility (plus, without duplication, all unreimbursed disbursements with respect to any letters of credit under the ABL Facility).

Events of Default

The ABL Facility contains customary events of default (subject to customary grace periods, baskets and materiality thresholds). Failure to comply with the consolidated fixed charge coverage ratio described above or the other provisions of the credit agreement governing the ABL Facility (subject to certain grace periods) could, absent a waiver or an amendment from the applicable lenders, restrict the availability of the ABL Facility and/or permit the acceleration of all outstanding borrowings under the ABL Facility.

2024 Notes and 2025 Notes

We intend to use the proceeds of this offering to redeem the 2024 Notes and the 2025 Notes.

We may redeem the 2025 Notes in whole or in part at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any.

We may redeem the 2024 Notes in whole or in part at a price equal to 102.3125% of the principal amount thereof, plus accrued and unpaid interest, if any.

DESCRIPTION OF NOTES

In this description, (i) the terms *"we", "our"* and *"us"* each refer to Trident TPI Holdings, Inc., a Delaware corporation (the *"Company"),* and its consolidated Subsidiaries; and (ii) the term "*Issuer"* refers only to the Company and not to any of its Subsidiaries.

The Issuer will issue $620.0 million of 12.750% Senior Notes due December 31, 2028 (the *"Notes").* The Issuer will issue the Notes under an indenture (the *"Indenture")* to be dated as of the Issue Date, among the Issuer and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee").* The Notes will be issued in a private transaction that will not be subject to the registration requirements of the Securities Act. See "Notice to Investors". The Indenture will not be subject to the provisions of the Trust Indenture Act.

The following is a summary of certain provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture. You should read the Indenture in its entirety. Copies of the proposed form of the Indenture are available as described under "Notice to Investors". You can find the definitions of certain terms used in this description under "— Certain Definitions".

Brief Description of the Notes and the Note Guarantees

The Notes will be:

- general unsecured senior obligations of the Issuer;
- *pari passu* in right of payment with any existing and future senior Indebtedness (including the Credit Agreements) of the Issuer;
- effectively subordinated to all Secured Indebtedness (including the Credit Agreements) of the Issuer to the extent of the value of the assets securing such Indebtedness;
- senior in right of payment to any future Subordinated Indebtedness of the Issuer;
- unconditionally guaranteed on a senior unsecured basis by each Guarantor; and
- structurally subordinated to any existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of Non-Guarantors.

Each Note Guarantee (as defined below) by a Guarantor will be:

- a general unsecured senior obligation of such Guarantor;
- pari passu in right of payment with any existing and future senior Indebtedness (including the Credit Agreements) of such Guarantor;
- effectively subordinated to all Secured Indebtedness (including the Credit Agreements) of such Guarantor to the extent of the value of the assets securing such Indebtedness; and
- senior in right of payment to any future Subordinated Indebtedness of such Guarantor.

For the six months ended December 31, 2022 (after giving effect to the subsequent joinder of certain subsidiaries as guarantors of our existing ABL Facility and Term Loan Facility), our non-guarantor subsidiaries represented approximately 36% of our consolidated Net Sales, and as of December 31, 2022, our non-guarantor subsidiaries represented approximately 50% of our consolidated current assets, approximately 47% of our consolidated property, plant and equipment, net and approximately 8% of our consolidated total liabilities. As of December 31, 2022, our non-guarantor subsidiaries had $31.1 million of interest bearing debt.

Principal, Maturity and Interest

The Issuer will issue Notes in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. The rights of holders of beneficial interests in the Notes to receive the payments on such 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 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.

The Issuer will issue an aggregate principal amount of $620.0 million of Notes on the Issue Date. The Notes will mature on December 31, 2028. Interest on the Notes will accrue at the rate per annum set forth on the cover of this offering memorandum and will be payable, in cash, semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2023, to Holders of record on the immediately preceding June 15 and December 15, 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 will end on (but not include) the relevant interest payment date.

Additional Notes

The Issuer may issue additional Notes (the *"Additional Notes")* from time to time under the Indenture, subject to compliance with the covenants contained in the Indenture. Additional Notes will be treated as part of the same class as the Notes offered hereby under the Indenture for all purposes, including waivers, amendments, redemptions and offers to purchase; provided that Additional Notes will not be issued with the same CUSIP or ISIN, as applicable, as existing Notes unless such Additional Notes are fungible with the existing Notes for U.S. federal income tax purposes. Unless the context requires otherwise, references to "Notes" for all purposes of the Indenture and this "Description of Notes" include any Additional Notes that are actually issued.

Payments

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

Guarantees

The obligations of the Issuer under the Notes and the Indenture will be, jointly and severally, irrevocably, fully and unconditionally guaranteed on a senior unsecured basis (the *"Note Guarantees")* initially by each existing Wholly-Owned Domestic Subsidiary that Guarantees the Issuer's obligations under the Term Loan Credit Agreement, subject to release as provided below or elsewhere in this "Description of Notes". In addition, certain future Subsidiaries will be required to Guarantee the Notes to the extent described in "— Certain Covenants — Limitation on Guarantees".

Each Note 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 the United States Bankruptcy Code or any comparable provision of foreign or state law. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See "Risk Factors — Risks Related To The Notes — Federal and state fraudulent transfer laws may permit a court to void the notes and the guarantees, subordinate claims in respect of the notes and the guarantees and require note holders to return payments received and, if that occurs, you may not receive any payments on the notes".

The Note Guarantee of a Guarantor will provide by its terms that it will automatically and unconditionally be released and terminate upon:

(1) any sale or other disposition (including by way of consolidation, amalgamation or merger) of

the Capital Stock of such Guarantor after which such Guarantor is no longer a Restricted Subsidiary, or any sale or other disposition of all or substantially all the assets of the Guarantor, to a Person other than to the Issuer or a Restricted Subsidiary, in each case, if such sale or other disposition is permitted by the Indenture;

(2) the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary or the occurrence of any event after which the Guarantor is no longer a Restricted Subsidiary;

(3) defeasance or discharge of the Notes, as provided in "— Defeasance" and "— Satisfaction and Discharge";

(4) such Guarantor being released from all of its obligations under all of its Guarantees of (i) payment by the Issuer of any Indebtedness of the Issuer under the Term Loan Credit Agreement or (ii) in the case of a Note Guarantee made by a Guarantor (each, an "*Other Guarantee*") as a result of its Guarantee of other Indebtedness of the Issuer or a Guarantor pursuant to the covenant entitled "— Certain Covenants — Limitation on Guarantees", the relevant Indebtedness, except in the case of (i) or (ii), a release as a result of the repayment in full of the Indebtedness specified in clause (i) or (ii) (it being understood that a release subject to a contingent reinstatement is still considered a release, and if any such Indebtedness of such Guarantor under the Term Loan Credit Agreement or any other Guarantee is so reinstated, such Note Guarantee shall also be reinstated); or

(5) (i) the merger, amalgamation or consolidation of any Subsidiary Guarantor with and into the Issuer or another Subsidiary Guarantor that is the surviving Person in such merger, amalgamation or consolidation, or (ii) the liquidation or dissolution of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to the Issuer or another Subsidiary Guarantor.

Claims of creditors of Non-Guarantors, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Non-Guarantors, and claims of preferred and minority stockholders (if any) of those Non-Guarantors and claims against joint ventures generally will have priority with respect to the assets and earnings of those Non-Guarantors and joint ventures over the claims of creditors of the Issuer, including Holders of the Notes. The Notes and each Note Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Non-Guarantors and joint ventures. Although the Indenture will limit the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation will be subject to a number of significant exceptions. Moreover, the Indenture will 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, Disqualified Stock and Preferred Stock".

Optional Redemption

Except as set forth in the next three paragraphs, the Notes are not redeemable at the option of the Issuer.

At any time on or prior to June 30, 2024 (the "*Special Redemption Period*"), the Issuer may redeem the Notes in whole or in part, at its option, following the occurrence of a Change of Control at a redemption price equal to 109% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to, but excluding the redemption date (the "*Special Redemption*"); *provided*, that the Special Redemption occurs within 120 days of the date of the occurrence of a Change of Control; *provided further* that in the event that such Special Redemption is for less than all of the outstanding Notes, immediately following the occurrence of any such Special Redemption at least $250,000,000 of the aggregate principal amount of the Notes (including any Additional Notes issued after the Issue Date) remains outstanding.

At any time and from time to time prior to December 31, 2025, the Issuer may redeem the Notes in whole or in part, at its option, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the relevant Applicable Premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

At any time and from time to time on and after December 31, 2025, the Issuer may redeem the Notes in whole or in part, at its option, at a redemption price equal to the percentage of principal amount of the Notes redeemed set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to, but excluding, the applicable date of redemption, if redeemed during the 12-month period beginning on December 31 of each of the years indicated below:

Year	Redemption Price
2025	106.375%
2026	103.188%
2027 and thereafter	100.0000%

At any time and from time to time prior to December 31, 2025, the Issuer may, at its option, redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes issued after the Issue Date) at a redemption price equal to 112.75% of the principal amount of the Notes redeemed, plus accrued and unpaid interest to, but excluding, the redemption date with the aggregate principal amount so redeemed not to exceed the net cash proceeds received by, or contributed to the capital of, the Issuer from any Equity Offering; *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 50% of the original aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes issued after the Issue Date) remains outstanding immediately thereafter (excluding Notes held by the Issuer or any of its Restricted Subsidiaries), unless all such Notes are redeemed substantially concurrently.

Notwithstanding the foregoing, in connection with any Change of Control Offer, Asset Disposition Offer, Advance Offer or tender offer to, in each case, purchase the Notes, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not validly withdraw such Notes in such Change of Control Offer, Asset Disposition Offer, Advance Offer or tender offer and the Issuer, or any third party making such Change of Control Offer, Asset Disposition Offer, Advance Offer or tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of the Notes will be deemed to have consented thereto and, accordingly, the Issuer or such third party will have the right upon prior notice given not more than 60 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a redemption price equal to the price offered to each other Holder in such Change of Control Offer, Asset Disposition Offer, Advance Offer or tender offer plus, to the extent not included in such Change of Control Offer, Asset Disposition Offer, Advance Offer or tender offer payment, accrued and unpaid interest thereon, to, but not including, the date of such redemption.

All notices of redemption will be provided as set forth under "— Selection and Notice" below.

Any optional redemption and notice of optional redemption may, at the Issuer'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, Incurrence of Indebtedness or in connection with other transactions (or series of related transactions) or an event that constitutes a Change of Control, the consummation of such Equity Offering, Incurrence of Indebtedness, Change of Control or other transactions). In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice will describe each such condition, and if applicable, will state that, in the Issuer's discretion, the redemption date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions are satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions are not satisfied by such redemption date, or by the redemption date as so delayed, or such notice may be rescinded at any time in the Issuer's discretion if in the good faith judgment of the Issuer any or all of such conditions will not be satisfied.

If the optional redemption date is 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 Issuer.

Sinking Fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the captions "— Change of Control" and "— Certain Covenants — Limitation on Sales of Assets and Subsidiary Stock". The Issuer may at any time and from time to time purchase Notes in the open market or otherwise.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee or the applicable registrar, as applicable, will select Notes for redemption on a pro rata basis or by lot (or, in the case of Notes issued in global form as discussed under "— Book Entry, Delivery and Form", in accordance with the procedures of DTC; provided, however, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than $2,000), unless otherwise required by law or applicable stock exchange or depository requirements. Neither the Trustee nor the applicable registrar shall be liable for any selections made by it in accordance with this paragraph (including the procedures of the relevant depositaries).

No Notes of $2,000 or less can be redeemed in part. Notices of redemption will be delivered electronically or mailed by first-class mail at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be delivered electronically or mailed more than 60 days prior to a redemption date if the notice is (a) issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture or (b) subject to one or more conditions precedent and such redemption date is delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), as described above. The Issuer may provide in any redemption or purchase notice that payment of the redemption or purchase price and the performance of the Issuer's obligations with respect to such redemption or purchase may be performed by another Person. Any redemption notice may provide that redemptions made pursuant to different provisions may have different redemption dates or may specify the order in which redemptions taking place on the same redemption date are deemed to occur. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption, as such date may be delayed, unless such redemption is cancelled as described above.

For Notes which are represented by global certificates held on behalf of DTC, notices may be given by delivery of the relevant notices to DTC, in accordance with DTC's procedures for communication to entitled account holders in substitution for the aforesaid mailing.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. The Issuer will not be required to transfer or exchange any Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, an Asset Disposition Offer or an Advance Offer. Also, the Issuer will not be required to issue, register the transfer of or exchange any Note during the period of 30 days before the mailing of a notice of redemption of Notes to be redeemed.

Change of Control

The Indenture will provide that if a Change of Control occurs after the Issue Date, subject to the exceptions described below, the Issuer will make an offer to purchase all of the Notes pursuant to the offer described below (the *"Change of Control Offer")* at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date occurring on or prior to the repurchase date. Within 30 days following any Change of Control, the Issuer will deliver notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, to each Holder of Notes at the address of such Holder appearing in the security register as provided under "— Selection and Notice", describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is delivered, subject to extension (in the case where such notice is mailed or otherwise delivered prior to the occurrence of a Change of Control) in the event that the occurrence of the Change of Control is delayed, pursuant to the procedures required by the Indenture and described in such notice.

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

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Credit Agreements provide, and we expect that future credit agreements or other agreements to which the Issuer becomes a party may provide, that certain change of control events with respect to the Issuer would constitute a default thereunder and that the Credit Agreements and future credit agreements or other agreements may prohibit or limit the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of its lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture. Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers and us. We have no present intention to engage in a transaction involving a Change of Control after the Issue Date, although it is possible that we could decide to do so in the future.

Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness, including Secured Indebtedness, are contained in the covenants described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" and

"— Certain Covenants — Limitation on Liens". Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (1) 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 Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described above under the caption "— Optional Redemption", unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer. For avoidance of doubt, a Special Redemption with respect to less than all of the outstanding Notes issued under the Indenture following a Change of Control will not relieve the Issuer from the obligation to make a Change of Control Offer for the remaining outstanding Notes.

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

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

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture.

Notwithstanding the foregoing or anything to the contrary herein, in no event shall the Issuer or any Restricted Subsidiary be permitted to dispose of, or grant an exclusive license to, any Material Intellectual Property, whether as an asset sale, investment, dividend or otherwise, to any Unrestricted Subsidiary.

Suspension of Covenants on Achievement of Investment Grade Status

Following the first day:

(a) the Notes have achieved Investment Grade Status; and

(b) no Default or Event of Default has occurred and is continuing under the Indenture,

then, beginning on that day (each such day, a *"Suspension Date")* and continuing until any Reversion Date (as defined below), the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following headings (collectively, the *"Suspended Covenants"):*

- "— Limitation on Restricted Payments",
- "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock"
- "— Limitation on Restrictions on Distributions from Restricted Subsidiaries",
- "— Limitation on Affiliate Transactions",

- "— Limitation on Sales of Assets and Subsidiary Stock",
- "— Limitation on Guarantees", and
- the provisions of clause (3) of the first paragraph of "— Merger and Consolidation".

Additionally, upon the occurrence of an event resulting in Suspended Covenants, the amount of Excess Proceeds from Net Available Cash shall be reset to zero.

If on any date following a Suspension Date the Notes cease to have such Investment Grade Status (any such date, a *"Reversion Date"),* then the Suspended Covenants will thereafter be reinstated and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the Notes subsequently attain Investment Grade Status and no Default or Event of Default is in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an Investment Grade Status); provided, however, that no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the Notes or the Note Guarantees with respect to the Suspended Covenants based on, and none of the Issuer or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period (as defined below), or any actions taken at any time pursuant to any contractual obligation arising prior to the applicable Reversion Date, regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between a Suspension Date and a Reversion Date is referred to as the *"Suspension Period".*

On any Reversion Date, all Indebtedness Incurred during the applicable Suspension Period will be classified to have been Incurred pursuant to the first paragraph of "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" or one of the clauses set forth in the second paragraph of "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" (to the extent such Indebtedness would be permitted to be Incurred thereunder as of such Reversion Date and after giving effect to the Indebtedness Incurred prior to such Suspension Period and outstanding on such Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to the first and second paragraphs of "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock", 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 "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock". Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under "— Limitation on Restricted Payments" will be made as though the covenants described under "— Limitation on Restricted Payments" had been in effect since the Issue Date prior to, but not during, the Suspension Period; provided, that no Subsidiaries may be designated as Unrestricted Subsidiaries during the Suspension Period, unless such designation would have complied with the covenant described under "— Limitation on Restricted Payments" as if such covenant would have been in effect during such period. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under the covenant described under "— Limitation on Restricted Payments". Any Affiliate Transaction entered into on and after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under "— Limitation on Affiliate Transactions". Any encumbrance or restriction on the ability of any Non-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 any Suspension Period 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" on and after any Reversion Date. During the Suspension Period, any future obligation to grant further Note Guarantees shall be suspended. All such further obligation to grant Note Guarantees shall be reinstated upon the Reversion Date, but no Subsidiary of the Issuer shall be required to comply with the covenant described under "— Limitation on Guarantees" after the end of a Suspension Period with respect to any guarantee entered into by such Subsidiary during any Suspension Period.

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

Limitation on Indebtedness, Disqualified Stock and Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; provided, however, that the Issuer may Incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock if, on the date of such Incurrence and after giving Pro Forma Effect thereto, the Consolidated Coverage Ratio for the Issuer and its Restricted Subsidiaries is no less than 2.00 to 1.00 and the Consolidated Total Net Leverage Ratio for the Issuer and its Restricted Subsidiaries is no greater than 6.25 to 1.00, in each case, for the most recently ended Test Period at the time of such Incurrence; provided, further, that Non-Guarantors may not Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock or Preferred Stock pursuant to this paragraph if, after giving Pro Forma Effect to such Incurrence, the aggregate principal amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and Preferred Stock of Non-Guarantors that would be outstanding at the time of such Incurrence pursuant to this paragraph, together with the aggregate principal amount of Indebtedness, Disqualified Stock and Preferred Stock outstanding in reliance upon clause (5)(x) and clause (11) of the second paragraph of this covenant, would exceed the greater of (a) $225.0 million and (b) 60% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Incurrence.

The foregoing limitations will not apply to:

(1) (x) Indebtedness Incurred pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility) in an aggregate outstanding principal amount at the time of Incurrence not greater than (i) $1,802.0 million, plus (ii) the greater of (A) $375.0 million and (B) Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), plus (iii) 115% of the greater of (A) $250.0 million and (B) the amount of the ABL Borrowing Base, plus (iv) additional amounts, so long as in the case of this clause (iv) only, such amount on the date of such Incurrence and after giving Pro Forma Effect thereto can be Incurred without causing the Consolidated Secured Net Leverage Ratio of the Issuer and its Restricted Subsidiaries to exceed 4.75 to 1.00 as of the most recently ended Test Period at the time of such Incurrence (provided that for purposes of determining the amount that may be Incurred under this clause (1)(x)(iv), (I) all Indebtedness then being Incurred pursuant to this clause (1)(x)(iv) on such date in reliance on this clause (1)(x)(iv) shall be deemed to be included as Consolidated Secured Indebtedness in clause (x) of the definition of "Consolidated Secured Net Leverage Ratio" and (II) any cash proceeds of any new Indebtedness then being incurred shall not be netted from the numerator in the Consolidated Secured Net Leverage Ratio for purposes of calculating the Consolidated Secured Net Leverage Ratio under this clause (1)(x)(iv) for purposes of determining whether such Indebtedness can be Incurred), and (y) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in clause (1)(x);

(2) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Issuer owing to, or Disqualified Stock or Preferred Stock of the Issuer issued to, and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to, or Disqualified Stock or Preferred Stock of a Restricted Subsidiary issued to, and held by the Issuer or any Restricted Subsidiary; provided, however, that:

   (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness, Disqualified Stock or Preferred Stock being held by a Person other than the Issuer or a Restricted Subsidiary; and

(b) any sale or other transfer of any such Indebtedness, Disqualified Stock or Preferred Stock to a Person other than the Issuer or a Restricted Subsidiary (other than any pledge of such Indebtedness or Capital Stock constituting a Permitted Lien),

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) by the Issuer or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes), including any Guarantee thereof, (b) any Indebtedness (other than Indebtedness incurred pursuant to clauses (1) and (3) above) outstanding on the Issue Date (including Indebtedness which may be incurred under any unused commitments with respect thereto outstanding on the Issue Date), (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;

(5) (x) Indebtedness and Disqualified Stock Incurred by the Issuer or any Restricted Subsidiary, and Preferred Stock Incurred by any Restricted Subsidiary, to finance an acquisition, merger, amalgamation or consolidation; provided that the aggregate principal amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and Preferred Stock that may be Incurred pursuant to the foregoing clause (x), together with the aggregate principal amount of Indebtedness, Disqualified Stock and Preferred Stock outstanding in reliance upon the first paragraph of this covenant or clause (11) below, in each case, by Non-Guarantors shall not exceed at any one time outstanding the greater of (A) $225.0 million and (B) 60% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) or (y) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary); provided that, after giving effect to such acquisition, merger, amalgamation, consolidation or designation described in this clause (5), on a Pro Forma Basis:

(a) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Coverage Ratio test set forth in the first paragraph of this covenant,

(b) the Consolidated Coverage Ratio of the Issuer and the Restricted Subsidiaries as of the most recently ended Test Period would not be lower than the Consolidated Coverage Ratio immediately prior to such acquisition, merger, amalgamation, consolidation or designation,

(c) the Consolidated Total Net Leverage Ratio of the Issuer and the Restricted Subsidiaries is not greater than 6.50 to 1.00 as of the most recently ended Test Period; provided that any cash proceeds of any new Indebtedness, Disqualified Stock or Preferred Stock then being Incurred shall not be netted from the numerator in the Consolidated Total Net Leverage Ratio for purposes of calculating the Consolidated Total Net Leverage Ratio under this clause (5)(c) for purposes of determining whether such Indebtedness, Disqualified Stock or Preferred Stock can be Incurred,

(d) the Consolidated Total Net Leverage Ratio of the Issuer and the Restricted Subsidiaries as of the most recently ended Test Period would not be higher than immediately prior to such acquisition, merger, amalgamation, consolidation or designation; provided that any cash proceeds of any new Indebtedness, Disqualified Stock or Preferred Stock then being Incurred shall not be netted from the numerator in the Total Net Leverage Ratio for purposes of calculating the Consolidated Total Net Leverage Ratio under this clause (5)(d) for purposes of determining whether such Indebtedness, Disqualified Stock or Preferred Stock can be Incurred, or

(e) in the case of Indebtedness, such Indebtedness constitutes Acquired Indebtedness (other than Indebtedness Incurred in contemplation of the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary); provided that the only obligors with respect to such Indebtedness shall be those Persons who were obligors of such Indebtedness prior to such acquisition, merger, amalgamation or consolidation;

(6) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) and obligations in respect of Bank Products;

(7) Indebtedness and Disqualified Stock Incurred by the Issuer or any Restricted Subsidiary and Preferred Stock Incurred by any Restricted Subsidiary, in each case represented by Capitalized Lease Obligations (in the case of Indebtedness) or Purchase Money Obligations in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness, Disqualified Stock and Preferred Stock Incurred pursuant to this clause and then outstanding, does not exceed the greater of (a) $100.0 million and (b) 24% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof; provided that Capitalized Lease Obligations Incurred by the Issuer or any Restricted Subsidiary pursuant to this clause (7) in connection with a Permitted Sale and Leaseback shall not be subject to the foregoing limitation so long as the net cash proceeds of such Permitted Sale and Leaseback are used by the Issuer or such Restricted Subsidiary to permanently repay outstanding term loans under any Credit Facility or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale and Leaseback;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice, (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice; (d) 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 or consistent with past practice; (e) any customary treasury, depositary, cash management, automatic clearinghouse arrangements, overdraft protections, cash pooling or netting or setting off arrangements or similar arrangements in the ordinary course of business or consistent with past practice, including financial accommodations of the type described in the definition of Cash Management Services; and (f) deferred compensation to, or similar arrangements with, employees, officers, managers, consultants and independent contractors of the Issuer or any Restricted Subsidiary to the extent incurred in the ordinary course of business;

(9) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earnouts 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) Indebtedness and Disqualified Stock of the Issuer, and Indebtedness, Disqualified Stock and Preferred Stock of any Restricted Subsidiary, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause and then outstanding, will not exceed 100% of the net cash proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preferred Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preferred Stock or an Excluded Contribution) of the Issuer, and

any Refinancing Indebtedness in respect thereof; provided, however, that any such net cash proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon;

(11) Indebtedness, Disqualified Stock and Preferred Stock of Non-Guarantors in an aggregate principal amount, together with the aggregate principal amount of Indebtedness, Disqualified Stock and Preferred Stock of Non-Guarantors outstanding in reliance upon the first paragraph of this covenant or clause 5(x) above, not to exceed at any time outstanding the greater of (a) $150.0 million and (b) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock Incurred pursuant to this clause (11) shall cease to be deemed Incurred for purposes of this clause (11) but shall be deemed Incurred for the purposes of the first paragraph of this covenant from and after the first date on which such Non-Guarantor could have Incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (11));

(12) Indebtedness consisting of promissory notes issued by the Issuer or any of its Restricted Subsidiaries to any future, present or former employee, director, officer, manager or consultant of the Issuer, any of its Subsidiaries or of any Parent Entity (or permitted transferees, assigns, estates, trusts, heirs, or any spouse or former spouse of such employee, director, officer, manager or consultant), to finance the purchase or redemption of Capital Stock of the Issuer or any Parent Entity that is permitted by the covenant described below under "— Limitation on Restricted Payments";

(13) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case Incurred in the ordinary course of business or consistent with past practice;

(14) Indebtedness and Disqualified Stock Incurred by the Issuer or any Restricted Subsidiary and Preferred Stock issued by any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness, Disqualified Stock and Preferred Stock Incurred pursuant to this clause and then outstanding, will not exceed the greater of (a) $150.0 million and (b) 40% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock Incurred pursuant to this clause (14) shall cease to be deemed Incurred for purposes of this clause (14) but shall be deemed Incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have Incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (14));

(15) (x) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred by the Indenture or (y) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Issuer or any Subsidiary of the Issuer to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(16) [reserved];

(17) Indebtedness to the seller of any business or assets permitted to be acquired by the Issuer or any Restricted Subsidiary under the Indenture; provided that the aggregate amount of Indebtedness Incurred pursuant to this clause and then outstanding will not exceed the greater of (a) $75.0 million and (b) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis); provided that any Indebtedness incurred or

issued pursuant to this clause (17) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (17) but shall be deemed incurred or issued for the purposes of the first paragraph of this covenant from and after the first date on which such Issuer or any Restricted Subsidiary could have incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (17);

(18) obligations in respect of Disqualified Stock and Preferred Stock in an amount outstanding at any time not to exceed the greater of (a) $30.0 million and (b) 7% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis); provided that any Disqualified Stock or Preferred Stock issued pursuant to this clause (18) shall cease to be deemed issued or outstanding for purposes of this clause (18); but shall be deemed issued for the purposes of the first paragraph of this covenant from and after the first date on which such Issuer or any Restricted Subsidiary could have incurred such Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (18);

(19) Indebtedness, Disqualified Stock and Preferred Stock of Non-Guarantors to fund working capital requirements in an aggregate principal amount not to exceed at any time outstanding the greater of (a) $110.0 million and (b) 27% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of Incurrence and any Refinancing Indebtedness in respect thereof (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock Incurred pursuant to this clause (19) shall cease to be deemed Incurred for purposes of this clause (19) but shall be deemed Incurred for the purposes of the first paragraph of this covenant from and after the first date on which such Non-Guarantor could have Incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (19);

(20) Indebtedness in an aggregate principal or face amount at any time outstanding in respect of letters of credit, bank guaranties, surety bonds, performance bonds and similar instruments issued for general corporate purposes in an amount outstanding at any time not to exceed the greater of (a) $40.0 million and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis); provided that any Indebtedness incurred or issued pursuant to this clause (20) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (20) but shall be deemed incurred or issued for the purposes of the first paragraph of this covenant from and after the first date on which such Issuer or any Restricted Subsidiary could have incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (20); and

(21) to the extent constituting Indebtedness, all premiums (if any), interest (including Post-Petition Interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (20) above;

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) subject to clause (3) below, in the event that all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock meets the criteria of more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item (or portion of such item) of Indebtedness and only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) subject to clause (3) below, additionally, all or any portion of any item of Indebtedness, Disqualified Stock or Preferred Stock may later be classified as having been Incurred pursuant to any type of Indebtedness, Disqualified Stock or Preferred Stock described in the first and second paragraphs of this covenant so long as such Indebtedness is permitted to be Incurred pursuant to such provision at the time of reclassification;

(3) all Indebtedness outstanding on the Issue Date under the Credit Agreements shall be deemed to have been Incurred under clause (1)(x)(i) of the second paragraph of the description of this covenant and may not be reclassified at any time;

(4) [reserved];

(5) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness, Disqualified Stock or Preferred Stock that is otherwise included in the determination of a particular amount of Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(6) 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), (10), (11), (14) 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;

(7) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(8) Indebtedness, Disqualified Stock and Preferred Stock permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness, Disqualified Stock or Preferred Stock 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, Disqualified Stock or Preferred Stock;

(9) the amount of any Indebtedness, Disqualified Stock or Preferred Stock outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, Disqualified Stock or Preferred Stock, or liquidation preference thereof, in the case of any other Indebtedness, Disqualified Stock or Preferred Stock;

(10) in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is Incurred pursuant to the second paragraph of this covenant (other than clauses (1)(x)(iv) or (5) of the second paragraph of this covenant) on the same date that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is Incurred under the first paragraph of this covenant or clauses (l)(x)(iv) or (5) of the second paragraph of this covenant, then the Consolidated Coverage Ratio, the Consolidated Secured Net Leverage Ratio or the Consolidated Total Net Leverage Ratio, as the case may be, will be calculated with respect to such Incurrence under the first paragraph of this covenant or clauses (l)(x)(iv) or (5) of the second paragraph of this covenant without regard to any Incurrence under the second paragraph of this covenant (other than clauses (l) (x)(iv) or (5) of the second paragraph of this covenant). Unless the Issuer elects otherwise, the Incurrence of Indebtedness, Disqualified Stock or Preferred Stock will be deemed Incurred first under the first paragraph of this covenant or clauses (l)(x)(iv) or (5) of the second paragraph of this covenant to the extent permitted, with the balance Incurred under the second paragraph of this covenant (other than clauses (l)(x)(iv) or (5) of the second paragraph of this covenant); and

(11) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Consolidated EBITDA at the time of Incurrence, if such refinancing would cause the percentage of Consolidated EBITDA restriction to be exceeded if calculated based on the percentage of Consolidated EBITDA on the date of such refinancing, such percentage of Consolidated EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing

Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing.

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 GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock".

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness, Disqualified Stock or Preferred Stock of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date (and, if such Indebtedness, Disqualified Stock or Preferred Stock is not permitted to be Incurred as of such date under the covenant described under this "Limitation on Indebtedness, Disqualified Stock and Preferred Stock", the Issuer shall be in default of this covenant).

For any purpose under the Indenture (including for purposes of determining compliance with any restriction on the Incurrence of Indebtedness, Disqualified Stock or Preferred Stock), the U.S. Dollar-equivalent principal amount or liquidation preference, as applicable, of Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was Incurred; provided, however, that in the case of revolving credit debt, the date such Indebtedness was first committed or first incurred (whichever yields the lower U.S. Dollar equivalent) shall be used; provided, further, however, that if such Indebtedness, Disqualified Stock or Preferred Stock is Incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, as applicable, denominated in a foreign currency that is the same currency as that of the refinancing Indebtedness, Disqualified Stock or Preferred Stock, (a) then the Issuer may elect to calculate the U.S. Dollar-equivalent principal amount or liquidation preference, as applicable, of such refinancing Indebtedness, Disqualified Stock or Preferred Stock based on the currency exchange rate in effect on the date such refinanced Indebtedness, Disqualified Stock or Preferred Stock was Incurred or first committed or first incurred (whichever yields the lower U.S. Dollar equivalent) in the case of revolving credit debt, and (b) if such refinancing would cause the applicable U.S. Dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount or liquidation preference, as applicable, of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (x) the principal amount or liquidation preference, as applicable, of such Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced (plus unused commitments thereunder) plus (y) accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or Preferred Stock plus (z) underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or Preferred Stock and the Incurrence of such new Indebtedness, Disqualified Stock or Preferred Stock. The principal amount or liquidation preference, as applicable, of any Indebtedness, Disqualified Stock or Preferred Stock Incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if Incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness, Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing (provided that, if such refinancing would cause the applicable U.S. Dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount or liquidation preference, as applicable, of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (x) the principal amount or liquidation preference, as applicable, of such Indebtedness, Disqualified Stock or Preferred Stock, as applicable, being refinanced (plus unused commitments thereunder) plus (y) accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced

Indebtedness, Disqualified Stock or Preferred Stock plus (z) underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or Preferred Stock and the Incurrence of such new Indebtedness, Disqualified Stock or Preferred Stock). The Issuer shall determine any applicable currency exchange rate in good faith, and any such determination shall be conclusive for purposes of the Indenture.

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

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

Limitation on Restricted Payments

The Issuer 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 Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:

   (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer; and

   (b) dividends or distributions payable to the Issuer 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 Issuer or another Restricted Subsidiary on no more than a pro rata basis);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any Parent Entity held by Persons other than the Issuer or a Restricted Subsidiary of the Issuer;

(3) 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 with an aggregate outstanding principal amount in excess of $40.0 million (it being understood that payments of regularly scheduled interest and mandatory prepayments shall be permitted), other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock"; or

(4) make any Restricted Investment;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) above are referred to herein as a *"Restricted Payment")*, unless, at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) no Event of Default (or, in the case of a Restricted Investment, no Event of Default under clause (1), (2) or (5) under "— Events of Default") shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) except in the case of a Restricted Investment, if such Restricted Payment is made in reliance on clause (c)(i) below, the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" above;

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments (and not returned or rescinded) (excluding all Restricted Payments permitted by the next succeeding paragraph) would not exceed the sum of (without duplication):

(i) an amount equal to 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter during which the Issue Date occurred to the end of the Issuer's most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit); plus

(ii) 100% of the aggregate net cash proceeds, and the fair market value of property or assets or marketable securities, received by the Issuer and its Restricted Subsidiaries (other than net cash proceeds to the extent such net cash proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to clause (10) of the second paragraph of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" above) from the issue or sale of (x) Capital Stock of the Issuer, including Retired Capital Stock, but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of (A) Capital Stock to any employee, director, officer, manager or consultant of the Issuer, any Parent Entity and any of the Issuer's Subsidiaries to the extent such amounts have been applied to Restricted Payments made in accordance with clause (6) of the second paragraph of this covenant below and (B) Designated Preferred Stock, (y) Capital Stock of any Parent Entity to the extent the net cash proceeds thereof or property, assets or marketable securities received in connection therewith are actually contributed to the Issuer (excluding, in the case of this clause (y), contributions of the proceeds from the sale of Designated Preferred Stock by any such Parent Entity to the extent such amounts have been applied to Restricted Payments made in accordance with clause (13) of the second paragraph of this covenant below) or (z) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that has been converted into or exchanged for Capital Stock of the Issuer or any Parent Entity; provided that this clause (ii) shall not include the proceeds from (a) Refunding Capital Stock, (b) Capital Stock or Indebtedness that has been converted or exchanged for Capital Stock of the Issuer or sold to a Restricted Subsidiary, as the case may be, (c) Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions; plus

(iii) 100% of the aggregate amount of cash, and the fair market value of property or assets or marketable securities, received by the Issuer and its Restricted Subsidiaries from contributions to the Capital Stock of the Issuer or any Restricted Subsidiary (other than (x) amounts used to Incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (10) of the second paragraph of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" above, (y) amounts that are contributed by the Issuer or a Restricted Subsidiary or (z) amounts that constitute Excluded Contributions); plus

(iv) 100% of the aggregate amount received in cash and the fair market value of marketable securities or other property received by the Issuer and its Restricted Subsidiaries by means of: (x) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or any Restricted Subsidiary and repurchases and redemptions of, or cash distributions or cash interest received in respect of, such Restricted Investments from or to the Issuer or any Restricted Subsidiary and repayments of loans or advances, and releases of guarantees, which constitute Restricted

Investments made by the Issuer or any Restricted Subsidiary; or (y) the sale (other than to the Issuer or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than to the extent of the amount of the Investment that constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary or joint venture; plus

(v) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, consolidation or amalgamation of an Unrestricted Subsidiary with or into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith of the Issuer at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, consolidation or amalgamation or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a "Permitted Investment"; plus

(vi) [reserved]; plus

(vii) any returns, profits, distributions and similar amounts received on account of a Restricted Investment made in reliance upon this first paragraph (up to the amount of the original Investment).

The foregoing provisions will not prohibit any of the following (collectively, *"Permitted Payments").*

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture or the redemption, repurchase or retirement of Indebtedness if, at the date of any irrevocable redemption notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;

(2) (x) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock of the Issuer or any Parent Entity, including any accrued and unpaid dividends or distributions thereon *("Retired Capital Stock'),* 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 (other than to the Issuer or a Restricted Subsidiary) of, Capital Stock of the Issuer or any Parent Entity to the extent contributed to the Issuer (in the case of proceeds only) (other than Disqualified Stock (other than Disqualified Stock that is permitted to be issued by the Indenture), Excluded Contributions or sales of Capital Stock to any Subsidiary of the Issuer) *("Refunding Capital Stock"),* (y) the declaration and payment of dividends on Retired Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to the Issuer or a Restricted Subsidiary) of Refunding Capital Stock and (z) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (13) below and not made pursuant to clause (y) above, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Capital Stock of any Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) any purchase, repurchase, redemption, defeasance or other refinancing, acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Subordinated Indebtedness that constitutes Indebtedness permitted to be Incurred pursuant to the covenant described under "— Limitation on

Indebtedness, Disqualified Stock and Preferred Stock" above so long as: (A) the principal amount (or accreted value, if applicable) of such new Subordinated Indebtedness does not exceed the principal amount of (or accreted value, if applicable) (plus the amount of any unused commitments thereunder) the purchased, repurchased, redeemed, defeased, refinanced, acquired or retired Subordinated Indebtedness, plus any accrued and unpaid interest on the Subordinated Indebtedness being so purchased, repurchased, redeemed, defeased, acquired, refinanced or retired, plus the amount of any premium (including call and tender premiums), defeasance costs and any underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Subordinated Indebtedness and the Incurrence of such new Subordinated Indebtedness, (B) such new Subordinated Indebtedness is subordinated to the Notes or the applicable Note Guarantees at least to the same extent, in all material respects, as such Subordinated Indebtedness so purchased, repurchased, redeemed, defeased, refinanced, acquired or retired, (C) such new Subordinated Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness being so purchased, repurchased, redeemed, defeased, refinanced, acquired or retired, and (D) such new Subordinated Indebtedness has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so purchased, repurchased, redeemed, defeased, refinanced, acquired or retired;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Parent Entity made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock (other than an issuance of Disqualified Stock of the Issuer to replace Preferred Stock (other than Disqualified Stock) of the Issuer) of the Issuer or a Parent Entity, as the case may be;

(5) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock or Preferred Stock:

(a) [reserved].

(b) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only if the Issuer shall have first complied with the terms described under "— Change of Control" and purchased all Notes 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, Disqualified Stock or Preferred Stock; or

(c) 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 Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition);

(6) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (other than Disqualified Stock) of the Issuer or of any Parent Entity held by any future, present or former employee, director, officer, manager or consultant of the Issuer, any of its Subsidiaries or of any Parent Entity (or permitted transferees, assigns, estates, trusts, heirs, or any spouse or former spouse of such employee, director, officer, manager or consultant) either pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Issuer or any Parent Entity in connection with such repurchase, retirement or other acquisition or retirement for value), including any arrangement including Capital Stock rolled over by management of the Issuer, any Subsidiary of the Issuer or any Parent Entity in connection with the Original Transactions, the 2019 Transactions

and the Transactions; provided, however, that the aggregate Restricted Payments made under this clause (6) do not exceed (A) $60.0 million in the calendar year ending December 31, 2023 and (B) $40.0 million in any calendar year thereafter (with unused amounts in any calendar year being carried over to succeeding calendar years); provided further that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds from the sale of Capital Stock (other than Disqualified Stock or Designated Preferred Stock or Excluded Contributions) of the Issuer and, to the extent contributed to the capital of the Issuer (other than through the issuance of Disqualified Stock or Designated Preferred Stock or an Excluded Contribution), Capital Stock of any Parent Entity, in each case to members of management, directors, managers or consultants of the Issuer, any of its Subsidiaries or any Parent Entity that occurred, to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (c) of the preceding paragraph; plus

(b) the cash proceeds of key man life insurance policies received by the Issuer and its Restricted Subsidiaries; less

(c) the amount of any Restricted Payments made in previous calendar years pursuant to clauses (a) and (b) of this clause;

and provided further that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from future, present or former employees, directors, officers, managers or consultants of the Issuer, or any Parent Entity or Restricted Subsidiaries, or permitted transferees, assigns, estates, trusts, heirs, or any spouse or former spouse of such employee, director, officer, manager or consultant, in connection with a repurchase of Capital Stock of the Issuer or any Parent Entity will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of the Issuer or any Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" above;

(8) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding, employment or similar taxes payable by any future, present or former employee, director, officer, manager, or consultant of the Issuer or any Restricted Subsidiary or any Parent Entity and any purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, vesting or settlement of, or payment with respect to, any equity or equity-based award, including, without limitation, stock options, appreciation rights, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof, or to satisfy any required withholding or similar taxes with respect to any such award;

(9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent Entity to pay any Parent Entity Expenses; or

(b) to the extent constituting Restricted Payments, amounts that would be permitted to be paid directly by the Issuer or the Restricted Subsidiaries under the covenant described under "— Certain Covenants — Limitation on Affiliate Transactions" (other than clause (1) of the second paragraph thereof);

(10) the declaration and payment by the Issuer of dividends or distributions on the common stock or common equity interests of the Issuer or any Parent Entity following a public offering of such common stock or common equity interests, in an amount not to exceed 6% of Market Capitalization in any fiscal year;

(11) payments by the Issuer, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Issuer or any Parent Entity 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 Issuer);

(12) Restricted Payments that are made with Excluded Contributions on or after the Issue Date;

(13) (i) the declaration and payment of dividends on Designated Preferred Stock of the Issuer issued after the Issue Date; (ii) the declaration and payment of dividends to any Parent Entity, the proceeds of which will be used to fund the payment of dividends to holders of Designated Preferred Stock of such Parent Entity; (iii) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock; provided, however, that, in the case of clause (ii), the amount of all dividends declared or paid pursuant to this clause shall not exceed the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Issuer, from the issuance or sale of such Designated Preferred Stock; provided further, in the case of clauses (i), (ii) and (iii), that immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such payment on a Pro Forma Basis the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Coverage Ratio test set forth in the first paragraph of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock";

(14) [reserved].

(15) distributions or payments of Receivables Fees and Securitization Fees;

(16) any Restricted Payment made in connection with the Original Transactions, the 2019 Transactions, the Transactions (and fees and expenses related thereto) or constituting any part of any Permitted Reorganization (and the fees and expenses related thereto), or used to fund amounts owed to Affiliates in connection with the Original Transactions, the 2019 Transactions, the Transactions, or any Permitted Reorganization (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts), including, without limitation, payments to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest);

(17) Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed the greater of (a) $100.0 million and (b) 30% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time made;

(18) any Restricted Payments made by the Issuer or any Restricted Subsidiary; provided that, immediately after giving Pro Forma Effect thereto, the Consolidated Total Net Leverage Ratio would be no greater than 4.75 to 1.00 as of the most recently ended Test Period;

(19) mandatory redemption of Disqualified Stock or Preferred Stock issued as a Restricted Payment or as consideration for a Permitted Investment;

(20) [reserved].

(21) AHYDO Payments with respect to Indebtedness permitted under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock";

(22) Restricted Payments by the Issuer and its Restricted Subsidiaries pursuant to Intercompany License Agreements;

(23) the declaration and payment of dividends or distributions by the Issuer to, or the making of loans or advances to, any Parent Entity in amounts required for any such Parent Entity (or such Parent Entity's direct or indirect equity owners) to pay:

(a) (i) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate, legal and organizational existence and (ii) distributions to such Parent Entity's equity owners in proportion to their equity interests sufficient to allow each such equity owner to receive an amount at least equal to the aggregate amount of its out-of-pocket costs to any unaffiliated third parties directly attributable to creating (including any incorporation or registration fees) and maintaining the existence of the applicable equity owner (including doing business fees, franchise taxes, excise taxes and similar taxes, fees, or expenses), and legal and accounting and other costs directly attributable to maintaining its corporate, legal, or organizational existence and complying with applicable legal requirements, including such costs attributable to the preparation of tax returns or compliance with tax laws, or

(b) for as long as the Issuer is classified as a corporation for U.S. federal income tax purposes and it is a member of a consolidated, combined or similar tax group for U.S. federal, state and local income tax purposes of which a direct or indirect parent of the Issuer is the common parent (or the Issuer is a disregarded entity or partnership directly or indirectly owned by a member or members of such a group), (i) distributions that are used by such direct or indirect parent to pay consolidated, combined or similar U.S. federal, state, and local income taxes solely to the extent that such income taxes are attributable to the income of the Issuer and the Restricted Subsidiaries, and (ii) solely to the extent of the amount actually received for such purpose by the Issuer from its Unrestricted Subsidiaries, distributions that are used by such direct or indirect parent to pay consolidated, combined or similar U.S. federal, state, and local income taxes solely to the extent that such income taxes are attributable to the income of such Unrestricted Subsidiaries, provided that in each case the amount of such payments with respect to any fiscal year does not exceed the amount that the Issuer, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described in clause (ii) above) would have been required to pay in respect of such U.S. federal, state and local income taxes for such fiscal year had the Issuer, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described in clause (ii) above) been a standalone taxpayer or stand-alone tax group (separate from any such direct or indirect parent of the Issuer); or

(24) [reserved].

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (17), (18), (20) and (24), no Event of Default (or in the case of a Restricted Investment, no Event of Default under clause (1), (2) or (5) under "Events of Default") shall have occurred and be continuing or would occur as a consequence thereof. For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) or Investment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (23) above, or is permitted pursuant to the first paragraph of this covenant and/or one or more of the exceptions contained in the definition of "Permitted Investments", the Issuer will be entitled to classify such Restricted Payment (or portion thereof) or Investment (or portion thereof) on the date of its payment, or later reclassify such Restricted Payment (or portion thereof) or Investment (or portion thereof), among such clauses (1) through (23) above, the first paragraph of this covenant and/or one or more exceptions contained in the definition of "Permitted Investments", in any manner that otherwise complies with this covenant.

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 Issuer 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, and the fair market value of any non-cash Restricted Payment, property or assets other than cash shall be determined conclusively by the Board of Directors of the Issuer acting in good faith.

Limitation on Liens

The Issuer will not, and will not permit any Guarantor to, create, Incur or permit to exist any Lien (except Permitted Liens) (each, an *"Initial Lien")* that secures Obligations under any Indebtedness or any related guarantee of Indebtedness, on any asset or property of the Issuer or any Guarantor, unless:

(1) in the case of Liens securing Subordinated Indebtedness, the Notes and related Note Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; or

(2) in all other cases, the Notes or the Note Guarantees are equally and ratably secured.

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The *"Increased Amount"* of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

For purposes of determining compliance with this covenant, in the event that a proposed Lien (or a portion thereof) meets the criteria of more than one of the categories described in one or more of the clauses contained in the definition of "Permitted Liens", the Issuer will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Lien (or any portion thereof) among one or more clauses contained in the definition of "Permitted Liens" in a manner that otherwise complies with this covenant.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Non-Guarantor to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Non-Guarantor to:

(A) pay dividends or make any other distributions to the Issuer or any Restricted Subsidiary that is a Guarantor in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary that is a Guarantor;

(B) make any loans or advances to the Issuer or any Restricted Subsidiary that is a Guarantor; or

(C) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary that is a Guarantor;

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 Issuer or any Restricted Subsidiary that is a Guarantor to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary that is a Guarantor 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 Credit Agreements) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(2) any encumbrance or restriction pursuant to the Indenture, the Notes and the Note Guarantees; (3) 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 Issuer or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer 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 Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary or entered into in contemplation of or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this clause, if another Person is the successor entity, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the successor entity;

(3) 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 agreement, or the assignment or transfer of any lease, license or other contract or agreement;

(b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance 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 Issuer or any Restricted Subsidiary;

(4) 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, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender;

(5) any encumbrance or restriction imposed on the Capital Stock or assets of the Issuer or any Restricted Subsidiary pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of such Capital Stock or assets pending the closing of such sale or disposition;

(6) customary provisions in leases, subleases, licenses, sublicenses, shareholder agreements, joint venture agreements, organizational documents and other similar agreements and instruments;

(7) encumbrances or restrictions arising or existing by reason of applicable law or any applicable law, rule, regulation or order, or required by any regulatory authority;

(8) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practice;

(9) any encumbrance or restriction pursuant to Hedging Obligations;

(10) other Indebtedness, Disqualified Stock or Preferred Stock of Non-Guarantors permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock" that impose restrictions solely on the Non-Guarantors party thereto or their Subsidiaries;

(11) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Issuer, are necessary or advisable to effect such Securitization Facility or Receivables Facility, as the case may be;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument (which, if it relates to any Indebtedness, shall only be permitted if such Indebtedness is permitted to be

Incurred pursuant to the provisions of the covenant described under "— Limitation on Indebtedness, Disqualified Stock and Preferred Stock") if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole (i) are not materially less favorable to the Holders than the encumbrances and restrictions contained in the Term Loan Credit Agreement, together with the security documents associated therewith as in effect on the Original Issue Date (as determined by the Issuer) or (ii) either (a) the Issuer determines at the time of entry into such agreement or instrument that such encumbrances or restrictions do not materially impair the Issuer's ability to make principal or interest payments on the Notes as and when due (as determined in good faith by the Issuer) or (b) such encumbrance or restriction applies only during the continuance of a default relating to such agreement or instrument;

(13) any encumbrance or restriction existing by reason of any lien permitted under "— Limitation on Liens"; or

(14) 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 clauses (1) to (13) of this paragraph or this clause (an *"Initial Agreement"*) or contained in any amendment, restatement, renewal, increase, supplement, refunding, replacement, refinancing or other modification to an agreement referred to in clauses (1) to (13) of this paragraph or this clause (14); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are not materially less favorable to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such amendment, restatement, renewal, increase, supplement, refunding, replacement, refinancing or other modification relates (as determined in good faith by the Issuer).

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Issuer 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) if the property or assets sold or otherwise disposed of have a fair market value in excess of $40.0 million, at least 75% of the consideration from such Asset Disposition (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents;

(3) the Issuer or any of its Restricted Subsidiaries, at its respective option, will apply an amount equal to such Net Available Cash (other than Excluded Proceeds) from any Asset Disposition:

(a) (i) to prepay, repay, redeem or purchase any Indebtedness of a Non-Guarantor or Indebtedness that is secured by a Lien (in each case, other than Indebtedness owed to the Issuer or any Restricted Subsidiary) or Indebtedness under any Credit Agreement (or any Refinancing Indebtedness in respect thereof) within 450 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, redemption or purchase of Indebtedness pursuant to this clause (a), the Issuer or Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be reduced in an amount equal to the principal amount so prepaid, repaid, redeemed or purchased; or (ii) to prepay, repay, redeem or purchase Pari Passu Indebtedness; provided, further, that, to the extent the Issuer or any Restricted Subsidiary prepays, repays, redeems, or purchases Pari Passu Indebtedness pursuant to this clause (ii), the Issuer shall equally and ratably reduce Obligations under the Notes as provided under "Optional Redemption", through open-market purchases (to the extent such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Disposition Offer) to all Holders to purchase their Notes at 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, on the amount of Notes that would otherwise be purchased to, but excluding, the date of purchase; and/or

(b) to invest in or commit to invest in Additional Assets within 450 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; provided, however, that a binding agreement shall be treated as a permitted application of Net Available Cash from the date of such commitment with the good faith expectation that such Net Available Cash will be applied to satisfy such commitment within 180 days of such commitment (an *"Acceptable Commitment"*) and, in the event that any Acceptable Commitment is later cancelled or terminated for any reason before the Net Available Cash is applied in connection therewith, then such Net Available Cash shall constitute Excess Proceeds unless the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a *"Second Commitment"*) within 180 days of such cancellation or termination; provided further that if any Second Commitment is later cancelled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash shall constitute Excess Proceeds;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise use such Net Available Cash in any manner not prohibited by the Indenture.

If an amount equal to the Net Available Cash (other than Excluded Proceeds) from Asset Dispositions is not applied or invested or committed to be applied or invested as provided, and within the time period (including as extended) set forth in the preceding paragraph (it being understood that any portion of such amount used to make an offer to purchase Notes, as described in clause (3)(a)(ii) of the immediately preceding paragraph, will be deemed to have been applied whether or not such offer is accepted), then such amount not applied or invested or committed to be applied or invested will be deemed to constitute "Excess Proceeds" under the Indenture. When the aggregate amount of Excess Proceeds under the Indenture exceeds $40.0 million in any fiscal year, the Issuer will within 10 Business Days be required to make an offer (an *"Asset Disposition Offer")* to all Holders of the Notes and, to the extent the Issuer elects or is required to by the terms of any Pari Passu Indebtedness, to holders or lenders of any other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of the Notes and any such Pari Passu Indebtedness to which such Asset Disposition Offer applies that is an integral multiple of $1,000 that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount of the Notes and such Pari Passu Indebtedness, or 100% of the accreted value thereof, if less (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), in each case, plus accrued and unpaid interest, if any, to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable; provided that no Note of less than $2,000 remains outstanding thereafter. The Issuer may satisfy the foregoing obligations with respect to any Excess Proceeds from an Asset Disposition by making an Asset Disposition Offer with respect to such Excess Proceeds prior to the time period that may be required by the Indenture with respect to all or a part of the Excess Proceeds (the "*Advance Portion*") in advance of being required to do so by the Indenture (an "*Advance Offer*"). The Issuer will deliver notice of such Asset Disposition Offer electronically or by first-class mail as provided under "— Selection and Notice", with a copy to the Trustee, to each Holder of Notes at the address of such Holder appearing in the security register, describing the transaction or transactions that constitute the Asset Disposition and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture, or otherwise in accordance with the procedures of DTC, and described in such notice.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer or Advance Offer, as applicable, is less than the Excess Proceeds (or in the case of an Advance Offer, the Advance Portion), the Issuer or any Restricted Subsidiary may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) for any purpose not prohibited by the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer or Advance Offer, as applicable, by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds (or in the case of an Advance Offer, the Advance Portion), the Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) 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 provided that no Notes or other Pari Passu Indebtedness in an unauthorized denomination will remain outstanding after such purchase.

Upon completion of any Asset Disposition Offer or Advance Offer, as applicable, the amount of Excess Proceeds shall be reset at zero (regardless of whether there are any remaining Excess Proceeds upon such completion), but in the case of any Advance Offer, only with respect to the Advance Portion of any Excess Proceeds from the relevant Asset Disposition.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than Dollars, the amount thereof payable in respect of the Notes shall not exceed the net amount of funds in Dollars that is actually received by the Issuer upon converting such portion into Dollars.

Notwithstanding any other provisions of this covenant, (i) to the extent that any or all of the Net Available Cash of any Asset Disposition by a Foreign Subsidiary (a *"Foreign Disposition"*) is (x) prohibited or delayed by applicable local law, (y) restricted by applicable organizational documents or any agreement or (z) subject to other onerous organizational or administrative impediments from being repatriated to the United States, an amount equal to the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant, and such amount may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law, organizational document, agreement or other impediment will not permit repatriation to the Issuer or a Guarantor (the Issuer hereby agreeing to use commercially reasonable efforts (as determined in the Issuer's reasonable business judgment) to otherwise cause the applicable Foreign Subsidiary to within 180 days following the date on which the respective payment would otherwise have been required, promptly take all actions reasonably required by the applicable local law, the applicable organizational document or agreement or the other applicable impediment to permit such repatriation to the Issuer or a Guarantor), and if within 180 days following the date on which the respective payment would otherwise have been required, such repatriation of any of such affected Net Available Cash is permitted under the applicable local law, the applicable organizational document or agreement or the applicable other impediment, an amount equal to such amount of Net Available Cash so permitted to be repatriated will be promptly (and in any event not later than 20 Business Days after such repatriation is permitted) applied (net of any Taxes, costs or expenses that would be payable or reserved against if such amounts were actually repatriated whether or not they are repatriated) in compliance with this covenant and (ii) to the extent that the Issuer has determined in good faith that repatriation of any or all of the Net Available Cash of any Foreign Disposition could have a material adverse tax consequence with respect to such Net Available Cash (which for the avoidance of doubt, includes, but is not limited to, any prepayment whereby doing so Holdings, the Issuer, any Restricted Subsidiary or any of their respective Affiliates and/or equity partners would incur a tax liability, including a tax dividend, deemed dividend pursuant to Code Section 956 or a withholding tax), an amount equal to the portion of such Net Available Cash affected will not be required to be applied in compliance with this covenant, and the Net Available Cash so affected may be retained by the applicable Foreign Subsidiary. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, so long as an amount equal to the amount of Net Available

Cash required to be applied in accordance with this covenant is applied by the Issuer, nothing in the Indenture shall be construed to require any Subsidiary to repatriate cash.

For purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the (x) assumption or (y) cancellation, extinguishment or termination of Indebtedness or other liabilities (as reflected on the Issuer's or such Restricted Subsidiary's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Issuer) contingent or otherwise, in each case of the Issuer or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and, in the case of clause (x) only, the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer 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 Issuer 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 Issuer or a Guarantor (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuer or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Issuer 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 $60.0 million and 14% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) (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 Issuer will comply, to the extent applicable, with the requirements of Rule 14e-l under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

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

The Credit Agreements may prohibit or limit, and future credit agreements or other agreements to which the Issuer becomes a party may prohibit or limit, the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of its lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any of the Issuer's Affiliates (other than Holdings, the Issuer and the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction) (an "Affiliate Transaction") involving aggregate value in excess of the greater of (a) $15.0 million and (b) 3.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer 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 (a) $70.0 million and (b) 17% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Issuer.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors, if any.

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" or any Permitted Investment;

(2) 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 Issuer, any Restricted Subsidiary or any Parent Entity, 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, managers or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business or consistent with past practice;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) (a) any transaction between or among the Issuer, any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction) or any joint venture (regardless of the form of legal entity) in which the Issuer or any Subsidiary has invested (and which joint venture would not be an Affiliate of the Issuer but for the Issuer's or a Subsidiary of the Issuer's ownership of Capital Stock in such joint venture) to the extent otherwise permitted under this "Certain Covenants" section of this "Description of Notes" (other than solely by reference to this covenant) or (b) transactions to and from, and transactions with, Unrestricted Subsidiaries entered into the ordinary course (including, without limitation, any cash management activities related thereto);

(5) the payment of compensation, 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, managers, consultants or employees of the Issuer or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers, managers, consultants or employees);

(6) the entry into and performance of obligations of the Issuer 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, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent, in the good faith judgment of the Issuer, not more disadvantageous to the Holders in any material respect (taken as a whole);

(7) (i) any customary transaction with a Securitization Subsidiary effected as part of a Qualified Securitization Financing and (ii) any customary transaction with a Receivables Subsidiary effected as part of a Receivables Facility;

(8) transactions with customers, clients, suppliers, joint ventures or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practice, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Issuer 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 transaction between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate or similar entity;

(10) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights in connection therewith or any contribution to capital of the Issuer or any Restricted Subsidiary;

(11) (a) the payment of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) to the Sponsor pursuant to the Sponsor Management Agreement (plus any unpaid management, monitoring, consulting, advisory and other fees (including transaction and termination fees) accrued in any prior year), (b) customary payments by the Issuer or any of the Restricted Subsidiaries to any Permitted Holder or other persons with a similar interest in the Issuer or any Parent Entity made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the Board of Directors or a majority of the disinterested members of the Board of Directors of the Issuer in good faith and (c) indemnification and reimbursement of expenses pursuant to the Sponsor Management Agreement (plus any unpaid indemnities and expenses accrued in any prior year);

(12) (i) direct or indirect investments by Permitted Holders in securities, Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary (and 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 securities, Indebtedness or Disqualified Stock of the Issuer and its Restricted Subsidiaries) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors who are not Affiliates of the Issuer or any Restricted Subsidiary on the same or more favorable terms and at least a majority of the principal amount of such Indebtedness or a majority of the aggregate liquidation preference of such Disqualified Stock is purchased by Persons who are not Affiliates of the Issuer or any Restricted Subsidiary and (ii) payments to Permitted Holders in respect of securities, Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary contemplated in the foregoing clause (i) or that were acquired from Persons other than the Issuer and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities, Indebtedness or Disqualified Stock;

(13) the Transactions, the 2019 Transactions, the Original Transactions and any Permitted Reorganization and the payment of all fees and expenses related to the Transactions, the 2019 Transactions, the Original Transactions and any Permitted Reorganization;

(14) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph;

(15) the existence of, or the performance by the Issuer or any Restricted Subsidiaries of its obligations under the terms of, any equityholders agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Issue Date and any similar agreement that it may enter into thereafter, and the payment of reasonable out-of-pocket costs and expenses pursuant thereto; provided, however, that the existence of, or the performance by the Issuer or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Issue Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders in any material respects;

(16) [reserved];

(17) any Intercompany License Agreements;

(18) transactions undertaken pursuant to membership in a purchasing consortium;

(19) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; provided that such transaction was not entered into in contemplation of such designation or redesignation, as applicable; and

(20) payments by the Issuer (and any Parent Entity) and any Subsidiaries thereof pursuant to tax sharing agreements among the Issuer (and any Parent Entity) and such Subsidiaries on customary terms to the extent attributable to the ownership or operations of the Issuer and the Restricted Subsidiaries; provided that in each case the amount of such payments in any fiscal year does not exceed the amount that the Issuer, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent of the amount received from Unrestricted Subsidiaries) would have been required to pay in respect of such foreign, federal, state and/or local taxes for such fiscal year had the Issuer, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) paid such taxes separately from any such Parent Entity.

Designation of Restricted and Unrestricted Subsidiaries

The Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause an Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "— Limitation on Restricted Payments" or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause an Event of Default.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described above under the caption "— Certain Covenants — Limitation on Restricted Payments". If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock", the Issuer will be in default of such covenant.

The Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; provided that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock", calculated on a Pro Forma Basis as of the most recently ended Test Period; and (2) no Default or Event of Default would be in existence following such designation. Any such designation by the Issuer shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the preceding conditions.

Reports

Whether or not required by the SEC, so long as any Notes are outstanding, if not filed electronically with the SEC through the SEC's Electronic Data Gathering, Analysis, and Retrieval System (or any successor system) *("EDGAR"),* from and after the Issue Date, the Issuer will furnish to the Trustee and the Holders within 15 days after the time periods specified below:

(1) within 90 days after the end of each fiscal year of the Issuer, the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations and cash flows for such fiscal year, setting forth comparative consolidated and/or combined figures for the preceding fiscal year (to the extent such comparative presentation is permitted under GAAP), all in reasonable detail and prepared in accordance with GAAP, and, in each case, audited and accompanied by a report of independent certified public accountants of recognized national standing, together with a customary management discussion and analysis (or other narrative discussion) of the Issuer's financial condition and results of operations;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, (i) the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of such quarterly period, (ii) the related consolidated statements of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and (iii) the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and setting forth comparative consolidated and/or combined figures for the corresponding periods in the prior fiscal year (to the extent such comparative presentation is permitted under GAAP) or, in the case of such consolidated balance sheet, for the last day of the corresponding period in the prior fiscal year, subject to changes resulting from normal year-end adjustments and the absence of footnotes, together with a customary management discussion and analysis (or other narrative discussion) of the Issuer's financial condition and results of operations; and

(3) promptly after the occurrence of any of the following events, all current reports that would be required to be filed with the SEC on Form 8-K if the Issuer were required to file such reports for any of the following events (provided, however, that no such current report will be required to be furnished if the Issuer determines in its good faith judgment that such event is not material to the holders of the Notes or the business, assets, operations, financial position or prospects

of the Issuer and its Restricted Subsidiaries, taken as a whole; provided further that the foregoing shall not obligate the Issuer to make available copies of any agreements, financial statements or other items that would be required to be filed as exhibits to a current report on Form 8-K, or to include a summary of the terms of any employment or compensatory arrangement, agreement, plan or understanding between the Issuer (or any of its Subsidiaries) and any director, manager or executive officer of the Issuer (or any of its Subsidiaries)):

(a) Item 1.03 (Bankruptcy or Receivership);

(b) Item 2.01 (Completion of Acquisition or Disposition of Assets); provided, however, that (x) such Item 2.01 shall only trigger the provision of financial information contemplated by Item 9.01 of Form 8-K and referred to in Item 2.01 of Form 8-K in the event that such acquisition or disposition of assets is deemed to involve a significant amount of assets because the amount paid or received for such assets upon such acquisition or disposition exceeded 20% of the total assets of the Issuer and its Restricted Subsidiaries, (y) any financial information furnished pursuant to Item 9.01 may be (i) provided within 71 calendar days after the related Item 2.01 information is required to be furnished as provided in this clause (b) and (ii) unaudited to the extent an audit has not been prepared at or prior to the time of the acquisition and may cover only the acquired business' most recent fiscal year or such shorter period as the business has been in existence, unless such acquisition is deemed to involve a significant amount of assets because the amount paid for such assets upon such acquisition exceeded 50% of the total assets of the Issuer and its Restricted Subsidiaries, in which case such financial information shall be audited and cover the acquired business' most recent three fiscal years or such shorter period as the acquired business has been in existence and (z) such information will not be required to include as an exhibit copies of any financial statements that would be required to be filed as exhibits to a current report on Form 8-K except for historical financial statements to the extent reasonably available; provided that any such historical financial statements will not be required to comply with Regulation S-X, except that they shall be prepared in accordance with U.S. generally accepted accounting principles then in effect (or any equivalent standard in the jurisdiction of the acquired company, including IFRS) and provided further that nothing in the clause (b) shall require any financial information as a result of the aggregate impact of individually insignificant businesses;

(c) Item 2.04 (Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement);

(d) Item 4.01 (Changes in Registrant's Certifying Accountant);

(e) Item 4.02 (Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review);

(f) Item 5.01 (Changes in Control Of Registrant); and

(g) Items 5.02(a) through (d) (Resignation of Director due to Disagreement with Registrant; Election of Directors; Appointment of Certain Officers);

provided that (a) such information will not be required to comply with Section 302, Section 404 or Section 906 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC, (b) such information will not be required to contain the separate financial information for Guarantors as contemplated by Rule 3-10 of Regulation S-X, any financial statements of unconsolidated subsidiaries or 50% or less owned persons as contemplated by Rule 3-09 of Regulation S-X, any schedules required by Regulation S-X, the financial information required by Rule 3-16 of Regulation S-X, any "segment reporting" or any compensation-related information (to the extent not required to be reflected on the face of the financial statements referred to in clauses (1) and (2) of the first paragraph above), including any Compensation Discussion and Analysis required by Item 402 of Regulation S-K or other information regarding executive compensation contemplated by SEC Release Nos. 33-8732A, 34-54302A and IC-27444A, or in each case any successor provisions and (c) such information shall not be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K with respect to any non-GAAP financial measures contained therein.

To the extent any such information is not so filed or furnished, as applicable, within the time periods specified above and such information is subsequently filed or furnished, as applicable, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default or Event of Default with respect thereto shall be deemed to have been cured; provided that such cure shall not otherwise affect the rights of the Holders under "— Events of Default" if Holders of at least 30% in principal amount of the then total outstanding Notes have declared the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately and such declaration shall not have been rescinded or cancelled prior to such cure. In addition, to the extent not satisfied by the foregoing, the Issuer will agree that, for so long as any Notes are outstanding, it will furnish to Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The requirement to furnish the information to Holders required by clauses (1), (2) and (3) of the first paragraph above may be satisfied by the Issuer posting copies of such information on a website (which may be nonpublic and may be maintained by the Issuer or a third party) to which access will be given to Holders, prospective investors in the Notes (which prospective investors shall be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act or non-U.S. persons (as defined in Regulation S under the Securities Act) that certify their status as such to the reasonable satisfaction of the Issuer), and securities analysts and market making financial institutions that are reasonably satisfactory to the Issuer; provided, further, however, the Issuer may deny access to any competitively-sensitive information otherwise to be provided pursuant to this covenant to any such Holder, prospective investor, security analyst or market maker that is a competitor (or an Affiliate of a competitor) of the Issuer and its Subsidiaries to the extent that the Issuer determines in good faith that the provision of such information to such Person would be competitively harmful to the Issuer and its Subsidiaries; and provided, further, that such Holders, prospective investors, security analysts or market makers will agree to (1) treat all such reports (and the information contained therein) and information as confidential, (2) not use such reports (and the information contained therein) and information for any purpose other than their investment or potential investment in the Notes and (3) not publicly disclose or distribute any such reports (and the information contained therein) and information.

The Indenture will permit the Issuer to satisfy its obligations in the preceding paragraphs of this covenant with respect to financial information relating to the Issuer by (1) furnishing financial information relating to a Parent Entity (including by making such reports available through EDGAR); provided that if and for so long as such Parent Entity has Independent Assets or Operations, the same is accompanied by unaudited consolidating information that explains in reasonable detail the differences between the information relating to such Parent Entity, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a stand-alone basis, on the other hand and (2) furnishing financial information of any predecessor or successor of the Issuer.

Notwithstanding anything to the contrary set forth above, if the Issuer or any Parent Entity has made available through EDGAR the reports described in the preceding paragraphs with respect to the Issuer or any Parent Entity (including any consolidated financial information required by Regulation S-X relating to the Issuer), the Issuer shall be deemed to be in compliance with the provisions of this covenant.

The Issuer will also hold quarterly conference calls for the Holders of the Notes to discuss financial information for the previous quarter; it being understood that such quarterly conference call may be the same conference call as with the lenders under any Credit Facility (if applicable) or with any equity investors of the Issuer or any Parent Entity and analysts. In the event that the Issuer or any Parent Entity does not hold any such conference call with equity investors and analysts, each such conference call will be following the last day of each most recently ended fiscal quarter of the Issuer before or after (but not later than 10 Business Days after) the time that the Issuer distributes the financial statements as set forth in the first paragraph above. Prior to such conference call, the Issuer will post a notice announcing the time and date of such conference call on IntraLinks or a comparable password protected online data system, and providing instructions to Holders, securities analysts and applicable current and prospective investors on how to obtain access to such call.

Notwithstanding anything herein to the contrary, if the Issuer makes an election to change its fiscal year (which it shall be permitted to do, upon written notice to the Trustee, in which case the Issuer and the Trustee shall be authorized by the Holders to make any adjustments to the Indenture and the other Notes Documents as are necessary in order to reflect such change in financial reporting), the Issuer will be required to furnish to the Trustee and the Holders, within 120 days of the opening date of its newly elected fiscal year, the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of such newly elected fiscal year, and the related consolidated statements of operations for the period from the closing of the Issuer's most recent fiscal year and the opening date of its newly elected fiscal year (the *"Transition Period"),* all in reasonable detail and prepared in accordance with GAAP, and, in each case, certified by independent certified public accountants of recognized national standing.

The Trustee will have no responsibility whatsoever to determine whether any posting or filing through EDGAR or on any website as described herein has occurred.

Notwithstanding the foregoing, if at any time the Issuer or any Parent Entity has made a good faith determination to file a registration statement with the SEC with respect to an initial public offering of such entity's Capital Stock, the Issuer will not be required to disclose any information or take any actions that, in the good faith view of the Issuer, would violate applicable securities laws or the SEC's "gun jumping" rules.

Limitation on Guarantees

The Issuer will not permit any of its Wholly-Owned Domestic Subsidiaries that are Restricted Subsidiaries (and non-Wholly-Owned Domestic Subsidiaries if such non-Wholly-Owned Domestic Subsidiaries Guarantee other capital markets debt securities of the Issuer or any Guarantor or Guarantee Indebtedness of the Issuer under the Term Loan Credit Agreement), other than a Guarantor, to Guarantee the payment of any capital markets debt securities of the Issuer or any Guarantor or Indebtedness of the Issuer under the Term Loan Credit Agreement, in each case, unless:

(1) such Restricted Subsidiary within 60 days executes and delivers a supplemental indenture to the Indenture providing for a Note Guarantee by such Restricted Subsidiary, except that with respect to a Guarantee of Indebtedness of the Issuer or any Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Note Guarantee, any such Guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Note Guarantee of such Restricted Subsidiary substantially to the same extent as such Indebtedness is subordinated to the Notes or such Guarantor's Note Guarantee; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee until payment in full of Obligations under the Indenture;

provided that this covenant shall not be applicable (i) to any Guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, or (ii) in the event that the Guarantee of the Issuer's obligations under the Notes or the Indenture by such Restricted Subsidiary would not be permitted under applicable law.

The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case, such Subsidiary shall not be required to comply with the 60-day period described in clause (1) above.

Merger and Consolidation

The Issuer

The Issuer 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 Issuer is the resulting or surviving Person or the resulting, surviving or transferee Person (such resulting or surviving Person, including, if applicable, the Issuer, or such transferred Person, as applicable, the *"Successor Company")* will be a Person organized and existing under the laws of the United States, any State of the United States or the District of Columbia and the Successor Company (if not the Issuer) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and if such Successor Company is not a corporation, a co-obligor of the Notes is a corporation organized or existing under such laws;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Company or any Restricted Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or any such Restricted 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, on a Pro Forma Basis, either (a) the applicable 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, Disqualified Stock and Preferred Stock" or (b) the Consolidated Coverage Ratio as of the most recently ended Test Period would not be lower than it was for such Test Period immediately prior to giving effect to such transaction; and

(4) the Issuer (or Successor Company if other than the Issuer) shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer, and such supplemental indenture (if any), comply with the Indenture; provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

The Successor Company will succeed to, and (if other than the Issuer) be substituted for, and may exercise every right and power of, the Issuer under the Notes and the Indenture, and in such event where the Successor Company is not the Issuer, the Issuer will automatically be released from its obligations under the Notes and 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 Notes or the Indenture.

Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary of the Issuer may consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, the Issuer, (b) the Issuer and the Restricted Subsidiaries may effect any Permitted Reorganization, (c) the Issuer and the Restricted Subsidiaries may consummate the Transactions, and (d) the Issuer and the Restricted Subsidiaries may consummate a consolidation or merger or conveyance, transfer or lease, the purpose of which is to effect an Investment permitted pursuant to the covenant described under "— Limitation on Restricted Payments", including an Investment that constitutes a Permitted Investment.

Notwithstanding the preceding clauses (2) and (3) (which do not apply to the transactions referred to in this sentence), the Issuer may consolidate or otherwise combine with or merge with or into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Issuer, reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

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.

Guarantors

Subject to certain limitations described in the Indenture governing release of a Note Guarantee as described under the caption "— Guarantees" above, no Guarantor may:

(1) consolidate with or merge with or into any Person, or

(2) convey, transfer or lease all or substantially all its assets to any Person, in one transaction or a series of related transactions,

unless

(A) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction;

(B) either (x) such Guarantor is the resulting or surviving Person or (y)(I) the resulting, surviving or transferee Person (the *"Successor Person"*) will be a Person organized and existing under the laws of the United States, any State of the United States or the District of Columbia and the Successor Person (if not a Guarantor or the Issuer) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of such Guarantor under the Indenture and such Guarantor's related Note Guarantee and (II) immediately after giving effect to the transaction, on a Pro Forma Basis, no Event of Default has occurred and is continuing;

(C) the transaction constitutes a sale, lease or other disposition (including by way of consolidation, amalgamation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor otherwise permitted by the Indenture; or

(D) the transaction constitutes a Permitted Reorganization.

Notwithstanding the foregoing (which do not apply to transactions referred to in this sentence), (a) any Guarantor may consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, the Issuer or another Guarantor, (b) the Issuer and the Restricted Subsidiaries may consummate the Transactions, (c) any Guarantor may liquidate, dissolve or wind up if the Issuer determines in good faith that such liquidation, dissolution or winding up is in the best interests of the Issuer and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to the Holders, (d) any Guarantor may consummate a consolidation or merger or conveyance, transfer or lease, the purpose of which is to effect an Investment permitted pursuant to the covenant described under "— Limitation on Restricted Payments", including an Investment that constitutes a Permitted Investment, and (e) any Guarantor may change its legal domicile or reincorporate in another jurisdiction or change its legal form.

Events of Default

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

(1) default in any payment of interest, 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 of acceleration or otherwise;

(3) failure 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 principal amount of the outstanding Notes with any agreement or obligation (other than a default referred to in clause (1) or (2) above) contained in the Indenture; provided that in the case of a failure to comply with the Indenture provisions described under "Reports", such period of continuance of such default or breach shall be 120 days after written notice described in this clause (3) has been given;

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness *("payment default");* or

(b) results in the acceleration of such Indebtedness prior to its stated final maturity (the *"cross acceleration provision*");

and, in each case, the principal amount of any such Indebtedness, together with the 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 to more than the Threshold Amount;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer or any Significant Subsidiary (the *"bankruptcy provisions*");

(6) failure by the Issuer or any Significant Subsidiary to pay final judgments aggregating in excess of the Threshold Amount other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 consecutive days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the *"judgment default provision");* or

(7) any Note Guarantee by a Significant Subsidiary ceases to be in full force and effect, other than in accordance with the terms of the Indenture, or a Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Note Guarantee, other than in accordance with the terms thereof or upon release of such Note Guarantee in accordance with the Indenture (the *"guarantee provision").*

However, a Default under clauses (3), (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes notify the Issuer of the Default and, with respect to clauses (3) and (6), the Issuer does not cure such Default within the time specified in clauses (3) or (6), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above with respect to the Issuer) occurs and is continuing, the Trustee by written notice to the Issuer or the Holders of at least 30% in principal amount of the outstanding Notes by written notice to the Issuer and the Trustee, may declare the principal of, and premium, if any, and accrued and unpaid interest on, all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest 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 (4) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if (X)(I) the event of default or payment default triggering such Event of Default pursuant to clause (4) above shall be remedied or cured, (II) the holders of the Indebtedness that gave rise to such Event of Default pursuant to clause (4) above have either waived the event of default in writing or payment default triggering such Event of Default pursuant to clause (4) above or rescinded or waived in writing the acceleration, notice or action (as the case may be) triggering such Event of Default pursuant to clause (4) above or (III) the Indebtedness that gave rise to such Event of Default pursuant to clause (4) above shall have been discharged in full, in each case under this clause (X), within 30 days after the declaration of acceleration with respect thereto, (Y) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (Z) all existing Events of Default, except nonpayment of principal of, and premium or interest, 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 (5) above with respect to the Issuer occurs and is continuing, the principal of, and premium, if any, and accrued and unpaid interest 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 then outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except a continuing Default with respect to nonpayment of principal, premium or interest) 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.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the *"Initial Default")* occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "Reports" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

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 or security satisfactory to the Trustee against any loss, liability, claim or expense that may be incurred. 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 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 or indemnity satisfactory to the Trustee against any loss, liability, claim or expense;

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

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in 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 will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of such person's 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 satisfactory to it against all losses and expenses that may be caused by taking or not taking such action. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer in writing, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the

Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on, any Note, the Trustee may withhold notice if and so long as the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signer thereof knows of any Default that has occurred and is continuing. The Issuer is required to deliver to the Trustee written notice of any events of which it is aware that constitute a Default, within 30 days after the Issuer becoming aware thereof (unless such Default has been cured or waived within such 30 day period), which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of at least a majority in 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 existing Default or Event of Default or compliance by the Issuer or any Restricted Subsidiary with any provisions thereof may be waived with the consent of the Holders of at least a majority in 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). However, the Indenture will provide that, without the consent of each affected Holder, an amendment or waiver may not with respect to any Notes held by a non-consenting Holder:

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

(2) reduce the 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 (for the avoidance of doubt, other than provisions relating to a Change of Control and Asset Dispositions); provided, any amendment to the minimum notice requirement may be made with the consent of the Holders of a majority in aggregate principal amount of then outstanding Notes;

(5) make any such Note payable in currency other than that stated in such Note;

(6) impair the right of any Holder to institute suit for the enforcement of any right to receive payment of principal of and interest on such Holder's Notes;

(7) 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);

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

(9) 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 Issuer, the Trustee and the Guarantors (with respect to any Note Document to which it is a party), as applicable, may amend or supplement, or waive any provision of, any Note Document to:

(1) cure any ambiguity, omission, mistake, defect, error or inconsistency, conform any provision to this "Description of Notes", to the extent such provision was intended to be a verbatim recitation thereof, as such intention is set forth in an Officer's Certificate, or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer 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);

(4) add to the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect (as determined in good faith by the Issuer);

(6) at the Issuer's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act (it being agreed that the Indenture will not on the Issue Date, and need not thereafter, qualify under the Trust Indenture Act);

(7) make such provisions as necessary (as determined in good faith by the Issuer) for the issuance of Additional Notes;

(8) to add an obligor or Guarantor 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 with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture;

(9) 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;

(10) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including to facilitate the issuance and administration of Notes; provided, however, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Notes in any material respect; or

(11) change its fiscal year, upon written notice to the Trustee and delivery of the financial statements with respect to the Transition Period in accordance with the covenant described under "— Certain Covenants — Reports", in which case the Issuer and the Trustee shall be authorized by the Holders to make any adjustments to the Indenture and the other Notes Documents as are necessary in order to reflect such change in financial reporting.

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.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees 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 Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations 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.

The Issuer at any time may terminate the obligations of the Issuer and the Restricted Subsidiaries under the covenants described under "— Certain Covenants" (other than clauses (1) and (2) of the first paragraph under "— Merger and Consolidation") and "— Change of Control" and the 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 provision, the bankruptcy provisions with respect to the Issuer and Significant Subsidiaries, the judgment default provision and the guarantee provision described under "— Events of Default" above (*"covenant defeasance")*.

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) (with respect only to Significant Subsidiaries), (6) or (7) under "— Events of Default" above.

In order to exercise either defeasance option, the Issuer (x) must irrevocably deposit in trust (the *"defeasance trust")* with the Trustee cash in Dollars or U.S. Government Obligations, or a combination thereof, for the payment of principal of, and premium, if any, and interest on, the Notes to, but excluding, the date of redemption or maturity, as the case may be; provided, upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the *"Applicable Premium Deficit")* only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption; and (y) must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States, subject to customary assumptions and exclusions, confirming that (a) in the case of legal defeasance, (i) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling, or (ii) since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law, in either case of the foregoing clauses (i) and (ii), that based thereon the Holders will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred and (b) in the case of covenant defeasance, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(2) an Opinion of Counsel stating that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of Section 547 of Title 11 of the United States Code, as amended;

(3) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(4) 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; and

(5) with respect to U.S. Government Obligations or a combination of money and U.S. Government Obligations, a certificate from an Independent Financial Advisor expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations *plus* any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium (if any) and interest on the notes to redemption or maturity, as the case may be.

Satisfaction and Discharge

The Indenture will provide that it will be discharged and cease to be of further effect (except as expressly provided for in the Indenture) as to all outstanding Notes when 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 Holders) have been delivered to the Trustee for cancellation; or (b)(i) all Notes not previously delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at their Stated Maturity within one year or (z) 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 Issuer; (ii) the Issuer has deposited or caused to be deposited with the Trustee, money in Dollars or U.S. Government Obligations, or a combination thereof (together with, if U.S. Government Obligations or a combination of money and U.S. Government Obligations are deposited, a certificate from an Independent Financial Advisor to the effect set forth in clause (5) under "— Defeasance"), as applicable, 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, but excluding, the date of deposit (in the case of Notes that have become due and payable), or to, but excluding, the Stated Maturity or redemption date, as the case may be; provided, that (I) upon any redemption that requires the payment of the Applicable Premium, the amount deposited will be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption and (II) any Applicable Premium Deficit will be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit will be applied toward such redemption; (iii) the Issuer has paid or caused to be paid all other sums payable under the Indenture; and (iv) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent under the "— Satisfaction and Discharge" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (b)(i), (b)(ii) and (b)(iii)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member, partner or equityholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any personal liability for any obligations of the Issuer 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

U.S. Bank Trust Company, National Association is to be appointed as Trustee, registrar and paying agent under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting such person's 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 impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

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 then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six 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 loss, liability, taxes, fees and expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the registrar. For so long as any Notes are represented by global notes, all notices to Holders of the Notes will be delivered to DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph, 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 him 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.

Governing Law

The Indenture and the Notes, including any Note Guarantees, and the rights and duties of the parties thereunder, shall be governed by and construed in accordance with the laws of the State of New York.

Limited Condition Transactions

In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of any provision of the Indenture which will require that no Default, Event of Default or specified Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Issuer, be deemed satisfied, so long as no Default, Event of Default or specified Event of Default, as applicable, exists on the date the definitive agreement for such Limited Condition Transaction is entered into.

Furthermore, in connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(1) determining compliance with any provision of the Indenture which will require the calculation of any financial ratio or test, including the Consolidated Coverage Ratio, the Consolidated Total Net Leverage Ratio and the Consolidated Secured Net Leverage Ratio; or

(2) testing availability under baskets to be set forth in the Indenture (including baskets measured as a percentage of Consolidated EBITDA or Total Assets);

in each case, at the option of the Issuer (the Issuer's election to exercise such option in connection with any Limited Condition Transaction, an *"LCT Election"),* the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreement for such Limited Condition Transaction is entered into (the *"LCT Test Date"),* and if, after giving Pro Forma Effect to the Limited Condition Transaction, the Issuer or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Issuer has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Total Assets, at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will be deemed not to have failed to have been satisfied as a result of such fluctuations. If the Issuer has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after 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 for such Limited Condition Transaction or date for redemption, repurchase, defeasance, satisfaction and discharge 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 (a *"Subsequent Transaction"*) in connection with which a ratio, test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under the Indenture, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated.

Certain Definitions

Set forth below are certain defined terms that will be used in the Indenture. For purposes of the Indenture and this Description of Notes, unless otherwise specifically indicated, the term *"consolidated"* with respect to any Person will refer or refers, as applicable, to such Person consolidated with its Restricted Subsidiaries and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

"*2019 Transaction Expenses*" means any fees, costs, or expenses incurred or paid by Holdings, the Issuer or any of their respective Affiliates in connection with the 2019 Transactions (including expenses in connection with hedging transactions (including any currency hedges entered into in connection with the financing of the 2019 Transactions), if any, and payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses, payments on account of phantom units and charges for repurchase or rollover of, or modifications to, equity options and/or restricted equity) and the transactions contemplated thereby.

"2019 Transactions" means, collectively, the transactions constituting or contemplated by (i) the 2024 Notes Indenture, (ii) the acquisition of certain assets of Amcor Flexibles LLC pursuant to the terms of the asset purchase agreement, dated as of April 20, 2019, by and between Tekni-Plex Flexibles, LLC, Tekni-Plex Inc. and Amcor Flexibles LLC, (iii) the acquisition of all of the outstanding share capital of Schema L S.p.A. pursuant to the terms of the sale and purchase agreement, dated as of June 20, 2019, by and among Tekni-Plex Inc., Schema L S.p.A. and the sellers party thereto and (iv) the acquisition of all of the outstanding share capital of Geraldiscos Comércio, Indústria e Representações de Cortiça Ltda. pursuant to the terms of the quota purchase agreement, dated as of July 2, 2019, by and among Tekni-Plex Brasil Participações Ltda., Geraldiscos Comércio, Indústria e Representações de Cortiça Ltda. and the sellers party thereto.

"2023 Transactions" has the meaning provided in this offering memorandum.

"*2024 Notes*" means the Issuer's 9.250% senior unsecured notes due 2024 that were issued on July 24, 2019 under the 2024 Notes Indenture.

"*2024 Notes Indenture*" means that certain Indenture dated as of July 24, 2019, by and among the Issuer, the guarantors party thereto from time to time and U.S. Bank National Association, a national banking association, as trustee, as amended, restated, supplemented or otherwise modified from time to time.

"*2025 Notes*" means the Issuer's 6.625% senior unsecured notes due 2025 that were issued on the Original Issue Date under the 2025 Notes Indenture.

"*2025 Notes Indenture*" means that certain Indenture dated as of the Original Issue Date, by and among the Issuer, the guarantors party thereto from time to time and U.S. Bank National Association, a national banking association, as trustee, as amended, restated, supplemented or otherwise modified from time to time.

"ABL Borrowing Base" means the "Borrowing Base" (or analogous term) as defined in the ABL Credit Agreement.

"ABL Credit Agreement" means the ABL Credit Agreement entered into on the Original Issue Date by and among Holdings, the Issuer, the Subsidiaries of Holdings party thereto from time to time (if any), BMO Harris Bank N.A., as the administrative agent, the collateral agent, a letter of credit issuer, a swingline lender and a lender, each lender from time to time party thereto and each other agent named therein, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and other collateral documents), as amended by the First Amendment, dated as of October 17, 2018, the Second Amendment, dated as of August 16, 2021, and the Third Amendment and Incremental Facility Agreement, dated as of March 31, 2022, and as further amended, restated, amended and restated, supplemented or otherwise modified or renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original credit agreement or one or more other credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for revolving credit loans, term loans, letters of credit or other Indebtedness) from time to time.

"Acquired Indebtedness" means, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Additional Assets" means:

(1) any property or assets (other than Capital Stock) used or to be used by the Issuer or a Restricted Subsidiary or otherwise useful in a Similar Business or otherwise intended to replace any property or assets that are the subject of such Asset Disposition;

(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 Issuer or a Restricted Subsidiary of the Issuer; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Issuer.

"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.

"AHYDO Payment" means any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Code Section 163(i).

"Applicable Premium" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the outstanding principal amount of such Note and

(2) the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) the redemption price of such Note at December 31, 2025 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "— Optional Redemption"), plus (ii) all required remaining scheduled interest payments due on such Note to and excluding such date set forth in clause (i) (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Applicable Treasury Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Note on such redemption date; in each case, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

"Applicable 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) which has become publicly available at least two Business Days (but not 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 Issuer in good faith)) most nearly equal to the period from the redemption date to December 31, 2025; provided, however, that if the period from the redemption date to December 31, 2025 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to such applicable date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Asset Disposition" means:

(a) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Leaseback Transaction) of the Issuer or any of its Restricted Subsidiaries (in each case other than Capital Stock of the Issuer) (each referred to in this definition as a "disposition"); or

(b) the issuance or sale of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" or directors' qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions;

in each case under the foregoing clauses (a) and (b), other than:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary, including the disposition of intellectual property or other general intangibles pursuant to any Intercompany License Agreement;

(2) a disposition of cash, Cash Equivalents or Investment Grade Securities;

(3) a disposition of goods, inventory or other assets in the ordinary course of business or consistent with past practice (including allowing any registrations or any applications for registrations of

any intellectual property rights to lapse, expire or go abandoned in the ordinary course of business or consistent with past practice);

(4) a disposition of obsolete, worn-out, uneconomic, damaged or surplus property, equipment or other assets or property, equipment or other assets (including any leasehold property interests) that are no longer economically practical or commercially desirable to maintain or used or useful in the business of the Issuer and its Restricted Subsidiaries, in each case, whether now or hereafter owned or leased or acquired in connection with an acquisition;

(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 Issuer 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 Issuer or a Parent Entity;

(7) any dispositions of assets or any issuance or sale of Capital Stock of any Restricted Subsidiary in a single transaction or series of related transactions with an aggregate fair market value of less than the greater of (x) $40.0 million and (y) 10% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period at the time of such disposition or issuance or sale, as applicable;

(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 Investment;

(9) dispositions, including the incurrence of Liens that would otherwise constitute a disposition, in connection with the incurrence of Permitted Liens;

(10) dispositions of receivables (including write-offs, discounts and compromises) in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practice or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) (x) conveyances, sales, transfers, licenses or sublicenses or other dispositions of intellectual property, software or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business or consistent with past practice or pursuant to a research or development agreement in which the counterparty to such agreement receives a license in the intellectual property or software that result from such agreement and (y) the statutory expiration of any intellectual property;

(12) foreclosure, condemnation, expropriation or any similar action with respect to any property or other assets or casualty or insured damage to assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practice, or the conversion or exchange of accounts receivable for notes receivable;

(14) any issuance, disposition or pledge of Capital Stock, Indebtedness or other securities 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 Issuer 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) (i) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is purchased within 270 days thereof, (ii) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is purchased within 270 days thereof) and (iii) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(17) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility;

(18) any financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Issuer or any Restricted Subsidiary, including Sale and Leaseback Transactions and asset securitizations, permitted by the Indenture;

(19) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to, customary buy/sell arrangements between the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(20) (i) the termination or otherwise collapsing of its cost sharing agreements with the Issuer or any Subsidiary and settlement of any crossing payments in connection therewith, (ii) the conversion of any intercompany Indebtedness to Capital Stock or any Capital Stock to intercompany Indebtedness, (iii) the transfer of any intercompany Indebtedness to the Issuer or any Restricted Subsidiary, (iv) the settlement, discount, write off, forgiveness or cancellation of any intercompany Indebtedness or other obligation owing by the Issuer or any Restricted Subsidiary, (v) the settlement, discount, writeoff, forgiveness or cancellation of any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of the Issuer, any Parent Entity, or any Subsidiary thereof or any of their successors or assigns or (vi) the surrender or waiver of contractual rights and settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind;

(21) the settlement or unwinding of any obligations in respect of Cash Management Services or any Hedging Obligations pursuant to their respective terms;

(22) any sales, transfers, leases and other dispositions made in order to effect the Transactions or any Permitted Reorganization;

(23) samples provided to customers or prospective customers;

(24) other dispositions (including those of the type otherwise described herein) made after the Issue Date of assets with a fair market value not to exceed the greater of (a) $40.0 million and (b) 10% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) in any fiscal year of the Issuer;

(25) any disposition in connection with Permitted Sale and Leasebacks in an aggregate principal amount not to exceed the greater of (x) $140.0 million and (y) 34% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at any time;

(26) any disposition of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted under the Indenture, or disposition required to obtain antitrust or other governmental approval of a Permitted Acquisition or other Investment permitted under the Indenture;

(27) any swap of assets in exchange for services or other assets in the ordinary course of business for comparable or greater fair market value or usefulness to the business of the Issuer and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Issuer; or

(28) leases, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license (and terminations thereof), in each case in the ordinary course of business and

which do not materially interfere with the business of the Issuer and the Restricted Subsidiaries, taken as a whole.

For purposes of determining whether any such transaction or series of transactions constitute an "Asset Disposition", in that event that such transaction or series of transactions (or portion thereof) meets the criteria of more than one of the categories described in clauses (1) through (28) above, the Issuer will be entitled to classify such transaction or series of transactions (or portion thereof) on the date of its consummation, or later reclassify such transaction or series of transactions (or portion thereof), among such clauses (1) through (28) above in any manner that otherwise complies with this definition.

"Bank Products" means, collectively, any services or facilities (other than Cash Management Services or any borrowing under the Term Loan Credit Agreement) on account of (i) credit and debit cards and (ii) purchase cards and other card payment products.

"Board of Directors" means (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the 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; (3) with respect to a limited liability company, the managing member or members or any duly authorized controlling committee thereof; and (4) 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 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).

"Broker-Dealer Subsidiary" means any Subsidiary of the Issuer that is registered as a broker-dealer under the Exchange Act or any other applicable law requiring similar registration.

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York, United States are authorized or required by law to close.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with GAAP, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person; provided that all leases of any Person that are or would have been treated as operating leases (including for avoidance of doubt, any network lease or any operating indefeasible right of use) or as "failed" sale leasebacks for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the "ASU") shall continue to be accounted for as operating leases or "failed" sale leasebacks, as applicable, for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating leases or "failed" sale leasebacks were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as Capital Leases in the financial statements to be delivered pursuant to "— Certain Covenants — Reports".

"Capital Stock" of any Person means any and all shares of, rights to purchase, warrants, options or depositary receipts 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, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; provided that all obligations of any Person that are or would have been treated as operating leases (including for avoidance of doubt, any network lease or any operating indefeasible right of use) or as "failed" sale leasebacks for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of the ASU shall continue to be accounted for as operating lease obligations or "failed" sale leasebacks, as applicable, for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations or "failed" sale leasebacks were in effect on such date) notwithstanding the fact that such obligations are required

in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as Capitalized Lease Obligations in the financial statements to be delivered pursuant to "— Certain Covenants — Reports".

"Capitalized Software Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries.

"Cash Equivalents" means:

(1) (a) Dollars, Euros, Pounds Sterling, Canadian Dollars, or any national currency of any Participating Member State in the European Union or (b) local currencies held from time to time in the ordinary course of business;

(2) securities issued or directly and fully and unconditionally guaranteed or insured by the United States government or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(3) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of at least $100.0 million (or the equivalent thereof as of the date of determination);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above and clause (8) below entered into with any Person referenced in clause (3) above;

(5) commercial paper rated at least P-2 (or the equivalent thereof) by Moody's or at least A-2 (or the equivalent thereof) by S&P and in each case maturing within 24 months after the date of creation thereof;

(6) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 (or, in either case, the equivalent thereof) from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof;

(7) readily marketable direct obligations issued by any state, commonwealth, or territory of the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition;

(8) Indebtedness or preferred Capital Stock issued by Persons with a rating of "A" (or the equivalent thereof) or higher from S&P or "A2" (or the equivalent thereof) or higher from Moody's with maturities of 24 months or less from the date of acquisition;

(9) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank

being an *"Approved Foreign Bank"),* and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by entities for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction;

(10) in the case of investments by any Foreign Subsidiary or investments made in a country outside the United States, Cash Equivalents shall also include (A) investments of the type and maturity described in clauses (1) through (8) above of foreign obligors, which investments have ratings, described in such clauses or equivalent ratings from comparable foreign rating agencies and (B) other short-term investments utilized by non-US Persons in accordance with ordinary course investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (8) above; and

(11) investment funds investing all or substantially all of their assets in securities of the types described in clauses (1) through (8) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than set forth in clause (1) above; provided that such amounts will be converted into currencies listed in clause (1) within 20 Business Days following receipt of such amounts.

"Cash Management Services" means any one or more of the following types of services or facilities: (a) ACH transactions, (b) treasury and/or cash management services, including, controlled disbursement services, depository, overdraft and electronic funds transfer services, (c) foreign exchange facilities, (d) deposit and other accounts, and (e) merchant services (other than those constituting a line of credit). For the avoidance of doubt, Cash Management Services do not include Hedging Obligations.

"Change of Control" means:

(1) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by (A) any Person (other than any Permitted Holder) or (B) Persons (other than any Permitted Holders) that are together (1) a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), or (2) acting, for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(l) under the Exchange Act), as a group, in a single transaction or in a related series of transactions, by way of merger, amalgamation, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of 50% or more of the total voting power of the Voting Stock of the Issuer directly or indirectly through any of its direct or indirect parents holding directly or indirectly 100% of the voting power of the Voting Stock of the Issuer, other than in each case, in connection with any transaction or series of transactions in which the Issuer shall become the Wholly-Owned Subsidiary of a Parent Company; or

(2) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions (other than by way of merger, consolidation or amalgamation or other business combination transaction) of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to any Person other than a Restricted Subsidiary or one or more Permitted Holders.

Notwithstanding anything to the contrary in this definition or any provision of Rule 13d-3 of the Exchange Act (or any successor or similar provision), (i) a Person or group shall not be deemed to beneficially own Voting Stock (x) to be acquired by such Person or group until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement or (y) solely as a result of veto or approval rights in any joint venture agreement, shareholder agreement, investor rights agreement or other similar agreement, (ii) if any group (other than a Permitted Holder) includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Issuer owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred, (iii) a Person or group (other than Permitted Holders) will not be deemed to beneficially own Voting Stock of another Person as a result of its ownership of equity interests or other securities of such other Person's direct or indirect parent holding companies (or related contractual rights) unless it owns more than 50% of the total voting power of the Voting Stock of such Person's direct or indirect parent holding companies and (iv) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

For purposes of this definition and any related definition to the extent used for purposes of this definition, at any time when 50.0% or more of the total voting power of the Voting Stock of the Issuer is directly or indirectly owned by parent holding companies, all references to the Issuer shall be deemed to refer to its ultimate parent holding company (but excluding any Permitted Holder) that directly or indirectly owns such Voting Stock.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Consolidated Coverage Ratio" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person and its Restricted Subsidiaries for the applicable Test Period to the Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such Test Period.

In the event that the Issuer or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, repays, defeases, retires or extinguishes any Indebtedness (in each case, other than Indebtedness incurred or repaid under any revolving credit facility or line of credit in the ordinary course of business for working capital purposes) or issues or redeems Disqualified Stock, in each case, (i) during the applicable Test Period for which the Consolidated Coverage Ratio or any other financial ratio or test under the Indenture is being calculated or (ii) subsequent to the end of such Test Period and prior to or simultaneously with the event for which the calculation of the Consolidated Coverage Ratio or such other financial ratio or test under the Indenture is made (the " *Ratio Calculation Date"),* then the Consolidated Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, Guarantee, redemption, repayment, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock, as the case may be, as if the same had occurred at the beginning of the applicable Test Period (and for the purposes of the numerator of each of the Consolidated Total Net Leverage Ratio and the Consolidated Secured Net Leverage Ratio, as if the same had occurred on the last day of the applicable Test Period).

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Restricted Subsidiaries during the applicable Test Period or subsequent to the end of such Test Period and prior to or simultaneously with the Ratio Calculation Date shall be calculated on a pro forma basis assuming that all Specified Transactions (and the change in any associated interest coverage obligations, change in Consolidated EBITDA and the component financial definitions used therein or change in Total Assets, as applicable, attributable to any Specified Transaction) had occurred on the first day of such Test Period. If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such Test Period shall have made any Investment, acquisition, disposition, merger, consolidation or amalgamation or any other Specified Transaction that would have required adjustment pursuant to this definition, then the Consolidated Coverage Ratio or any other financial ratio or test being calculated pursuant to the Indenture shall be calculated giving pro forma effect thereto for such Test Period as if such Investment, acquisition, disposition, merger, consolidation or amalgamation or any other Specified Transaction had occurred at the beginning of such Test Period.

For purposes of this definition and the definitions of "Consolidated Total Net Leverage Ratio" and "Consolidated Secured Net Leverage Ratio", whenever pro forma effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Issuer and may include, for the avoidance of doubt, the amount of "run-rate" cost savings, operating expense reductions, synergies and changes in revenue resulting from or relating to such Specified Transaction projected by the Issuer in good faith to be realized as a result of actions taken or with respect to which substantial steps have been taken or are expected to be taken (calculated on a pro forma basis as though such cost savings, operating expense reductions, synergies and changes in revenue had been realized on the first day of such period and as if such cost savings, operating expense reductions, synergies and changes in revenue were realized during the entirety of such period and such that "run-rate" means the full recurring benefit for a period that is associated with any action taken, for which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements) net of the amount of actual benefits realized during such period from such actions), and any such adjustments shall be included in the initial pro forma calculations of such financial ratios or tests relating to such Specified Transaction (and in respect of any subsequent pro forma calculations in which such Specified Transaction is given pro forma effect) and during any applicable subsequent Test Period for any subsequent calculation of such financial ratios and tests; provided that (A) such amounts are reasonably identifiable and factually supportable in the good faith judgment of the Issuer, (B) such actions are taken or substantial steps with respect to such actions are or are expected to be taken no later than 24 months after the date of such Specified Transaction, and (C) no amounts shall be added to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA (or any other components thereof), whether through a pro forma adjustment or otherwise, with respect to such period.

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 Ratio Calculation Date had been the applicable rate for the entire applicable Test Period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. 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 Issuer may designate.

"Consolidated Depreciation and Amortization Expense" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures (including Capitalized Software Expenditures), expenditures relating to software, license and intellectual property payments, any lease related assets recorded in purchase accounting, customer acquisition costs, original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

(1) increased by (without duplication):

(a) taxes paid and any provision for property taxes and for taxes based on income or profits or capital (including pursuant to any tax sharing arrangements), including U.S. federal, state, non-U.S., franchise, excise, value added and similar taxes and foreign withholding taxes and foreign unreimbursed value added taxes of such Person and its Restricted Subsidiaries paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examinations, deducted (and not added back) in computing Consolidated Net Income; plus

(b) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period (including (1) net payments and losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Consolidated Interest Expense), together with letter of credit fees and items excluded from the definition of "Consolidated Interest Expense" and any non-cash interest expense, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; plus

(c) Consolidated Depreciation and Amortization Expense of such Person and its Restricted Subsidiaries for such period to the extent the same were deducted in computing Consolidated Net Income; plus

(d) any non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments; plus

(e) any other non-cash charges, expenses or losses, including any non-cash expense relating to the vesting of warrants, non-cash asset retirement costs and any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Issuer may determine not to add back such non-cash charge in the current period and (2) to the extent the Issuer does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); plus

(f) the amount of any minority interest expense consisting of Restricted Subsidiary income attributable to minority equity interests of third parties in any non-Wholly-Owned Restricted Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income; plus

(g) the amount of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) and indemnities and expenses paid or accrued in such period to the Permitted Holders or other persons with a similar interest in the Issuer or any Parent Entity; plus

(h) [reserved]; plus

(i) the amount of "run-rate" cost savings, operating expense reductions, synergies (including product margin, product cost and revenue synergies) and changes in revenue (including, in each case, to the extent applicable, from the Original Transactions, the 2019 Transactions and the Transactions) (collectively, the *"Run Rate Adjustments")* (without duplication of any amounts added back pursuant to pro forma adjustments set forth in the definition of "Consolidated Coverage Ratio" in connection with Specified Transactions) that are projected by the Issuer in good faith to result from actions taken or with respect to which substantial steps have been taken or are expected to be taken within 24 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which Run Rate Adjustments shall be calculated on a pro forma basis as though such Run Rate Adjustments had been realized on the first day of such period); provided that such cost savings, operating expense reductions, synergies (including product margin, product cost and revenue synergies) and changes in revenue in the good faith judgment of the Issuer are reasonably identifiable and factually supportable and it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action either taken or with respect to which substantial steps have been taken or are expected to be taken within 24 months of the determination to take such action; plus

(j) (i) the amount of loss or discount on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing and (ii) charges or expenses incurred in connection with any other factoring or similar arrangement; plus

(k) the percentage ownership of any joint venture that is accounted for under the equity method attributable to the Issuer; plus

(l) the amount of costs, charges and expenses relating to payments made to option holders of any direct or indirect parent of the Issuer in connection with, or as a result of, any distribution being made to equityholders of such Person, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; plus

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a), (b) and (c) above relating to such joint venture corresponding to the Issuer's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary); plus

(n) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith or other enhanced accounting functions and Public Company Costs; plus

(o) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; plus

(p) the amount of any cost, charge, accrual, reserve or expense incurred or accrued in connection with any single or one-time event, including in connection with legal and consulting fees and expenses in connection with litigation; plus

(q) any net loss from disposed, abandoned, transferred, closed or discontinued operations (excluding, at the option of the Issuer, held for sale discontinued operations until actually disposed of); plus

(r) charges or expenses in connection with union contract renewals and related negotiations (including management travel expenses and legal and other third-party costs); plus

(s) at the option of the Issuer, (A) the excess of GAAP rent expense over actual cash rent paid, including the benefit of lease incentives (in the case of a charge) during such period due to the use of straight line rent or the application of fair value adjustments made as a result of recapitalization or purchase accounting, in each case, for GAAP purposes, (B) the non-cash amortization of tenant allowances and (C) the cash portion of sublease rentals received by such Person; provided that, in each case, if any such non-cash charge represents an accrual or reserve for potential cash items in any future period, (x) such Person may elect not to add back such non-cash charge in the current period and (y) to the extent the Issuer elects to add back such non-cash charges, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA (as a deduction in calculating net income or otherwise) to such extent; plus

(t) the amount of travel expenses, payroll taxes, indemnification payments, director's fees and any other charges, costs, expenses, accruals or reserves incurred in connection with, or amounts payable to, any director of the board of the Issuer or any Parent Entity in connection with such director serving as a member of such board of directors and performing his or her duties in respect thereof; and

(2) decreased by (without duplication):

(a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period; *provided* that, to the extent non-cash gains are deducted pursuant to this clause (2)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein; plus

(b) any net income from disposed, abandoned, transferred, closed or discontinued operations (excluding, at the option of the Issuer, held for sale discontinued operations until actually disposed of); plus

(c) the amount of gain on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing.

For the avoidance of doubt: (i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under GAAP or an alternative basis of accounting applied in lieu of GAAP, (ii) to the extent any add-backs or deductions are reflected in the calculation of Consolidated Net Income, such add-backs and deductions shall not be duplicated in determining Consolidated EBITDA and (iii) Consolidated EBITDA shall be calculated giving effect to pro forma adjustments as set forth in the definition of "Consolidated Coverage Ratio".

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated EBITDA shall refer to the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated cash interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (x) all commissions, discounts, and other fees and charges owed with respect to letters of credit or bankers acceptances, (y) capitalized interest to the extent paid in cash, and (z) net payments (over payments received), if any, made pursuant to interest rate Hedging Obligations with respect to Indebtedness); plus

(2) any cash payments made during such period in respect of the accretion or accrual of discounted liabilities referred to in clause (i) below relating to Funded Debt that were amortized or accrued in a previous period; plus

(3) any cash dividend paid or payable in respect of Disqualified Stock during such period (other than to the Issuer or any Restricted Subsidiary); less

(4) cash interest income for such period;

provided, the following shall in all cases be excluded from Consolidated Interest Expense:

(a) any one-time cash costs associated with breakage in respect of Hedging Obligations to the extent such costs would be otherwise included in Consolidated Interest Expense;

(b) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with GAAP;

(c) any "additional interest" owing pursuant to a registration rights agreement;

(d) non-cash interest expense attributable to a Parent Entity resulting from push-down accounting, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(e) any non-cash expensing of bridge, commitment, and other financing fees that have been previously paid in cash, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(f) deferred financing costs, debt issuance costs, commissions, fees (including amendment and contract fees) and expenses and, in each case, the amortization and write-off thereof, and any amounts of non-cash interest;

(g) annual agency fees paid to any administrative agent or collateral agent under any credit facilities or other debt instruments or documents;

(h) costs associated with obtaining Hedging Obligations;

(i) the accretion or accrual of discounted liabilities;

(j) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedging Obligations or other derivative instruments pursuant to FASB Accounting Standards Codification 815;

(k) any non-cash expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase accounting in connection with the Original Transactions, the 2019 Transactions, the Transactions or any acquisition;

(l) commissions, discounts, yield, and other fees and charges (including any interest expense) related to any Receivables Facility or any Securitization Facility or any other factoring or similar arrangement; and

(m) any prepayment premium or penalty.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; provided that, without duplication:

(1) (a) any after-tax effect of extraordinary, exceptional, non-recurring, or unusual gains or losses (less all fees and expenses relating thereto), charges or expenses (including relating to the Original Transactions, the 2019 Transactions and the Transactions) and special items, (b) severance, recruiting, retention and relocation costs, charges and expenses (including headhunter fees), (c) signing, completion and stay bonuses and related costs, charges and expenses, transaction, refinancing, and special bonuses paid in connection with dividends and distributions to equity holders, (d) curtailments or modifications to pension and post-retirement employee benefits plans, (e) start-up, transition, strategic initiative (including any multi-year strategic initiative), and integration costs and duplicative costs, charges or expenses, (f) restructuring costs, charges, reserves or expenses (including those related to tax restructuring, inventory optimization programs, software development and training costs), (g) costs, charges and expenses related to acquisitions and to the start-up, pre-opening, opening, closure, relocation, and/ or consolidation of distribution centers, operations, offices, facilities and plants, and unused warehouse or office space costs, (h) business optimization costs, charges or expenses, (i) costs, charges and expenses incurred in connection with new product design, development and introductions, (j) costs and expenses incurred in connection with intellectual property development and new systems design, (k) costs and expenses incurred in connection with implementation, replacement, development or upgrade of operational, reporting and information technology systems and technology initiatives, (l) any costs, expenses or charges relating to any governmental investigation or any litigation or other dispute

(including costs of and payments of actual or prospective legal settlements, fines, judgments or orders), (m) one-time compensation charges, (n) any professional and consulting fees, (o) any costs, charges, accruals, reserves or expenses attributable to the undertaking and/or implementation of cost savings initiatives, operating expense reductions, operating improvements, business optimization, synergies (including product margin, product cost and revenue synergies) and similar initiatives and reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, contract termination costs and future lease commitments, and (p) costs related to entry into new markets or geographies and new product launches, shall, in each case, be excluded;

(2) the Net Income for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period;

(3) any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed, or discontinued operations (and facilities, plants or distribution centers that have been closed, or temporarily shut down or idled) shall be excluded;

(4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the Board of Directors (or analogous governing body) of the Issuer, shall be excluded;

(5) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Issuer shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents of the Issuer or any of its Restricted Subsidiaries) to the Issuer or a Restricted Subsidiary thereof in respect of such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "— Certain Covenants — Limitation on Restricted Payments", the Net Income for such period of any Restricted Subsidiary (other than any Subsidiary Guarantor) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its equityholders, unless such restriction with respect to the payment of dividends or similar distributions (a) has been legally waived or otherwise released, (b) is imposed pursuant to the Indenture, the Credit Agreement, or any other Credit Facility, or (c) arises pursuant to an agreement or instrument if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than the encumbrances and restrictions contained in the Indenture (as determined by the Issuer in good faith); provided that Consolidated Net Income of the referent Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to such Person or a Restricted Subsidiary in respect of such period, to the extent not already included therein;

(7) effects of adjustments (including the effects of such adjustments pushed down to the Issuer and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by Financial Accounting Standards Codification No. 805 — Business Combinations and No. 350 — Intangibles — Goodwill and Other (ASC 805 and ASC 350) (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting, including in relation to the Original Transactions, the 2019 Transactions, the Transactions and any acquisition or

investment that is consummated or the amortization or write-off of any amounts thereof, in either case net of taxes, shall be excluded;

(8) any after-tax effect of any income (loss) from the early extinguishment or conversion of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid);

(9) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation or in connection with any disposition of assets, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(10) any non-cash compensation expense recorded from grants of equity appreciation or similar rights, phantom equity, equity options units, restricted equity, or other rights to officers, directors, managers, or employees, (b) non-cash income (loss) attributable to deferred compensation plans or trusts, (c) any non-cash compensation expense resulting from the application of Accounting Standards Codification Topic No. 718, Compensation — Stock Compensation or Accounting Standards Codification Topic No. 505-50, Equity-Based Payments to Non-Employees, (d) any costs or expense or charge incurred by the Issuer or any Restricted Subsidiary pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement, including any fair value adjustments that may be required under liquidity puts for such arrangements, (e) any costs or expense or charge in connection with the rollover, acceleration or payout of Capital Stock held by management of the Issuer, any Parent Entity and/or any of its subsidiaries to the extent that such cost, expense or charge is funded with cash proceeds contributed to the capital of the Issuer or net cash proceeds of an issuance of Capital Stock of the Issuer (or any Parent Entity) (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (c) of the first paragraph of the covenant described under "— Certain Covenants — Limitation on Restricted Payments" and have not been relied on for purposes of any incurrence of Indebtedness under clause (10) of the second paragraph of the covenant described in "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" and (f) charges, costs, or expenses incurred in respect of bonus payments pursuant to employee incentive programs (including any bonus plans) that exceed 100% of the total amount projected for such payments, in each case, shall be excluded;

(11) any fees, charges, losses, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with or related to any acquisition (including any Permitted Acquisition), Restricted Payment, Investment, recapitalization, asset sale, refinancing, issuance, incurrence, registration or repayment or modification of Indebtedness, issuance or offering of Capital Stock, refinancing transaction, or amendment, modification or waiver in respect of the documentation relating to any such transaction (in the case of each such transaction described in this clause (11), including any such transaction undertaken or consummated prior to the Issue Date, the Original Transactions, the 2019 Transactions, the Transactions and any such transaction undertaken but not completed and including, for the avoidance of doubt, (1) the effects of expensing all transaction-related expenses in accordance with Accounting Standards Codification Topic No. 805 — Business Combinations, (2) such fees, expenses, or charges related to the Incurrence of the Notes under the Indenture, the Existing Notes, the loans under the Credit Agreements and all Original Transaction Expenses, 2019 Transaction Expenses and Transaction Expenses, (3) such fees, expenses, or charges related to the entering into or offering of the Notes under the Indenture, the Existing Notes, the loans under the Credit Agreements and any other credit facilities or debt issuances (including any initial and ongoing fees or expenses payable to rating agencies) or the entering into of any agreement in connection with Hedging Obligations, and (4) any amendment, modification or waiver in respect of the Notes, the Indenture, the Existing Notes, the Existing Notes Indentures,

any Credit Agreement or the loans thereunder, or any other Indebtedness) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded;

(12) (a) accruals and reserves (including contingent liabilities) that are (x) established or adjusted within 12 months after the offering of the Notes that are so required to be established as a result of the Original Transactions, (y) established or adjusted within 12 months after the closing of any Permitted Acquisition or any other acquisition (other than any such other acquisition in the ordinary course of business) that are so required to be established or adjusted as a result of such Permitted Acquisition or such other acquisition, in each case in accordance with GAAP or (z) established or adjusted within twelve months after the Issue Date that are so required to be established as a result of the Transactions, or (b) charges, accruals, expenses and reserves as a result of adoption or modification of accounting policies, shall be excluded;

(13) to the extent covered by insurance and actually reimbursed, or, so long as the Issuer has made a good faith determination that it expects to receive reimbursement within 365 days (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), the amount of any loss, fee, cost, expense or reserve with respect to liability or casualty events or business interruption shall be excluded;

(14) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Original Transactions, or the release of any valuation allowance related to such items, shall be excluded;

(15) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards Nos. 87, 106 and 112, and any other items of a similar nature, shall be excluded;

(16) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, Guarantees, or any comparable regulation, shall be excluded;

(17) earn-out obligations and other contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise (and including deferred performance incentives in connection with Permitted Acquisitions or other investments whether or not a service component is required from the transferor or its related party)) and adjustments thereof and purchase price adjustments, shall be excluded;

(18) to the extent actually reimbursed or reimbursable by third parties pursuant to indemnification or reimbursement provisions or similar agreements or insurance, fees, costs, expenses or reserves incurred to the extent covered by indemnification provisions in any agreement in connection with any sale of Capital Stock, acquisition, Investment, Restricted Payment, Asset Disposition, recapitalization, mergers, consolidations or amalgamations, option buyouts or incurrences, repayments, refinancings, amendments or modifications of Indebtedness (in each case, including any such transaction consummated prior to the Issue Date) shall be excluded; and

(19) (a) any unrealized or realized net gain or loss resulting from currency translation or transaction gains or losses impacting net income (including currency remeasurements of Indebtedness) and any foreign currency translation or transaction gains or losses shall be excluded, including those resulting from intercompany Indebtedness and (b) any unrealized and realized net gains and losses resulting from Hedging Obligations in accordance with GAAP or any other derivative instrument pursuant the application of Accounting Standards Codification Topic Number 815 “Derivatives and Hedging” shall be excluded.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries in any period, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance.

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated Net Income shall refer to the Consolidated Net Income of the Issuer.

"Consolidated Secured Indebtedness" means Consolidated Total Indebtedness as of such date that is secured by a Lien.

"Consolidated Secured Net Leverage Ratio" means, as of any date of determination, the ratio of (x) Consolidated Secured Indebtedness of the Issuer and the Guarantors, minus cash and Cash Equivalents of the Issuer and the Restricted Subsidiaries to the extent not designated as restricted on the consolidated balance sheet of the Issuer and the Restricted Subsidiaries to (y) the aggregate amount of Consolidated EBITDA for the most recently ended Test Period, in each case with such pro forma adjustments as are consistent with the pro forma adjustments set forth in the definition of "Consolidated Coverage Ratio".

"Consolidated Total Indebtedness" means, as at any date of determination, an amount equal to the aggregate principal amount of all outstanding Indebtedness of the Issuer and the Restricted Subsidiaries that would be reflected on a consolidated balance sheet (but excluding the notes thereto) prepared as of such date on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Original Transactions, the 2019 Transactions, the Transactions or any Permitted Acquisition or any other acquisition permitted under the Indenture) consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations and purchase money debt, drawn and unreimbursed letters of credit (to the extent set forth in the immediately succeeding proviso) and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); provided that Consolidated Total Indebtedness shall not include letters of credit, except, solely with respect to any standby letter of credit, to the extent of unreimbursed obligations in respect of any such drawn standby letter of credit (provided that any unreimbursed obligations in respect of any such drawn standby letter of credit shall not be included as Consolidated Total Indebtedness until one Business Day after such amount is due and payable by the Issuer or any Restricted Subsidiary).

"Consolidated Total Net Leverage Ratio" means, as of any date of determination, the ratio of (x) Consolidated Total Indebtedness, minus cash and Cash Equivalents of the Issuer and the Restricted Subsidiaries to the extent not designated as restricted on the consolidated balance sheet of the Issuer and the Restricted Subsidiaries to (y) the aggregate amount of Consolidated EBITDA for the most recently ended Test Period, in each case with such pro forma adjustments as are consistent with the pro forma adjustments set forth in the definition of "Consolidated Coverage Ratio".

"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 Agreements" means any of (i) the Term Loan Credit Agreement, (ii) the ABL Credit Agreement and (iii) any one or more agreements (and related documents) governing Indebtedness, including credit agreements, indentures, financing agreements or otherwise, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or

adding or removing any Person as a borrower, issuer or guarantor thereunder) in whole or in part, the borrowings and commitments then outstanding or permitted to be outstanding under the Term Loan Credit Agreement or the ABL Credit Agreement, as applicable, or one or more successors to the Term Loan Credit Agreement or the ABL Credit Agreement, as applicable, or one or more new credit agreements, indentures, financing agreements or otherwise, in each case under clauses (i), (ii) and (iii), unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Credit Agreement.

"Credit Facility" means, with respect to the Issuer or any of its Subsidiaries, one or more of (i) any facility under any Credit Agreement and (ii) any other facilities, indentures or other arrangements (including commercial paper facilities and overdraft facilities), in each case, with one or more banks, other financial institutions, lenders 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 or the creation of any Liens in respect of such receivable in favor of such institutions), letters of credit or other Indebtedness, in each case, as amended, restated, amended and restated, supplemented or otherwise modified or 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 administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original credit agreement or one or more other credit 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, any letters of credit and reimbursement obligations related thereto, any Guarantee and 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 Issuer 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.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Designated Non-Cash Consideration" means the fair market value of non-cash consideration received by the Issuer or 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 or Cash Equivalents 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 Preferred Stock" means Preferred Stock of the Issuer or a Parent Entity (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preferred Stock" pursuant to an Officer's Certificate of the Issuer 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 first paragraph of the covenant described under "— Certain Covenants — Limitation on Restricted Payments".

"Disinterested Director" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Issuer having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Issuer shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any options, warrants or other rights in respect of such Capital Stock.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, in whole or in part, in each case, prior to the Stated Maturity of the Notes; provided that if such Capital Stock is issued to any plan for the benefit of any employee, director, officer, manager or consultant of the Issuer or its Subsidiaries or by any such plan to such employee, director, officer, manager or consultant, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such employee, director, officer, manager or consultant.

"Dollars" or "$" means the lawful money of the United States.

"Domestic Subsidiary" means, with respect to any Person, any Restricted Subsidiary of such Person that is organized under the laws of the United States, any state thereof or the District of Columbia.

"DTC" means The Depository Trust Company or any successor securities clearing agency.

"Equity Offering" means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock, Designated Preferred Stock or Capital Stock issued to any Subsidiary of the Issuer) 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) a sale of Capital Stock or other securities by a Parent Entity (other than Disqualified Stock, Designated Preferred Stock or Capital Stock issued to the Issuer or any Subsidiary of the Issuer), the proceeds of which are contributed to the equity (other than through an Excluded Contribution) of the Issuer or any of its Restricted Subsidiaries.

"Euro" means the single currency of Participating Member States.

"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, the fair market value of marketable securities or property or assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business, in each case, received by the Issuer as capital contributions to the common equity of the Issuer or from the issuance or sale (other than to a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or to any management equity plan or equity option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

"Excluded Proceeds" means with respect to any Asset Disposition:

(1) 0.00% of the Net Available Cash from such Asset Disposition if after giving Pro Forma Effect thereto and applications of the Net Available Cash thereof, the Consolidated Secured Net Leverage Ratio of the Issuer is greater than 4.45 to 1.00; and

(2) 50.00% of the Net Available Cash from such Asset Disposition if after giving Pro Forma Effect thereto and applications of the Net Available Cash thereof, the Consolidated Secured Net Leverage Ratio of the Issuer is less than or equal to 4.45 to 1.00.

"Existing Notes" means, collectively, the 2024 Notes and the 2025 Notes.

"Existing Notes Indentures" means, collectively, the 2024 Notes Indenture and the 2025 Notes Indenture.

"fair market value" means with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming

a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Issuer.

"Foreign Subsidiary" means, with respect to any Person, (i) any Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia, and any Subsidiary of such Subsidiary and (ii) any Domestic Subsidiary of the Issuer (A) substantially all of the assets of which Domestic Subsidiary consist of the equity or debt of one or more Foreign Subsidiaries or (B) that is treated as a disregarded entity or partnership for U.S. federal income tax purposes and substantially all of the assets of which Domestic Subsidiary are equity of one or more Foreign Subsidiaries.

"Funded Debt" means all Indebtedness of the Issuer and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the sole option of the Issuer or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation).

"GAAP" means generally accepted accounting principles in the United States, as in effect from time to time; provided, however, that, subject to the last sentence of this definition of "GAAP", all ratios, computations and other determinations based on GAAP contained in the Indenture shall be computed in accordance with GAAP as in effect on the Issue Date. At any time after the Issue Date, the Issuer may elect to apply for all purposes of the Indenture, in lieu of GAAP, IFRS and, upon such election, references to GAAP herein will be construed to mean IFRS as in effect from time to time; provided that (1) all financial statements and reports to be provided, after such election, pursuant to the Indenture shall be prepared on the basis of IFRS as in effect from time to time, and (2) from and after such election, all ratios, computations, and other determinations based on GAAP contained in the Indenture shall still be required to be computed in conformity with GAAP as in effect on the Issue Date (subject to the last sentence of this definition of "GAAP"). For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness. Notwithstanding any other provision contained herein, the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations, except that financial statements delivered pursuant to the Indenture may be prepared in accordance with GAAP (including giving effect to ASC 842 (*Leases*)) as in effect at the time of such delivery).

"Genstar" means Genstar Capital Partners LLC.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person; provided, however, that the term "Guarantee" will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and provided further that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means any Restricted Subsidiary that Guarantees the Notes, until such Note Guarantee is released in accordance with the terms of the Indenture.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate

transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement"),* including any such obligations or liabilities under any Master Agreement.

"Holder" means each Person in whose name the Notes are registered on the registrar's books, which shall initially be the respective nominee of DTC.

"Holdings" means Trident Intermediate, Inc., a Delaware corporation, or any successor thereto.

"IFRS" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board and/or the European Union, as in effect from time to time.

"Incur" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for Indebtedness, Disqualified Stock or, in the case of any Restricted Subsidiary, Preferred Stock; 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, 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 (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property, which purchase price is due more than six months after the later of the date of placing such property in commercial service (on a basis reasonably satisfactory to the Issuer) and taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) [reserved];

(7) the principal component of all Indebtedness of other Persons for borrowed money 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 and (b) the unpaid amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons, other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement);

solely (other than in the case of clauses (7), (8) and (9) above) if and to the extent any of the foregoing (other than letters of credit) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; provided, however, that Indebtedness of any Parent Entity appearing on the balance sheet of the Issuer solely by reason of push down accounting under GAAP shall be excluded.

The term “Indebtedness” shall not include any lease of any Person that is or would have been treated as an operating lease (including for avoidance of doubt, any network lease or any operating indefeasible right of use) or “failed” sale leaseback for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an ASU, prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business or consistent with past practice. For all purposes hereof, the Indebtedness of the Issuer and the Restricted Subsidiaries, shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Cash Management Services;

(ii) obligations under or in respect of Receivables Facilities and Securitization Facilities;

(iii) prepaid or deferred revenue arising in the ordinary course of business;

(iv) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warranties or other unperformed obligations of the seller of such asset;

(v) trade accounts and accrued expenses payable in the ordinary course of business and accruals for payroll and other liabilities accrued in the ordinary course of business;

(vi) any earn-out obligation until such obligation, within 30 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with GAAP;

(vii) for the avoidance of doubt, customary obligations under employment agreements and deferred compensation and any obligations in respect of workers’ compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; or

(viii) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential) with respect thereto (including any accrued interest), with respect to the Original Transactions, the 2019 Transactions, the Transactions or any other Investment permitted by the Indenture.

“*Independent Assets or Operations*” means, with respect to any Parent Entity, that such Parent Entity’s total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Issuer and its Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Entity, is more than 5.0% of such Parent Entity's corresponding consolidated amount.

"Independent Financial Advisor" means an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction.

"Intercompany License Agreement" means any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, services agreement, intellectual property rights transfer agreement or any related agreements, in each case where all the parties to such agreement are the Issuer or a Restricted Subsidiary. *"Investment"* means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel, and similar advances to officers, directors, managers, consultants and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Capital Stock, or other securities issued by any other Person, or the purchase or other acquisition, in one transaction or a series of related transactions, of all or substantially all of the assets of another Person or assets constituting a business unit, line of business or division of such Person; provided that Investments shall not include, in the case of the Issuer and the Restricted Subsidiaries, intercompany loans, advances, or Indebtedness made to or owing by the Issuer or a Restricted Subsidiary having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; provided, further, that, in the event that any Investment is made by Holdings, the Issuer or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through the Issuer or any Restricted Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of "— Certain Covenants — Limitation on Restricted Payments".

For purposes of "— Certain Covenants — Limitation on Restricted Payments" and "— Designation of Restricted and Unrestricted Subsidiaries":

(1) "Investment" will include the portion (proportionate to the Issuer'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 Issuer 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 Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Issuer or a Restricted Subsidiary in respect of such Investment in an aggregate amount not to exceed the original cost of such Investment (provided that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the fair market value of such consideration).

"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 member of the European Union, 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 Issuer and its Subsidiaries;

(4) investments in any fund that invests all or substantially all of its assets 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; and

(5) corresponding instruments in countries other than the United States customarily utilized for high-quality investments.

"Investment Grade Status" shall occur when the Notes receive each 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.

"Issue Date" means May 3, 2023.

"Lien" means, with respect to any asset, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind in respect of such asset, including any conditional sale or other title retention agreement, and any lease in the nature thereof; provided that in no event shall an operating lease or a license to use intellectual property be deemed to constitute a Lien.

"Limited Condition Transaction" means (i) any Permitted Acquisition or other acquisition or Investment permitted by the Indenture whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

"Management Advances" means loans and advances made to, or Guarantees with respect to Indebtedness of, directors, officers, employees, managers or consultants of any Parent Entity, the Issuer or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or consistent with past practice, (b) in respect of payroll advances, or (c) for purposes of funding any such person's purchase of Capital Stock (or similar obligations) of the Issuer, its Subsidiaries or any Parent Entity, and promissory notes received from equityholders of the Issuer, its Subsidiaries or any Parent Entity in connection with the exercise of stock or other options in respect of the Capital Stock of the Issuer, its Subsidiaries or any Parent Entity;

(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 (x) $20.0 million and (y) 5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such loan, advance or Guarantee.

"Management Equityholders" means any of (i) any current or former director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity who, on the Issue Date, is an equityholder in the Issuer or any Parent Entity, (ii) any trust, partnership, limited liability

company, corporate body or other entity established by any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity or any Person described in the succeeding clauses (iii) and (iv), as applicable, to hold an investment in the Issuer or any Parent Entity in connection with such Person's estate or tax planning, (iii) any spouse, parents or grandparents of any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity, and any and all descendants (including adopted children and stepchildren) of the foregoing, together with any spouse of any of the foregoing Persons, who are transferred an investment in the Issuer or any Parent Entity by any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity in connection with such Person's estate or tax planning and (iv) any Person who acquires an investment in the Issuer or any Parent Entity by will or by the laws of intestate succession as a result of the death of any such director, officer, employee or member of management of the Issuer or any of its Subsidiaries or any Parent Entity.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common Capital Stock of the Issuer or the applicable Parent Entity, as applicable, on the date of the declaration of a Restricted Payment pursuant to clause (10) of the second paragraph of the covenant described under "— Limitation on Restricted Payments", multiplied by (ii) the arithmetic mean of the closing prices per share of such common Capital Stock on the principal securities exchange on which such common Capital Stock are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"Material Intellectual Property" means the intellectual property required in order to conduct the business of the Issuer in all material respects as it is being conducted, to the extent that failure to own or have such intellectual property licensed to it would have a material adverse effect on the Issuer's business.

"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 Rule 436 under the Securities Act.

"Net Available Cash" from an Asset Disposition means (i) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of the Issuer or any of the Restricted Subsidiaries in respect of such Asset Disposition, less (ii) the sum of:

(a) the amount, if any, of all taxes (including, in each case, in connection with any repatriation of funds) paid or estimated to be payable by the Issuer or any of the Restricted Subsidiaries in connection with such Asset Disposition;

(b) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than any taxes deducted pursuant to clause (a) above) (1) associated with the assets that are the subject of such Asset Disposition and (2) retained by the Issuer or any of the Restricted Subsidiaries; provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Available Cash of such an Asset Disposition occurring on the date of such reduction;

(c) the amount of any Indebtedness (other than under any Credit Agreement) secured by a Lien on the assets that are the subject of such Net Available Cash to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Asset Disposition;

(d) the amount of any proceeds of such Asset Disposition that the Issuer or any Restricted Subsidiary has reinvested or committed to reinvest in accordance with "— Certain Covenants — Limitation on Sales of Assets and Subsidiary Stock;"

(e) in the case of any Asset Disposition by a non-Wholly-Owned Restricted Subsidiary, the pro rata portion of the Net Available Cash thereof (calculated without regard to this clause (e)) attributable to minority interests and not available for distribution to or for the account of the Issuer or a Wholly-Owned Restricted Subsidiary as a result thereof;

(f) any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; provided that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Available Cash from such Asset Disposition occurring on the date of such reduction solely to the extent that the Issuer and/or any Restricted Subsidiaries receives cash in an amount equal to the amount of such reduction; and

(g) all fees and out of pocket expenses paid or incurred by the Issuer or a Restricted Subsidiary in connection with any of the foregoing or as a consequence of such Asset Disposition,

in each case, only to the extent not already deducted in arriving at the amount referred to in clause (i) above.

"Net Income" means, with respect to any Person, the net income (loss) of such Person and its Restricted Subsidiaries, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Non-Guarantor" means any Restricted Subsidiary that is not a Guarantor.

"Note Documents" means the Notes (including Additional Notes), the Note Guarantees and the Indenture.

"Obligations" means any principal, interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or any Guarantor whether or not a claim for Post-Petition Interest is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, the Controller or the Secretary, or any equivalent officer or director, of such Person, 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 in form and substance reasonably satisfactory to the Trustee. The legal counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"Original Issue Date" means October 17, 2017.

"*Original Transaction Expenses*" means any fees, costs, or expenses incurred or paid by Holdings, the Issuer or any of their respective Affiliates in connection with the Original Transactions (including expenses in connection with hedging transactions (including any currency hedges entered into in connection with the financing of the Original Transactions), if any, and payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses, payments on account of phantom units and charges for repurchase or rollover of, or modifications to, equity options and/or restricted equity) and the transactions contemplated thereby.

"Original Transactions" means, collectively, the transactions constituting or contemplated by the Term Loan Credit Agreement and the other Credit Documents (as defined in the Term Loan Credit Agreement), the 2025 Notes Indenture, the ABL Credit Agreement, the Acquisition Agreement (as defined in the Term Loan Credit Agreement), and the Equity Contribution (as defined in the Term Loan

Credit Agreement) and any repayment, repurchase, prepayment, or defeasance of Indebtedness of the Borrower or any of its Subsidiaries in connection therewith (including the Closing Date Refinancing (as defined in the Term Loan Credit Agreement)), the consummation of any other transactions in connection with the foregoing (including in connection with the Acquisition Agreement (as defined in the Term Loan Credit Agreement) and the payment of the fees, costs and expenses incurred in connection with any of the foregoing.

"Parent" means Trident Parent, Inc., a Delaware corporation.

"Parent Company" means any Person so long as such Person directly or indirectly holds 100% of the Voting Stock of the Issuer, and at the time such Person acquired such Voting Stock, no Person (other than any Permitted Holder) and no Persons (other than any Permitted Holders) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(l) under the Exchange Act), shall have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of 50% or more of the total voting power of the Voting Stock of such Person.

"Parent Entity" means any direct or indirect parent of the Issuer.

"Parent Entity Expenses" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent Entity 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 Issuer 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 salary, bonus, severance (including, in each case, payroll, social security and similar taxes in respect thereof) and other benefits payable to, and indemnities provided on behalf of, directors, officers, employees, consultants, managers or other Persons to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, including the Issuer's and the Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a public company;

(3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) general corporate, administrative, compliance or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of any Parent Entity to the extent such costs and expenses are attributable to the ownership or operation of the Issuer and the Restricted Subsidiaries, including the Issuer's and the Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a public company;

(5) amounts required for such Parent Entity to pay fees and expenses incurred by such Parent Entity related to (i) the maintenance by such Parent Entity of its corporate or other entity existence and (ii) transactions of such Parent Entity of the type described in clause (11) of the definition of "Consolidated Net Income";

(6) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer or any Parent Entity;

(7) repurchases deemed to occur upon the cashless exercise of stock or other equity options;

(8) amounts to finance Permitted Acquisitions and other Investments or other acquisitions otherwise permitted to be made pursuant the covenant described under "— Limitation on

Restricted Payments" if made by the Issuer or a Restricted Subsidiary; *provided,* that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment or other acquisition, (ii) such Parent Entity shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the Issuer or a Restricted Subsidiary or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Issuer or a Restricted Subsidiary (in a manner not prohibited by the covenant described under "— Merger and Consolidation") in order to consummate such Investment or other acquisition, (iii) such Parent Entity and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance herewith, (iv) any property received in connection with such transaction shall not constitute an Excluded Contribution or increase amounts available for Restricted Payments pursuant to clause (c)(iii) of the covenant described in the section entitled "— Certain Covenants — Limitation on Restricted Payments" and (v) to the extent constituting an Investment, such Investment shall be deemed to be made by the Issuer or such Restricted Subsidiary pursuant to another provision of the covenant described in the section entitled "— Certain Covenants — Limitation on Restricted Payments" or pursuant to the definition of Permitted Investments;

(9) AHYDO Payments with respect to Indebtedness of any Parent Entity; and

(10) expenses Incurred by any Parent Entity in connection with any public offering or other sale of Capital Stock or Indebtedness:

(a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary,

(b) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(c) otherwise on an interim basis prior to completion of such offering so long as any Parent Entity shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"Pari Passu Indebtedness" means Indebtedness of the Issuer which ranks equally in right of payment to the Notes or of any Guarantor if such Indebtedness ranks equally in right of payment to the Guarantees of the Notes.

"Participating Member States" means the participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

"*Paying Agent"* means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"Permitted Acquisitions" shall have the meaning provided in clause (2) of "Permitted Investments".

"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 and Cash Equivalents between the Issuer 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 Holder" means any of (i) any Sponsor and the Management Equityholders and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, the Sponsor, the Sponsor's Affiliates and the Management Equityholders, collectively, have beneficial ownership of more than 50% of the aggregate ordinary voting power of the outstanding Voting Stock of the Issuer or any Parent Entity held by such group; (ii) any Parent Entity not formed in connection with, or in contemplation of, a

transaction (other than the Original Transactions) that, assuming such parent was not formed, after giving effect thereto would constitute a Change of Control; and (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity of the Issuer, acting in such capacity. Any Person or group whose acquisition of beneficial ownership, directly or indirectly, of the voting power of the outstanding Voting Stock of the Issuer constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Investment" means (in each case, by the Issuer or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary including, in each case, in connection with any Intercompany License Agreements;

(2) any Investment by the Issuer or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment under this clause (2) (each, a *"Permitted Acquisition"*) either (x) such Person becomes a Restricted Subsidiary or (y) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys all or substantially all of its assets, or transfers or conveys assets constituting a business unit, line of business or division of such Person, to, or is liquidated into, the Issuer or a Restricted Subsidiary, and, in each case, any Investment held by such Person; provided, that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, amalgamation or transfer;

(3) Investments in cash or Cash Equivalents at the time such Investment is made;

(4) Investments in receivables owing to the Issuer 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;

(7) any Investment acquired by the Issuer or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of, or settlement of delinquent accounts or disputes with or judgments against, the issuer, obligor or borrower of such original Investment or accounts receivable, (b) as a result of a foreclosure by the Issuer or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(8) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Disposition made pursuant to "— Certain Covenants — Limitation on Sales of Assets and Subsidiary Stock" or any other disposition of assets not constituting an Asset Disposition;

(9) Investments existing or pursuant to agreements or arrangements in effect on the Issue Date and any modification, replacement, renewal, refinancing, reinvestment or extension thereof; provided that the amount of any such Investment may not be increased except (a) as required by the terms of such Investment as in existence on the Issue Date (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, refinanced or replaced Investment) and premium payable by the terms of such Investment

thereon and fees and expenses associated therewith as in existence on the Issue Date and/or (b) as otherwise permitted under the Indenture;

(10) Hedging Obligations, Cash Management Services and Bank Products, which transactions or obligations are Incurred in compliance with "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock";

(11) pledges or deposits required under any contractual requirement or by government authority or public utility, or Investments resulting from, or constituting, 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", including in each case with respect to Taxes or other similar charges;

(12) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock) or Capital Stock of any Parent Entity as consideration;

(13) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Affiliate Transactions" (except those described in clauses (1) and (3) of the second paragraph thereof);

(14) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment, licenses or leases of intellectual property or other assets, or of services, in any case, in the ordinary course of business and in accordance with the Indenture;

(15) (i) Guarantees of Indebtedness not prohibited by the covenant described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business, and (ii) Guarantees by the Issuer or any of its Restricted Subsidiaries of leases (other than Capital Leases) or of other obligations of the Issuer or any Restricted Subsidiary that do not constitute Indebtedness to the extent entered into in the ordinary course of business or consistent with past practice;

(16) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;

(17) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged into the Issuer or merged into or consolidated with a Restricted Subsidiary after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(18) Investments consisting of licensing, creation or contribution of intellectual property in the ordinary course of business, including in connection with Intercompany License Agreements;

(19) Investments in deposit accounts and securities accounts opened in the ordinary course of business;

(20) [reserved].

(21) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (21) that are at that time outstanding, not to exceed the greater of (a) $250.0 million and (b) 67% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the fair market value of each Investment being measured at the time made); provided that if such Investment is in Capital Stock of a Person that subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed permitted under clause (1)(a) above and shall not be included as having been made pursuant to this clause (21);

(22) (i) any Investment in a Receivables Subsidiary or a Securitization Subsidiary in order to effectuate a Receivables Facility or a Qualified Securitization Financing, respectively, or any Investment by a Receivables Subsidiary or a Securitization Subsidiary in any other Person in connection with a Receivables Facility or a Qualified Securitization Financing, respectively; provided, however, that any such Investment in a Receivables Subsidiary or a Securitization Subsidiary is in the form of a contribution of additional Receivables Assets or Securitization Assets, as applicable, or as equity, and (ii) distributions or payments of Receivables Fees or Securitization Fees and purchases of Receivables Assets or Securitization Assets pursuant to a securitization repurchase obligation in connection with a Receivables Facility or a Qualified Securitization Financing, respectively;

(23) (i) the Original Transactions and Investments made to effect, or otherwise made in connection with, the Original Transactions, (ii) the 2019 Transactions and Investments made to effect, or otherwise made in connection with, the 2019 Transactions, (iii) the Transactions and Investments made to effect, or otherwise made in connection with, the Transactions or (iv) any non-cash Investments made in connection with Permitted Reorganizations;

(24) Investments consisting of extensions of trade credit in the ordinary course of business;

(25) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(26) [reserved];

(27) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(28) [reserved]; and

(29) any Investments; provided that after giving Pro Forma Effect to such Investments, (x) no Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom) and (y) the Consolidated Total Net Leverage Ratio is equal to or less than 5.75 to 1.00 as of the most recently ended Test Period.

"Permitted Liens" means, with respect to any Person:

(1) Liens on assets or property of a Non-Guarantor securing Indebtedness or other obligations of any Non-Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, payroll taxes, health, disability or 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 deposits made to secure obligations arising from contractual or warranty refunds, 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, repairmen's, construction contractors' 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 which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate

proceedings, or for property taxes on property of the Issuer or any Subsidiary thereof has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, servitudes, sewers, electric lines, drains, telegraph, telephone lines, cable television lines, gas and oil pipelines 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 Issuer and its Restricted Subsidiaries or to the ownership of their properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries, and Liens disclosed as exceptions to coverage in the final title policies and endorsements with respect to any mortgaged properties;

(6) Liens (a) on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture, Bank Products or Cash Management Services; (b) that are contractual rights of setoff or other bankers' Liens (i) relating to treasury, depository and Cash Management Services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness or (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer or any Subsidiary; (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business; (d) on cash accounts securing Indebtedness incurred under clause (8)(e) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" with financial institutions; (e) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, consistent with past practice and not for speculative purposes; and/or (f) (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code on items in the course of collection, (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) arising in the ordinary course of business in connection with the maintenance of such accounts and (iii) arising under customary general terms of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not to secure any Indebtedness for borrowed money;

(7) leases, franchises, grants, licenses, covenants not to sue, releases, consents, subleases, and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(8) Liens securing judgments, decrees, orders or awards not giving rise to an Event of Default;

(9) (i) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations, Purchase Money Obligations or Permitted Sale and Leasebacks, 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 Liens may not extend to any assets or property of the Issuer 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 and the proceeds and products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender and (ii) any interest or title of a lessor under any Capitalized Lease Obligations or operating lease;

(10) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business and other purported Liens (other than Liens securing Indebtedness for borrowed money) evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statute) financing statements or similar public filings;

(11) Liens existing on the Issue Date (and Liens securing any modifications, replacements, renewals, refinancings, or extensions of the Indebtedness or other obligations secured by such Liens), excluding Liens securing the Credit Agreements;

(12) 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 Issuer 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 Issuer or any Restricted Subsidiary); provided, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); provided, further, that such Liens are limited to all or part of the same property, other assets or stock (any improvements, replacements of such property or assets and additions and accessions thereto, after-acquired property subjected to a Lien securing Indebtedness and other obligations Incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(13) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;

(14) Liens securing Indebtedness or obligations Incurred to refinance Indebtedness or obligations that were previously so secured, and permitted to be secured under the Indenture (other than any Liens securing any Credit Facility Incurred pursuant to clause (1) of the second paragraph under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock"), including to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extension, renewal or replacement) as a whole, or in part, of any Indebtedness or obligations secured by a Lien referenced in this clause (14) and clauses (9), (11) and (12) of this definition; provided that any such Lien is limited to all or part of the same property or assets (any improvements, replacements of such property or assets and additions and accessions thereto, after-acquired property subjected to a Lien securing Indebtedness and other obligations Incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender) 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;

(15) (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 Issuer or any Restricted Subsidiary of the Issuer has easement rights or on any leased property and subordination or similar arrangements relating thereto, (b) any condemnation or eminent domain proceedings affecting any real property and (c) restrictive covenants affecting the use to which real property may be put;

(16) 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;

(17) 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;

(18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(19) Liens securing Indebtedness permitted to be Incurred under any Credit Facilities, including any letter of credit facility relating thereto, that was permitted by the terms of the Indenture to be Incurred pursuant to clause (1) of the second paragraph under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock";

(20) Liens to secure Indebtedness permitted by clause (14) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock", and Liens to secure Indebtedness of any Non-Guarantor permitted by clause (11) and (19) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" covering only the assets of such Subsidiary;

(21) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(22) customary Liens of an indenture trustee (including the Trustee under the Indenture) on money or property held or collected by it to secure fees, expenses and indemnities owing to it by any obligor under an indenture;

(23) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(24) Liens on equipment of the Issuer or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business;

(25) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture;

(26) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers;

(27) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;

(28) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Permitted Investments to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell any property in an asset sale permitted (or reasonably expected to be so permitted by the Issuer at the time such Lien was granted) under the covenant described under "— Certain Covenants — Limitation on Sales of Assets and Subsidiary Stock", in each case, solely to the extent such Investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien;

(29) Liens securing Indebtedness and other obligations in an aggregate principal amount not to exceed the greater of (a) $175.0 million and (b) 45% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien, at any one time outstanding;

(30) Liens Incurred to secure Obligations in respect of any Indebtedness permitted to be Incurred pursuant to the covenant described under "— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock" (other than clause (20) thereunder); provided that, with respect to Liens securing Obligations permitted under this clause, at the time of Incurrence and after giving Pro Forma Effect thereto, the Consolidated Secured Net Leverage Ratio would be no greater than 5.00 to 1.00 as of the most recently ended Test Period prior to the date of such Incurrence; provided that any cash proceeds of any new Indebtedness then being incurred shall not be netted from the numerator in the Consolidated Secured Net Leverage Ratio for purposes of calculating the Consolidated Secured Net Leverage Ratio under this clause (30) for purposes of determining whether such Liens can be Incurred;

(31) Liens on (i) Securitization Assets arising in connection with a Qualified Securitization Financing or (ii) Receivables Assets arising in connection with a Receivables Facility;

(32) Liens securing (i) any Obligations in respect of the Notes and any Guarantees thereof, (ii) securing Indebtedness subordinated to the Notes or any Note Guarantee so long as the Notes and Note Guarantees are secured by a Lien on the same assets that is senior in priority to such Lien and (iii) any Obligations so long as the Notes and any Note Guarantees are equally and ratably secured;

(33) Liens 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;

(34) Liens arising in connection with any Permitted Reorganization or any Intercompany License Agreements;

(35) Liens arising by operation of law under Article 2 of the Uniform Commercial Code;

(36) Liens deemed to exist in connection with Investments in repurchase agreements permitted under the Indenture; provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(37) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by the Issuer or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(38) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any applicable law;

(39) [reserved];

(40) Liens or rights of set-off against credit balances of the Issuer or any of the Restricted Subsidiaries with credit card issuers or credit card processors or amounts owing by such credit card issuers or credit card processors to the Issuer or any Restricted Subsidiaries in the ordinary course of business to secure the obligations of any Subsidiary to the credit card issuers or credit card processors as a result of fees and charges;

(41) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; provided (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged or an agent or trustee therefor, (b) such Liens extend solely to the account in which such cash and/ or Cash Equivalents are deposited

and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted under the Indenture; and

(42) Liens securing Guarantees of any Indebtedness or other obligations otherwise permitted to be secured by a Lien under the Indenture.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest, premiums (if any), fees, expenses and other obligations on such Indebtedness.

For purposes of determining compliance with the covenant described under "— Certain Covenants — Limitation on Liens", (i) in the event that a Lien (or any portion thereof) meets the criteria of more than one of the categories of Liens described in clauses (1) through (42) above, the Issuer, in its sole discretion, will classify and may reclassify such Lien (or any portion thereof) and will only be required to include the amount and type of such Lien in one of the above clauses; and (ii) at the time of incurrence or at the time of any reclassification, the Issuer will be entitled to divide and classify (or reclassify) a Lien in more than one of the types of Lien described in this definition of "Permitted Liens".

"Permitted Reorganization" means any reorganizations and other activities related to tax planning and tax reorganization, so long as, after giving effect thereto, the enforceability of the Guarantees, taken as a whole, are not materially impaired.

"Permitted Sale and Leaseback" means any Sale and Leaseback Transaction with respect to the sale, transfer or disposition of real property or other property consummated by the Issuer or any of its Restricted Subsidiaries after the Issue Date; provided that any such Sale and Leaseback Transaction must be consummated for fair market value as determined at the time of consummation in good faith by the Issuer or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Issuer or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale and Leaseback).

"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.

"Post-Petition Interest" means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

"Pounds Sterling" means British Pounds Sterling or any successor currency in the United Kingdom.

"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.

"Pro Forma Basis" and *"Pro Forma Effect"* means, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with the provisions set forth in the definition of "Consolidated Coverage Ratio" and under the caption "— Limited Condition Transactions".

"Public Company Costs" means costs relating to compliance with the provisions of the Sarbanes-Oxley Act of 2002, the Securities Act and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, listing fees and other expenses arising out of or incidental to an entity's status as a reporting company.

"Purchase Money Obligations" means any Indebtedness, Disqualified Stock or Preferred Stock 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 Securitization Financing" means any Securitization Facility (and any guarantee of such Securitization Facility) of a Securitization Subsidiary that meets the following conditions: (i) the Issuer shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and its Restricted Subsidiaries, (ii) all sales of Securitization Assets and related assets by the Issuer or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made at fair market value, (iii) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings, and (iv) the obligations under Securitization Facility are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities (including Standard Securitization Undertakings)) to the Issuer or any Restricted Subsidiary (other than a Securitization Subsidiary). The grant of a security interest in any Securitization Assets of the Issuer or any of its Restricted Subsidiaries (other than a Securitization Subsidiary) to secure Indebtedness under any Credit Agreement prior to engaging in any securitization financing shall not be deemed a Qualified Securitization Financing.

"Qualified Stock" of any Person means Capital Stock of such Person other than Disqualified Stock of such Person.

"Receivables Assets" means (a) any accounts receivable owed to the Issuer or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged by the Issuer in connection with a Receivables Facility.

"Receivables Facility" means any of one or more receivables financing facilities (and any guarantee of such financing facility), as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, the obligations of which are non-recourse (except to the extent customary in such transactions (as reasonably determined by the Issuer at the time the relevant Receivables Facility is entered into), including with respect to customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Issuer and the Restricted Subsidiaries (other than a Receivables Subsidiary), pursuant to which the Issuer or any Restricted Subsidiary sells, directly or indirectly, grants a security interest in or otherwise transfers its Receivables Assets to either (i) a Person that is not the Issuer or a Restricted Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not the Issuer or a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

"Receivables Fee" means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or a Restricted Subsidiary in connection with, any Receivables Facility.

"Receivables Subsidiary" means any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities that engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which any Subsidiary makes an Investment and to which any Subsidiary transfers accounts receivables and related assets.

"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, Disqualified Stock or Preferred Stock that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness, Disqualified Stock or Preferred Stock existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness, Disqualified Stock or Preferred Stock that refinances Refinancing Indebtedness); provided, however, that:

(1) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced, replaced, exchanged, renewed, repaid or extended;

(2) such Refinancing Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Indebtedness, Disqualified Stock or Preferred Stock being so refunded, refinanced, replaced, exchanged, renewed, repaid or extended;

(3) Refinancing Indebtedness shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Guarantor; or

(ii) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and

(4) the aggregate principal amount, accreted value or liquidation preference, as applicable, of such Refinancing Indebtedness shall equal no more than the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or Preferred Stock (plus the amount of any unused commitments thereunder), plus accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or Preferred Stock, plus underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or Preferred Stock and the Incurrence of such Refinancing Indebtedness. 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 all or any part of any such Credit Facility or other Indebtedness;

and, provided, further, that clauses (1) and (2) of this definition will not apply to any refunding, refinancing, replacement, exchange, renewal, repayment or extension (including pursuant to any defeasance or discharge mechanism) of any Indebtedness other than Indebtedness incurred under clause (4)(a) of the second paragraph under “— Certain Covenants — Limitation on Indebtedness, Disqualified Stock and Preferred Stock”, and any Subordinated Indebtedness (other than Subordinated Indebtedness assumed or acquired in a Permitted Acquisition, or other acquisition constituting a permitted Investment, and not created in contemplation thereof).

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

“S&P” means S&P Global Ratings or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Sale and Leaseback Transaction” means any arrangement providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"SEC" means the U.S. Securities and Exchange Commission or any successor thereto.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Securitization Asset" means (a) any accounts receivable, real estate asset, mortgage receivables or related assets and the proceeds thereof, in each case subject to a Securitization Facility and (b) all collateral securing such receivable or asset, all contracts and contract rights, guaranties or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted), together with accounts or assets in a securitization financing and which in the case of clause (a) and (b) above are sold, conveyed, assigned or otherwise transferred or pledged by the Issuer in connection with a Qualified Securitization Financing.

"Securitization Facility" means any transaction or series of securitization financings that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells Securitization Assets to a Person that is not a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Issuer or any of its Subsidiaries.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

"Securitization Repurchase Obligation" means any obligation of a seller (or any guaranty of such obligation) of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including, without limitation, as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset 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.

"Securitization Subsidiary" means any Subsidiary of the Issuer in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers Securitization Assets and related assets.

"Significant Subsidiary" means, at any date of determination, (a) any Restricted Subsidiary whose gross revenues for the Test Period most recently ended on or prior to such date were equal to or greater than 10% of the consolidated gross revenues of the Issuer and the Restricted Subsidiaries for such period, determined in accordance with GAAP or (b) each other Restricted Subsidiary that, when such Restricted Subsidiary's total gross revenues are aggregated with each other Restricted Subsidiary that is the subject of an Event of Default described in clause (5), (6) or (7), as applicable, under "— Events of Default" would constitute a "Significant Subsidiary" under clause (a) above.

"Similar Business" means (a) any businesses, services or activities engaged in or proposed to be engaged in by the Issuer or any of its Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries that are related, complementary, synergistic, incidental, ancillary or similar to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment) or are extensions or developments of any thereof, as determined by the Issuer in good faith.

"Specified Transaction" means any

(a) Investment that results in a Person becoming a Restricted Subsidiary;

(b) designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary;

(c) Permitted Acquisition;

(d) disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary;

(e) Investment in, acquisition of, or disposition of, assets constituting a business unit, line of business or division of, or all or substantially all of the assets of, a Person;

(f) incurrence of Indebtedness, making of a Restricted Payment or payment in respect of Indebtedness, or any other event, in respect of which compliance with any financial ratio is by the terms of the Indenture required to be calculated on a Pro Forma Basis or giving Pro Forma Effect to any such transaction or event; and

(g) entry into a new market or geography, new product launch, pricing initiative or restructuring of contract terms.

"Sponsor" means, any of Genstar and/or its Affiliates (including, as applicable, related funds, general partners thereof and limited partners thereof, but solely to the extent any such limited partners are directly or indirectly participating as investors pursuant to a side-by-side investing arrangement, but excluding, however, any portfolio company of any of the foregoing).

"Sponsor Management Agreement" means the Expense Reimbursement Agreement, dated as of the Original Issue Date, by and among Parent, Holdings, the Issuer, and the Sponsor, as in effect on the Issue Date, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time thereafter in any manner that is not adverse to the Holders in any material respect.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Securitization Facility, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security 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 the Notes, (a) any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes and (b) any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Note Guarantee of such Guarantor.

"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.

Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Issuer.

"Taxes" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings (including backup withholdings), fees and any charges of a similar nature (including interest, fines, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"Term Loan Credit Agreement" means the Credit Agreement entered into on the Original Issue Date by and among Holdings, the Issuer, the Subsidiaries of Holdings party thereto from time to time (if any), Credit Suisse AG, Cayman Islands Branch as the administrative agent, the collateral agent, a letter of credit issuer, a swingline lender and a lender, each lender from time to time party thereto and each other agent named therein, together with the related documents thereto (including the term loans and revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and other collateral documents), as amended by the First Incremental Amendment, dated as of April 3, 2018, the Second Incremental Amendment, dated as of June 18, 2018, the Third Incremental Amendment, dated as of September 17, 2021, and the Fourth Incremental Amendment, dated as of November 1, 2022, and as further amended, restated, amended and restated, supplemented or otherwise modified or renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original credit agreement or one or more other credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for revolving credit loans, term loans, letters of credit or other Indebtedness) from time to time.

"Test Period" means, for any determination hereunder, the four consecutive fiscal quarters of the Issuer then last ended for which internal financial statements are available (as determined in good faith by the Issuer).

"Threshold Amount" means the greater of $125.0 million and 33% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis).

"Total Assets" means, as of any date, the total consolidated assets of the Issuer and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries, determined on a Pro Forma Basis.

"Transaction Expenses" means any fees or expenses incurred or paid by Holdings, the Issuer or any Restricted Subsidiary, or any of their respective Affiliates in connection with the Transactions, including, without limitation, expenses in connection with hedging transactions (including any currency hedges entered into in connection with the financing of the Transactions), if any, and payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses, payments on account of phantom units and charges for repurchase or rollover of, or modifications to, equity options and/or restricted equity.

"Transactions" means the 2023 Transactions and the transactions described in this offering memorandum, including, but not limited to, the offering of the Notes and the use of proceeds thereof.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York or another applicable jurisdiction.

"United States" or *"U.S."* means the United States of America.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer in the manner provided below and under the caption "Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries"); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (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) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer 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 Issuer in such Subsidiary complies with "— Certain Covenants — Limitation on Restricted Payments". *"U.S. Government Obligations"* means securities that are (1) direct obligations of the United States for the timely payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States, which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

Notwithstanding the foregoing or anything to the contrary herein, no Restricted Subsidiary may be designated an Unrestricted Subsidiary if such Subsidiary owns or has an exclusive license to any Material Intellectual Property.

"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 the Board of Directors of such Person.

*"Weighted Average Life to Maturity"*means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by

(2) the then outstanding principal amount of such Indebtedness, Disqualified Stock or Preferred Stock; provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness, Disqualified Stock or Preferred Stock that is being modified, refinanced, refunded, renewed, replaced or extended (the *"Applicable Indebtedness"),* the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

"Wholly-Owned Domestic Subsidiary" means any Wholly-Owned Subsidiary that is a Domestic Subsidiary.

"*Wholly-Owned Restricted Subsidiary"* of any Person means a Restricted Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than

(i) directors' qualifying shares or other ownership interests and (ii) a nominal number of shares or other ownership interests issued to foreign nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors' qualifying shares or other ownership interests and (y) a nominal number of shares or other ownership interests issued to foreign nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

BOOK-ENTRY; DELIVERY AND FORM

The notes are being offered and sold to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). The notes also may be offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, the notes will be issued in registered, global form in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Rule 144A Global Notes"). Regulation S Notes initially will be represented by one or more temporary notes in registered, global form without interest coupons (collectively, the "Regulation S Temporary Global Notes"). The Rule 144A Global Notes and the Regulation S Temporary Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Restricted Period"), beneficial interests in the Regulation S Temporary Global Notes may be held only through the Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, S.A. ("Clearstream") (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Within a reasonable time period after the expiration of the Restricted Period, the Regulation S Temporary Global Notes will be exchanged for one or more permanent notes in registered, global form without interest coupons (collectively, the "Regulation S Permanent Global Notes" and, together with the Regulation S Temporary Global Notes, the "Regulation S Global Notes"; the Regulation S Global Notes and the Rule 144A Global Notes, collectively, the "Global Notes") upon delivery to DTC of certification of compliance with the transfer restrictions applicable to the notes and pursuant to Regulation S as provided in the indenture. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "— Exchanges between Regulation S Notes and Rule 144A Notes".

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form ("Certificated Notes") except in the limited circumstances described below. See "— Exchange of Certificated Notes for Global Notes". Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions". Regulation S Notes will also bear the legend as described under "Transfer Restrictions". In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time. See "Plan of Distribution".

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

We understand that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants.

The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other indirect participants such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

We also understand that, pursuant to procedures established by DTC:

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the indenture for any purpose.

Payments in respect of the principal of, premium on and interest, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, we and the Trustee will treat the persons in whose names the notes, including the Global Notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither we nor any agent of ours nor the Trustee nor its agents will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

We understand that DTC's current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or us. Neither we nor the Trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the notes, and we and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions", transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

We understand that DTC will take any action permitted to be taken by a holder of notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither we nor any agent of ours nor the Trustee nor its agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

(1) DTC (a) notifies us that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary;

(2) We, at our option, notify the Trustee in writing that it elects to cause the issuance of the Certificated Notes; provided that in no event shall the Regulation S Temporary Global Note be exchanged for Certificated Notes prior to (a) the expiration of the Restricted Period and (b) the receipt of any certificates required under the provisions of Regulation S; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “Transfer Restrictions”, unless that legend is not required by applicable law. See “Plan of Distribution”.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See “Transfer Restrictions”.

Exchanges Between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Restricted Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and

(2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the notes are being transferred to a person:

  (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

  (b) who is purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

  (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period.

Certifications by Holders of the Regulation S Temporary Global Notes

A holder of a beneficial interest in the Regulation S Temporary Global Notes must provide Euroclear or Clearstream, as the case may be, with a certificate in the form required by the indenture certifying that the beneficial owner of the interest in the Regulation S Temporary Global Note is either a non-U.S. person or a U.S. person that has purchased such interest in a transaction that is exempt from the registration requirements under the Securities Act, and Euroclear or Clearstream, as the case may be, must provide to the Trustee (or the paying agent if other than the Trustee) a certificate in the form required by the indenture, prior to any exchange of such beneficial interest for a beneficial interest in the Regulation S Permanent Global Notes.

Same Day Settlement and Payment

We will make payments in respect of the notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. We will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. We understand that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

TRANSFER RESTRICTIONS

The notes are subject to restrictions on transfer as summarized below. By purchasing notes, you will be deemed to have made the following acknowledgments, representations to and agreements with us and the initial purchasers:

(1) You acknowledge that:

- the notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws. See "Plan of Distribution"; and
- unless so registered, the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph 5 below.

(2) You acknowledge that this offering circular relates to an offering that is exempt from registration under the Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities.

(3) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or
- you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(4) You acknowledge that neither we nor the initial purchasers nor any person representing us or the initial purchasers have made any representation to you with respect to us or the offering of the notes, other than the information contained in this offering circular. Accordingly, you acknowledge that no representation or warranty is made by the initial purchasers as to the accuracy or completeness of such materials. You represent that you are relying only on this offering circular in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning us and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from us.

(5) You represent that you are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing notes, and each subsequent holder of the notes by its acceptance of the notes will agree, that until the end of the Resale Restriction Period (as defined below), the notes may be offered, sold or otherwise transferred only:

(a) to us or any of our subsidiaries;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) for so long as the notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act; or

(e) under the exemption from registration provided by Rule 144 under the Securities Act (if available) or any other available exemption from the registration requirements of the Securities Act,

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller's or account's control and to compliance with any applicable state securities laws.

You also acknowledge that to the extent that you hold the notes through an interest in a global note, the Resale Restriction Period (as defined below) may continue until one year after the Issuer, or any affiliate of the Issuer, was the owner of such note or an interest in such global note, and so may continue indefinitely.

(6) You also acknowledge that:

- the above restrictions on resale will apply from the issue date until the date that is one year (in the case of Rule 144A notes) after the later of the issue date, the issue date of the issuance of any additional notes and the last date that we or any of our affiliates was the owner of the notes or any predecessor of the notes or 40 days (in the case of Regulation S notes) after the later of the issue date and when the notes or any predecessor of the notes are first offered to persons other than distributors (as defined in Rule 902 of Regulation S) in reliance on Regulation S (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends;

- we and the Trustee reserve the right to require in connection with any offer, sale or other transfer of notes under clauses (c), (d) and (e) in paragraph 5 above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee; and

- each note will contain a legend substantially to the following effect:

  THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE AN ISSUER OR ANY AFFILIATE OF SUCH ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S, ONLY (A) AN ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES

ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“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 OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (C), (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

BY ACQUIRING THIS NOTE OR ANY INTEREST THEREIN, EACH HOLDER AND EACH TRANSFEREE IS DEEMED TO REPRESENT AND WARRANT THAT (1) EITHER (A) SUCH HOLDER OR TRANSFEREE IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS SUCH HOLDER OR TRANSFEREE HOLDS SUCH NOTES OR ANY INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3)) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN OR ARRANGEMENT TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) APPLIES, OR (III) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA)) OF ANY PLANS DESCRIBED IN SUBSECTIONS (I) or (II) BY REASON OF ANY SUCH PLAN’S INVESTMENT IN SUCH ENTITY (EACH OF (I), (II) AND (III), A “BENEFIT PLAN INVESTOR”) OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR THE PROVISIONS OF SECTION 4975 OF THE CODE (“SIMILAR LAWS”), AND NO PART OF THE ASSETS TO BE USED BY SUCH HOLDER OR TRANSFEREE TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR ANY SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN OR (B)(X) THE ACQUISITION, HOLDING AND DISPOSITION OF THE NOTES BY SUCH HOLDER OR TRANSFEREE DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A NON-EXEMPT VIOLATION OF ANY APPLICABLE SIMILAR LAWS), AND (Y) NONE OF THE ISSUER, INITIAL PURCHASERS, OR ANY OTHER PARTY TO THE TRANSACTIONS CONTEMPLATED BY THIS OFFERING OR ANY OF THEIR RESPECTIVE AFFILIATES IS ACTING, OR WILL ACT, AS A FIDUCIARY TO SUCH HOLDER OR TRANSFEREE, ANY BENEFIT PLAN INVESTOR OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW WITH RESPECT TO THE DECISION TO PURCHASE OR HOLD THE NOTES OR IS UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE IN A FIDUCIARY CAPACITY WITH RESPECT TO THE DECISION TO PURCHASE OR HOLD THE NOTES AND (2) EACH HOLDER WILL NOT SELL OR OTHERWISE

TRANSFER SUCH NOTES OR ANY INTEREST THEREIN OTHERWISE THAN TO A PURCHASER OR TRANSFEREE THAT IS DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS PURCHASE AND HOLDING OF SUCH NOTE OR ANY INTEREST THEREIN.

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" (WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED). UPON WRITTEN REQUEST, THE ISSUERS WILL PROMPTLY MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE THE FOLLOWING INFORMATION: (1) THE ISSUE PRICE AND DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE AND (3) THE YIELD TO MATURITY OF THE NOTE. HOLDERS SHOULD CONTACT THE ISSUER, TRIDENT TPI HOLDINGS, INC, 460 E. SWEDESFORD ROAD, SUITE 3000, WAYNE, PA 19087.

(7) With respect to the acquisition, holding and disposition of the notes, or any interest therein, you represent and warrant that (A) either (i) you are not, and are not acting on behalf of (and for so long as you hold such notes or any interest therein will not be, and will not be acting on behalf of), (I) an employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, (II) an individual retirement account or other plan or arrangement to which Section 4975 of the Code, applies, or (III) any entity whose underlying assets include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA)) of any plans described in subsections (I) or (II) by reason of any such plan's investment in such entity (each of (I), (II) and (III), a "Benefit Plan Investor") or (IV) a governmental, church or non-U.S. plan which is subject to any federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code ("Similar Laws"), and no part of the assets to be used by you to acquire or hold such notes or any interest therein constitutes the assets of any Benefit Plan Investor or any such governmental, church or non-U.S. plan, or (ii)(a) your acquisition, holding and disposition of such note, or any interest therein does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, a non-exempt violation of any Similar Laws) and (b) none of the Issuer, initial purchasers, or any other party to the transactions contemplated by this offering or any of their respective affiliates is acting, or will act, as a fiduciary to you, any Benefit Plan Investor or any governmental, church or non-U.S. plan subject to Similar Law with respect to the decision to purchase or hold the notes or is undertaking to provide impartial investment advice in a fiduciary capacity with respect to the decision to purchase or hold the notes; and (B) you will not sell or otherwise transfer such notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such note or any interest therein.

(8) You acknowledge that the Issuer, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain U.S. federal income tax consequences applicable to the purchase, ownership and disposition of the notes issued in this offering, but does not purport to be a complete analysis of all potential U.S. federal income tax consequences. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated thereunder, IRS rulings and judicial decisions, each as in effect or in existence as of the date of this offering circular, each of which is subject to change or different interpretations, possibly with retroactive effect, which may result in U.S. federal income tax consequences different from those summarized below. No ruling has been requested from the IRS regarding the considerations discussed in this summary, and there is no assurance that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax considerations discussed below.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to particular holders of notes in light of their specific circumstances (such as the application of any alternative minimum tax and the Medicare tax on certain investment income) or to holders that may be subject to special rules under U.S. federal income tax law, including:

- brokers or dealers in stocks, securities or currencies;
- securities traders that use a mark-to-market method of accounting;
- banks and other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- controlled foreign corporations;
- passive foreign investment companies;
- tax-exempt entities;
- persons holding notes as part of a synthetic security, a straddle or a hedging, integrated, conversion or constructive sale transaction;
- persons who are subject to the expatriation provisions of the Code;
- individual retirement accounts or other tax-deferred accounts or retirement plans;
- U.S. Holders (as defined below) whose functional currency is not the U.S. Dollar;
- U.S. Holders that hold their notes through non-U.S. brokers or other non-U.S. intermediaries; or
- pass-through entities and arrangements classified as partnerships for U.S. federal tax purposes, or investors in such entities.

This summary also does not discuss the tax consequences arising under any state, local or non-U.S. law, or any U.S. federal tax consequences other than U.S. federal income tax consequences (such as estate or gift tax consequences), and does not discuss the tax considerations for taxpayers that use the accrual method of accounting that requires inclusion of certain amounts in income no later than the time such amounts are reflected on certain financial statements.

This discussion is limited to holders who purchase notes for cash in this offering at their "issue price" within the meaning of the Code (generally, the first price at which a substantial amount of the notes are sold to investors for cash (excluding sales to underwriters, bond houses, brokers, placement agents, wholesalers or other persons acting in a similar capacity)). This description also does not address prospective purchasers who are holders of the 2024 Notes or the 2025 Notes. Moreover, this discussion is limited to holders who purchase and hold notes as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment).

For purposes of this summary, "U.S. Holder" means the beneficial owner of a note that, for U.S. federal income tax purposes, is (or is treated as):

- an individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or who meets the "substantial presence" test under Section 7701(b) of the Code;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more "U.S. persons" (within the meaning of the Code) have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in place to be treated as a U.S. person for U.S. federal income tax purposes.

For purposes of this summary, the term "Non-U.S. Holder" means any beneficial owner of a note that is, for U.S. federal income tax purposes, an individual, a corporation, a trust or an estate that is not a U.S. Holder.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. If you are a partnership (or other entity or arrangement classified as a partnership for United States federal income tax purposes) or a partner in or owner of such a partnership, you should consult your own tax advisor as to the tax consequences of the partnership's purchase, ownership and disposition of the notes.

THE FOLLOWING DISCUSSION IS INTENDED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH REGARD TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DESCRIBED BELOW TO THEIR PARTICULAR SITUATIONS, AS WELL AS THE APPLICATION OF ANY STATE, LOCAL, NON-U.S. OR OTHER U.S. FEDERAL TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS.

Effect of Certain Contingencies

In certain circumstances, we may be obligated to pay amounts in excess of the stated interest or principal on the notes or we may pay amounts at times other than interest payment dates and the maturity date (e.g., as described under "Description of Notes — Optional Redemption", "Description of Notes — Change of Control", or "Description of Notes — Certain Covenants — Limitation on Sales of Assets and Subsidiary Stock"). These potential payments may implicate the provisions of U.S. Treasury regulations relating to "contingent payment debt instruments". Although the matter is not free from doubt, we intend to take the position that the possibility that the foregoing payments will be made is remote and/or the payments, in the aggregate, are incidental or that the Notes are otherwise not subject to these rules and therefore the Notes are not subject to the rules governing contingent payment debt instruments. Our position is binding on a holder unless such holder discloses its contrary position in the manner required by applicable U.S. Treasury regulations. Our position is not, however, binding on the IRS and if the IRS were to successfully challenge this position, a holder might be required to accrue ordinary interest income on the notes in an amount greater than, and with timing different from the timing described herein with respect to, the stated interest and to treat as ordinary interest income (rather than capital gain) any gain realized on a taxable disposition of a note.

The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments. Holders should consult their own tax advisors regarding the tax considerations relating to contingent payment debt instruments.

Taxation of U.S. Holders

Stated Interest

Stated interest on a note generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Original Issue Discount

The Notes will be treated as issued with OID for U.S. federal income tax purposes. An obligation generally is treated as having been issued with OID for U.S. federal income tax purposes if its "stated redemption price at maturity" exceeds its issue price by at least the statutorily defined "OID de minimis amount". The OID de minimis amount generally equals 1/4 of 1% of the debt instrument's stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity. The "stated redemption price at maturity" of a Note is the sum of all principal and interest payments required to be made on such Note other than qualified stated interest payments.

The amount of OID on a Note generally will be equal to the excess of the stated principal amount of such Note over its "issue price" (as defined above). A U.S. Holder will generally be required to include such OID in gross income as ordinary income for U.S. federal income tax purposes as the OID accrues, on a constant yield basis, in advance of the receipt of cash payments to which such income is attributable. A U.S. Holder must include in income in each taxable year the sum of the daily portions of OID for each day on which it held the Note during the taxable year. To determine the daily portions of OID, the amount of OID allocable to an accrual period is determined, and a ratable portion of such OID is allocated to each day in the accrual period. The amount of OID allocable to an accrual period will equal the product of the Note's "adjusted issue price" at the beginning of the accrual period and the Note's "yield to maturity" (adjusted to reflect the length of the accrual period), less the amount of any stated interest allocable to the accrual period. A Note's "adjusted issue price" at the beginning of any accrual period generally will be its issue price, increased by the amount of OID, if any, allocable to all prior accrual periods and decreased by payments previously made on the Note other than stated interest. A Note's yield to maturity is the discount rate that, when used in computing the present value (as of the issue date) of all principal and interest payments to be made on the Note, produces an amount equal to the Note's issue price. An accrual period may be of any length, and the length of the accrual periods may vary over the life of the Note, provided that no accrual period may be longer than one year. Each scheduled payment of stated interest or principal on the Note must occur on either the first day or last day of an accrual period.

Under these rules, a U.S. holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the "adjusted issue price" at the beginning of the final accrual period. Under the Treasury Regulations, a holder of a Note with OID may elect to include in gross income all interest that accrues on the Note using the constant yield method. Once made with respect to the Note, the election cannot be revoked without the consent of the IRS. A U.S. holder considering an election under these rules should consult its own tax advisor.

The rules regarding OID are complex. U.S. holders are urged to consult their own tax advisors regarding the application of these rules to their particular situations.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of a Note

A U.S. Holder generally will recognize gain or loss upon a sale, exchange, retirement, redemption or other taxable disposition of a note (including pro rata prepayment), equal to the difference, if any, between:

- the amount of cash and the fair market value of any property received (less any amount allocable to accrued but unpaid stated interest, which amount will be taxable as ordinary interest income to the extent not previously so taxed, as discussed above, regardless of whether the U.S. Holder otherwise realizes a gain on the transaction); and

- the U.S. Holder's adjusted tax basis in the note.

A U.S. Holder's adjusted tax basis in a note will generally equal the cost of the note to such U.S. Holder increased by the amount of OID previously accrued on the Note and reduced by any payments (other than payments of stated interest) received by the U.S. Holder on the note.

Any such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the note has been held for more than one year by the U.S. Holder at the time of the disposition. Under current law, long-term capital gains of non-corporate U.S. Holders, including individuals, may be taxed at preferential rates. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Information reporting requirements generally will apply with respect to payments of interest (including OID) and the proceeds from a sale or other taxable disposition (including a retirement or redemption) of the notes, unless a U.S. Holder is an exempt recipient (such as a corporation). In addition, backup withholding (imposed at the then-applicable rate) will apply to the foregoing amounts if a U.S. Holder fails to provide its taxpayer identification number in the manner required, is notified by the IRS that it has failed to properly report payments of interest, accruals of OID or dividends, or fails to properly establish an exemption (generally by providing an IRS Form W-9 certifying such exemption). All individuals are subject to these requirements. Some non-individual holders, including corporations, are exempt from these requirements, provided that their exemptions are properly established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be credited against a U.S. Holder's U.S. federal income tax liability (or refunded), provided that the required information is timely provided to the IRS. Prospective U.S. Holders should consult their own tax advisors regarding the application of information reporting and backup withholding rules in their particular situation, and the availability of an exemption from backup withholding and the procedure for obtaining such an exemption, if available.

Taxation of Non-U.S. Holders

The rules governing the U.S. federal income taxation of Non-U.S. Holders are complex. Non-U.S. Holders should consult their own tax advisors to determine the effect of U.S. federal, state, local and non-U.S. income tax laws, as well as treaties, with regard to an investment in the notes, including any reporting requirements.

Interest

Subject to the discussion below regarding backup withholding and FATCA (as defined below), a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to interest (which for purposes of this discussion of Non-U.S. Holders includes OID) if (1) such interest is not effectively connected with the conduct of a U.S. trade or business by such Non-U.S. Holder, (2) such Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our voting interests (as determined in accordance with the Code and applicable U.S. Treasury regulations), (3) such Non-U.S. Holder is not a "controlled foreign corporation" (within the meaning of the Code) that is actually or constructively related to us through ownership (as provided in the Code and applicable U.S. Treasury regulations), (4) such Non-U.S. Holder is not a bank that acquired the notes in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, and (5) such Non-U.S. Holder (a) certifies that it is not a U.S. person (generally by providing the applicable withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form)), or (b) where such Non-U.S. Holder holds notes through certain financial intermediaries, the certification requirements of applicable U.S. Treasury regulations are satisfied.

If the requirements described above are not satisfied with respect to a Non-U.S. Holder, payments of interest (including OID) to that Non-U.S. Holder will be subject to a 30% U.S. federal tax (which is generally collected through withholding), unless another exemption or a reduced tax rate applies. For example, if a Non-U.S. Holder qualifies for the benefits of an applicable income tax treaty, such treaty may reduce or eliminate such tax, in which event a Non-U.S. Holder claiming the benefit of such treaty must provide the withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or a suitable substitute or successor form) establishing the benefit of the applicable tax treaty.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for an exemption from withholding or a reduced withholding rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

An exemption to the 30% U.S. tax (and related withholding) applies if the interest is effectively connected with the conduct of a U.S. trade or business by a Non-U.S. Holder and the Non-U.S. Holder provides an appropriate statement to that effect on a properly executed IRS Form W-8ECI (or a suitable substitute or successor form). In such case, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such interest in the same manner as if it were a U.S. Holder, as described above, unless an applicable income tax treaty provides otherwise. In addition, a Non-U.S. Holder that is a corporation may be subject to branch profits tax at a rate of 30% (or a lower applicable treaty rate) on such Non-U.S. Holder's effectively connected earnings and profits, including such interest income, subject to adjustments.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of a Note

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain realized on the sale, exchange, retirement, redemption or other taxable disposition of a note (except to the extent proceeds are attributable to accrued but unpaid stated interest, in which case the above rules regarding interest would apply), unless (1) such gain is effectively connected with the conduct by the Non-U.S. Holder of a U.S. trade or business (and, if an income tax treaty so requires, is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States), in which case (unless an applicable income tax treaty provides otherwise) the Non-U.S. Holder generally will be taxed in the same manner as if it were a U.S. Holder, as described above; or (2) in the case of a Non-U.S. Holder that is an individual, the holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the Non-U.S. Holder will be subject to a flat 30% U.S. federal income tax on any gain from the disposition (which may be offset by certain U.S. source losses) except as otherwise provided by an applicable income tax treaty. In the case of the preceding clause (1), a Non-U.S. holder that is a corporation may be subject to an additional branch profits tax at a rate of 30% (or a lower applicable treaty rate) on such Non-U.S. Holder's effectively connected earnings and profits, including any gain realized on the disposition, subject to adjustments.

Information Reporting and Backup Withholding

- Interest payments (including OID) received by a Non-U.S. Holder will be exempt from U.S. federal backup withholding if the Non-U.S. Holder satisfies the certification requirements described under "— Taxation of Non-U.S. Holders — Interest" above. In addition, information reporting generally applies to payments of interest (and the amount of tax, if any, withheld with respect to those payments) even if certification is provided and the interest is exempt from the 30% withholding tax. Under the provisions of an applicable income tax treaty or agreement, copies of the information returns reporting such interest payments and any withholding may also be made available to the government of the country in which the Non-U.S. Holder resides.

- Proceeds received by a Non-U.S. Holder on a sale or other disposition (including a retirement or redemption) of notes may be subject to information reporting and/or backup withholding if the Non-U.S. Holder is not eligible for an exemption and does not provide the certification described under "— Taxation of Non-U.S. Holders — Interest" above. In particular, information reporting and backup withholding may apply if the Non-U.S. Holder uses the U.S. office of a broker, and information reporting (but generally not backup withholding) may apply if a Non-U.S. Holder uses the non-U.S. office of a broker that has certain connections to the United States.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a credit against a Non-U.S. Holder's U.S. federal income tax liability (or be refunded) provided the required information is timely provided to the IRS. Non-U.S. Holders should consult their own tax advisors regarding the application of information reporting and backup withholding rules.

Possible Effect of Certain Alterations to the Notes or Transactions Including Reorganizations, Mergers and Consolidations

The Issuers may make certain alterations to the Notes or engage in certain transactions, including without limitation reorganizations, mergers and consolidations, to the extent permitted pursuant to the Description of Notes. Depending on the circumstances, such alteration or transaction could result in a deemed exchange potentially resulting in the recognition of taxable gain or loss to the Holder, or a recapitalization in which case any gain or loss may not be recognized to the Holder. Such alteration or transaction may also result in the creation of OID on the "deemed" new notes. The Issuers may be required to report certain information regarding such transaction that may be relevant to U.S. Holders either (1) by filing Form 8937 with the IRS and providing copies to certain of their Holders or (2) by posting the form on their website.

The Foreign Account Tax Compliance Act ("*FATCA*")

Pursuant to Sections 1471 through 1474 of the Code, U.S. Treasury regulations thereunder, and administrative guidance from the IRS and intergovernmental agreements (collectively, "FATCA"), a 30% U.S. federal withholding tax applies to payments of interest (including OID) made to certain non-U.S. entities (whether such entities are beneficial owners or intermediaries) unless they satisfy certain due diligence and information reporting requirements (generally relating to ownership by U.S. persons of interest in or accounts with those entities). The IRS and the Department of Treasury have issued proposed regulations providing that the gross proceeds of note or share redemptions, sales or exchanges will not be subject to FATCA withholding. Taxpayers generally may rely on these proposed U.S. Treasury regulations until final U.S. Treasury regulations are issued. An intergovernmental agreement between the U.S. and the non-U.S. Holder's jurisdiction may modify these requirements. FATCA generally applies to all such payments without regard to whether the holder would otherwise be entitled to an exemption, whether pursuant to an applicable income tax treaty or U.S. domestic law, from the imposition of the U.S. federal withholding tax discussed above under "Taxation of Non-U.S. Holders".

Prospective holders should consult their own tax advisors regarding the possible implications of FATCA and whether it may be relevant to such holder's acquisition, ownership and disposition of the notes.

CERTAIN EMPLOYEE BENEFIT PLAN CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase, holding, and disposition of the notes by (i) any employee benefit plan (as defined in Section 3(3) of ERISA) subject to the provisions of part 4 of subtitle B of Title I of ERISA, (ii) an individual retirement account or other plan or arrangement to which Section 4975 of the Code applies, (iii) any entity whose underlying assets include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA)) of any plans described in subsections (i) or (ii) by reason of any such plan's investment in such entity or (iv) any plan, including a foreign plan, governmental plan (as defined in Section 3(32) of ERISA) or church plan (as defined in Section 3(33) of ERISA) that is not subject to Title I of ERISA, but that is subject to Similar Laws) (collectively, the plans and entities described in subsections (i) through (iv) above are referred to herein as "Plans").

This summary is based on the provisions of ERISA and the Code (and the related regulations and administrative guidance and judicial interpretations) as of the date hereof. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, administrative regulations, rulings or administrative pronouncements will not significantly modify the requirements summarized herein. Any such changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. Accordingly, each prospective investor should consult with its own counsel in order to understand the potential applicability of Title I of ERISA, Section 4975 of the Code and/or any other Similar Law to an investment in the notes that affect or may affect the investor with respect to this investment.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to the provisions of part 4 of subtitle B of Title I of ERISA or Section 4975 of the Code (a "Covered Plan") and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

Section 404(a)(1) of ERISA sets forth a general standard of behavior and restrictions for fiduciaries of Covered Plans subject to Title I of ERISA. It requires that a fiduciary discharge its duties with respect to such a Covered Plan (i) solely in the interest of the participants and beneficiaries of such Covered Plan, (ii) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Covered Plan, (iii) in accordance with a prudence rule (that is "with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims"), (iv) by diversifying the investments of the Covered Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and (v) in accordance with the documents governing the Covered Plan insofar as they are consistent with ERISA.

In considering an investment of a portion of the assets of any Plan in the notes, a fiduciary should determine, among other things, whether the acquisition and holding of the notes is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Laws relating to the fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA and the Code, the role that the investment plays in the Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the Plan's purposes, an examination of the risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, and the projected return of the total portfolio relative to the Plan's funding objectives. Similar duties and restrictions may apply to fiduciaries of plans that are not subject to ERISA, such as governmental plans, church plans and non-U.S. plans. Fiduciaries of Plans subject to Similar Laws should consider their fiduciary duties under such Similar Laws in determining whether to invest in the notes offered hereby.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving assets of a Covered Plan with persons or entities who are, respectively, "parties in interest" within the meaning of Section 3(14) of ERISA, or "disqualified persons" within the meaning of Section 4975(e) of the Code, unless a statutory or administrative exemption is applicable to the transaction.

A party in interest or disqualified person who engages in a non-exempt prohibited transaction (including, without limitation, the lending of money or the extension of credit by the Covered Plan) may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. For example, a Covered Plan holding a note would be viewed by the U.S. Department of Labor as a continuing extension of credit by the Covered Plan to the Issuer. In addition, a fiduciary of a Covered Plan that engages in a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code, including an obligation to correct the transaction. Accordingly, each original or subsequent purchaser or transferee of a note that is or may become a Covered Plan is responsible for determining the extent, if any, to which the purchase and holding of a note will constitute a prohibited transaction under ERISA and/or Section 4975 of the Code.

The acquisition, holding, and/or disposition of the notes by a Covered Plan with respect to which we, any of our affiliates, the Trustee or any of its respective affiliates or any initial purchaser is or becomes considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the notes are acquired and are held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of notes by a Covered Plan, depending on the type and circumstances of the fiduciary making the decision to acquire such notes and the relationship of the party in interest or disqualified person to the Covered Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Covered Plan and non-fiduciary service providers to the Covered Plan. In addition, the United States Department of Labor has issued prohibited transaction class exemptions ("PTCEs") that may apply to the acquisition and holding of the notes. These class exemptions (as may be amended from time to time) include, without limitation, PTCE 84-14 (respecting transactions effected by independent "qualified professional asset managers"), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective investment funds), PTCE 95-60 (respecting life insurance company general accounts) and PTCE 96-23 (respecting transactions directed by in-house asset managers).

Each of these PTCEs contains conditions and limitations on its application. Thus, the fiduciaries of a Covered Plan that is considering acquiring and/or holding the notes in reliance of any of these, or any other, PTCEs should carefully review the conditions and limitations of the PTCE and consult with their counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any PTCE or any other exemption will be available with respect to any particular transaction involving the notes.

Because of the foregoing, the notes should not be purchased or held by any person investing "plan assets" of any Plan unless such purchase, holding and, if applicable, disposition will not constitute a non-exempt prohibited transaction under ERISA or the Code or a violation of any applicable Similar Laws.

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 Plan fiduciaries, or other persons considering acquiring the notes (and holding the notes) on behalf of, or with the assets of, any Plan, consult with their counsel, prior to any such acquisition, 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 acquisition and holding of the notes.

Nothing herein shall be construed as a representation that an investment in the notes would meet any or all of the relevant legal requirements with respect to investments by, or is appropriate for, a Plan.

Purchasers of the notes have the exclusive responsibility for ensuring that their acquisition, holding, and disposition of the notes complies with their fiduciary duties set forth in ERISA, the Code and any applicable Similar Laws and does not violate the prohibited transaction rules of ERISA or the Code or provisions under any applicable Similar Laws.

Representation

To address the above concerns, each investor will be deemed to have acknowledged, represented to and agreed to the following representations: With respect to the acquisition, holding and disposition of the notes, or any interest therein, you represent and warrant that (A) either (i) you are not, and are not acting on behalf of (and for so long as you hold such notes or any interest therein will not be, and will not be acting on behalf of), (I) an employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, (II) an individual retirement account or other plan or arrangement to which Section 4975 of the Code, applies, or (III) any entity whose underlying assets include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA)) of any plans described in subsections (i) or (ii) by reason of any such plan's investment in such entity (each of (I), (II) and (III), a "Benefit Plan Investor") or (IV) a governmental, church or non-U.S. plan which is subject to any federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code ("Similar Laws"), and no part of the assets to be used by you to acquire or hold such notes or any interest therein constitutes the assets of any Benefit Plan Investor or any such governmental, church or non-U.S. plan, or (ii) your acquisition, holding and disposition of such note, or any interest therein does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, a non-exempt violation of any Similar Laws); and (b) none of the Issuer, initial purchasers, or any other party to the transactions contemplated by this offering or any of their respective affiliates is acting, or will act, as a fiduciary to you, any Benefit Plan Investor or any governmental, church or non-U.S. plan subject to Similar Law with respect to the decision to purchase or hold the notes or is undertaking to provide impartial investment advice in a fiduciary capacity with respect to the decision to purchase or hold the notes; and (B) you will not sell or otherwise transfer such notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such note or any interest therein.

PLAN OF DISTRIBUTION

The Issuer, the guarantors and the initial purchasers named below have entered into a purchase agreement with respect to the notes. Subject to certain conditions, each initial purchaser has severally agreed to purchase the principal amount of notes indicated in the following table.

Initial Purchaser	Principal Amount of Notes
Goldman Sachs & Co. LLC	$232,500,000
Jefferies LLC	$155,000,000
BMO Capital Markets Corp.	$124,000,000
Credit Suisse Securities (USA) LLC	$108,500,000
Total	**$620,000,000**

The initial purchasers are committed to take and pay for all of the notes being offered, if any are taken. The initial offering price is set forth on the cover page of this offering circular. After the notes are released for sale, the initial purchasers may change the offering prices and other selling terms. The offering of the notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part. The initial purchasers may offer and sell the notes through certain of their respective affiliates.

The notes have not been and will not be registered under the Securities Act. Each initial purchaser has agreed that it will only offer or sell the notes (A) to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act, (B) to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. In addition, each initial purchaser has agreed that it will only offer and sell the notes in Canada to purchasers that have represented, or been deemed to have represented, that they qualify as "accredited investor" as defined in National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act. See "Transfer Restrictions".

In connection with sales outside the United States, the initial purchasers have agreed that they will not offer, sell or deliver the notes to, or for the account or benefit of, U.S. persons (i) as part of the initial purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the notes are originally issued. The initial purchasers will send to each dealer to whom they sell such notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the notes are originally issued, an offer or sale of such notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

We have agreed in the purchase agreement, subject to certain exceptions, that for a period of 90 days after the closing date of the offering of the notes, neither we, nor any of our subsidiaries or other affiliates over which we exercise management or voting control, nor any person acting on our behalf will, without the prior written consent of Goldman Sachs & Co. LLC, offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the notes.

The notes are a new issue of securities with no established trading market. Neither we nor the Issuer intend to list the notes on any national securities exchange. We cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. We have been advised by certain of the initial purchasers that the initial purchasers intend to make a market in the notes, but they 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. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The initial purchasers also may impose a penalty bid. This occurs when a particular initial purchaser repays to the initial purchasers a portion of the underwriting discount received by it because Goldman Sachs & Co. LLC or its affiliates has repurchased notes sold by or for the account of such initial purchasers in stabilizing or short-covering transactions.

These activities by the initial purchasers, as well as other purchases by the initial purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the initial purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise. Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes.

The initial purchasers 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. Specifically, affiliates of certain of the initial purchasers act as arrangers, agents and lenders under our New Term Loan Facility, and may enter into certain hedging transactions with us that are secured under our New Term Loan Facility. The initial purchasers and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments and those of our affiliates. In addition, affiliates of certain of the initial purchasers are acting as arrangers, agents and lenders under our ABL Facility and New Term Loan Facility, and may receive certain of the proceeds used by the Company to refinance the ABL Facility and New Term Loan Facility. An affiliate of Credit Suisse Securities (USA) LLC is the administrative agent, collateral agent and a lender under the New Term Loan Facility. An affiliate of BMO Capital Markets Corp. is the administrative agent, collateral agent and a joint lead arranger and bookrunner under the ABL Facility.

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 credit default swaps or 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/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

We have agreed to indemnify the several initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Settlement

We expect that delivery of the notes will be made to investors on or about May 3, 2023, which will be the 6th business day following the date of this offering circular (such settlement being referred to as "T+6"). Under Rule 15c6-1 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 notes prior to the second business day immediately preceding the delivery of the notes by the initial purchasers will be required, by virtue of the fact that the notes initially settle in T+6, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery by the initial purchasers should consult their advisors.

Notice to Prospective Investors in the 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 (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the Prospectus Regulation.

Each person located in a member state of the EEA to whom any offer of notes is made or who receives any communication in respect of any offer of notes, or who initially acquires any notes, will be deemed to have represented, warranted, acknowledged and agreed to and with each initial purchaser and the Issuer that (1) it is a "qualified investor" (as defined in Article 2(e) of the Prospectus Regulation); and (2) in the case of any notes acquired by it as a financial intermediary as that term is used in the Prospectus Regulation, the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any member state of the EEA other than qualified investors, or in circumstances in which the prior consent of the initial purchasers has been given to the offer or resale; or where notes have been acquired by it on behalf of persons in any member state of the EEA other than qualified investors, the offer of those notes to it is not treated under the Prospectus Regulation as having been made to such persons.

Notice to Prospective Investors in the United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the

EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (as amended, the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of notes in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation and the FSMA from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only to, persons who are "qualified investors" (as defined in the UK Prospectus Regulation) who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order") and/or (ii) are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order and/or (iii) 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 lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will only be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the notes. The notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the notes constitutes a prospectus pursuant to the FinSA, and neither this offering circular nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering circular relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering circular is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering circular nor taken steps to verify the information set forth herein and has no responsibility for the offering circular. The notes to which this offering circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering circular, you should consult an authorized financial advisor.

Notice to Prospective Investors in Hong Kong

This offering circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The securities to be sold under this offering circular may not be offered or sold by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance; or (b) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong); or (c) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong); and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the notes. Accordingly, the notes may not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes have not been and may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289, of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor; then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA, or to a relevant person under Section 275(2) of the SFA, or any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is given for the transfer; (iii) by operation of law; or (iv) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Canada

The notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

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

LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon for us by Ropes & Gray LLP, New York, New York, and for the initial purchasers by Latham & Watkins LLP, New York, New York.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The consolidated financial statements of the Company as of and for the fiscal years ended June 30, 2020, June 30, 2021 and June 30, 2022 included in this offering circular have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing herein.

AVAILABLE INFORMATION

So long as any notes remain outstanding, we will make available upon request, to any holder and any prospective purchaser of notes, the information required pursuant to Rule 144A(d)(4)(i) under the Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act.

You may obtain a copy of the indenture that governs the notes by requesting it in writing or by telephone at the address and phone number below.

Tekni-Plex, Inc.
Attention: General Counsel
460 E. Swedesford Road
Suite 3000
Wayne, PA 19087
484-690-1520

This offering circular contains summaries of certain agreements that we have previously entered into, or will enter into in connection with this offering, such as the indenture governing the notes and the Amended Term Loan Credit Agreement and the agreements described under “Certain Relationships and Related Party Transactions”. The descriptions contained in this offering circular of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you by making a written or oral request to us.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

TRIDENT TPI HOLDINGS, INC.

Unaudited

Interim Report

For the Period Ended

December 31, 2022

460 E. Swedesford Road Suite 3000
Wayne, PA 19087
(484) 690-1520

PART I. FINANCIAL STATEMENTS

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except share and per share data)	December 31, 2022	June 30, 2022
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 43.7	$ 24.8
Accounts Receivable, net of allowances of $1.9 and $1.5	215.6	236.9
Inventories	297.6	262.3
Prepaid expenses and other current assets	29.7	24.5
Total current assets	586.6	548.5
Property, plant and equipment, net	741.7	684.9
Operating lease right of use assets, net	98.6	—
Deferred taxes	4.8	1.1
Goodwill	1,299.5	1,198.3
Intangible Assets, net of accumulated amortization of $275.6 and $227.2	905.4	939.1
Other long-term assets	18.8	15.8
Total assets	$3,655.4	$3,387.7
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current portion of debt	$ 61.9	$ 38.0
Accounts payable	141.1	138.1
Accrued payroll and benefits	40.6	53.1
Accrued interest	17.3	16.7
Income taxes payable	5.7	4.2
Operating lease liabilities	12.8	—
Other current liabilities	50.4	47.1
Total current liabilities	329.8	297.2
Long-term debt	2,366.5	2,216.6
Deferred taxes	197.9	195.6
Operating lease liabilities	89.6	—
Other long-term liabilities	66.2	71.2
Total liabilities	3,050.0	2,780.6
Stockholder's equity		
Common stock ($0.001 par value; authorized 1,000 shares; issued and outstanding 1,000 shares)	—	—
Additional paid-in capital	673.3	644.0
Accumulated (deficit) earnings	(28.0)	15.5
Accumulated other comprehensive loss	(39.9)	(52.4)
Total stockholder's equity	605.4	607.1
Total liabilities and stockholder's equity	$3,655.4	$3,387.7

TRIDENT TPI HOLDINGS, INC.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions)	Six Months Ended December 31, 2022	Six Months Ended December 31, 2021
Net sales	$911.5	$741.1
Cost of goods sold	697.8	565.9
Gross profit	213.7	175.2
Operating expenses		
Selling, general and administrative	153.3	138.1
Income from operations	60.4	37.1
Other (income) expense:		
Interest expense, net	88.0	60.3
Other expense (income)	20.2	(21.8)
Loss before income taxes	(47.8)	(1.4)
Provision (benefit) for income taxes	5.6	(9.1)
Net (loss) income	$ (53.4)	$ 7.7

TRIDENT TPI HOLDINGS, INC.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions)	Six Months Ended December 31, 2022	Six Months Ended December 31, 2021
Net (loss) income	$(53.4)	$ 7.7
Other comprehensive income (loss), net of taxes:		
Foreign currency translation	12.6	(17.8)
Change in funded status of defined benefit plans	—	—
Other comprehensive income (loss)	12.6	(17.8)
Comprehensive loss	$(40.8)	$(10.1)

TRIDENT TPI HOLDINGS, INC.

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

(In millions, except share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balance June 30, 2021	1,000	$—	$602.5	$ (8.4)	$ 2.4	$596.6
Net income		—	—	7.7	—	7.7
Other comprehensive income		—	—	—	(17.7)	(17.7)
Capital contributions, net of distributions		—	34.4	—	—	34.4
Stock-based compensation		—	4.2	—	—	4.2
Balance December 31, 2021	1,000	$—	$641.1	$ (0.7)	$(15.3)	$625.1
Balance June 30, 2022	1,000	$—	$644.0	$ 15.5	$(52.5)	$607.1
Net loss		—	—	(53.4)	—	(53.4)
Impact of adoption of ASC 842		—	—	9.9	—	9.9
Other comprehensive income		—	—	—	12.6	12.6
Capital contributions, net of distributions		—	28.5	—	—	28.5
Stock-based compensation		—	0.8	—	—	0.8
Balance December 31, 2022	1,000	$—	$673.3	$(28.0)	$(39.9)	$605.4

TRIDENT TPI HOLDINGS, INC.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Six Months Ended December 31, 2022	Six Months Ended December 31, 2021
OPERATING ACTIVITIES:		
Net (loss) income	$ (53.4)	$ 7.7
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	93.5	55.3
Amortization of deferred financing charges and debt discount	5.8	4.7
Stock-based compensation	0.8	4.2
Provision for bad debts	1.1	0.4
Deferred income taxes	(8.2)	(17.7)
Other non-cash operating activity	20.7	(12.5)
Changes in assets and liabilities:		
Accounts receivable	26.2	(19.6)
Inventories	(27.6)	(18.3)
Prepaid expenses and other assets	(6.8)	(2.1)
Accounts payable	(7.1)	(10.3)
Accrued payroll and benefits	(10.0)	(0.3)
Accrued interest	0.7	0.3
Other current liabilities	1.6	5.4
Income taxes payable	(0.1)	(6.6)
Other long-term liabilities	(0.3)	(1.3)
Net cash provided by (used in) operating activities	36.9	(10.7)
INVESTING ACTIVITIES:		
Payments for net assets and intangibles acquired, net of cash acquired and purchase price adjustments	(138.0)	(746.3)
Capital expenditures	(39.6)	(25.8)
Proceeds from disposal of assets	0.4	0.4
Proceeds from insurance recoveries	1.5	11.7
Additions to intangible assets	(0.2)	(0.3)
Net cash used in investing activities	(175.9)	(760.3)
FINANCING ACTIVITIES:		
Short-term borrowings and cash overdrafts, net	3.9	0.2
Borrowings under line of credit	130.3	143.0
Repayments under line of credit	(111.6)	(111.7)
Proceeds from equity contribution from Parent	2.2	0.5
Borrowings under long-term debt, net of discounts	153.4	743.4
Repayments of long-term debt	(10.2)	(7.7)
Distribution to Parent	(5.1)	(11.3)
Debt financing costs	(4.1)	(17.9)
Net cash provided by financing activities	158.8	738.5
Effect of exchange rate changes on cash	(0.9)	(1.5)
Net increase (decrease) in cash and cash equivalents	18.9	(34.0)
Cash and cash equivalents beginning of period	24.8	90.6
Cash and cash equivalents end of period	$ 43.7	$ 56.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Dollar amounts in millions, except share data)

NOTE 1. ORGANIZATION

On October 17, 2017, ASP TPI Holdings, Inc. (the "Company"), a Delaware corporation, was acquired by Trident Intermediate, Inc. ("Intermediate"), which is a Delaware corporation and wholly-owned subsidiary of Tekni-Plex Parent, Inc., formerly known as Trident Parent, Inc., (the "Parent"), a Delaware corporation which is owned by certain affiliated funds managed by Genstar Capital LLC (the "2018 Merger").

The 2018 Merger was consummated pursuant to the Agreement and Plan of Merger, dated August 29, 2017 (as amended by that certain Amendment No. 1 to Agreement and Plan of Merger, dated September 20, 2017, the "Merger Agreement", and such amendment, (the "Amendment"), by and among Parent, Intermediate, Trident Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Intermediate (the "Merger Sub"), the Company and ASP TPI Investco LP, a Delaware limited partnership (the "Stockholders Representative"). Pursuant to the Merger Agreement, Merger Sub was merged with the Company, Merger Sub's separate corporate existence ceased and the Company continued as the surviving corporation. The Company was renamed Trident TPI Holdings, Inc. ("Trident TPI").

Tekni-Plex, Inc., an indirect subsidiary of Trident TPI, is a leading materials science solutions partner to many of the world's largest brands. The company provides solutions aimed at delivering better patient outcomes, protecting products and strengthening brands. At the beginning of fiscal year 2022, the Company reorganized its lines of business into two key market — focused divisions: Tekni-Plex Healthcare ("Healthcare") and Tekni-Plex Consumer Products ("Consumer Products"). The reorganization is part of an intensive planning effort to evolve the Company into a critical solutions partner that enables our customers to meet their product and performance goals by leveraging materials-science expertise to provide sustainable solutions that make the world a healthier place. The Company operates in a variety of end markets that include Medical, Pharmaceutical and Diagnostics in Healthcare; and Fresh Foods, Household and Beauty and Personal Care in Consumer Products.

In the opinion of management, the accompanying unaudited consolidated balance sheet and related interim unaudited consolidated statements of operations, unaudited consolidated statements of comprehensive (loss) income, unaudited consolidated statements of stockholder's equity and unaudited consolidated statements of cash flows include all adjustments, consisting of normal recurring items, necessary for their fair presentation in conformity with U.S. generally accepted accounting principles (GAAP) for interim financial reporting. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

In accordance with applicable accounting standards, the accompanying financial statements do not include all of the information and footnote disclosures that are required to be included in our annual consolidated financial statements. The year-end balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. Accordingly, these financial statements should be read in conjunction with our audited financial statements and notes thereto included in our Annual Report for the fiscal year ended June 30, 2022, which is available on the Company's Investor Communications web portal.

NOTE 2. ACQUISITIONS

On November 1, 2022, the Company acquired all of the outstanding equity interests of Empaques Moldeados de América Tecnologias, S. DE R.L. DE C.V. ("Ematec"), a manufacturer of molded fiber and polyethylene terephthalate (“P.E.T.”) packaging for consumer products and which is located in Mexico. The acquisition expands the Company’s product offerings. The acquisition was accounted for as a business combination using the acquisition method. Under the acquisition method of accounting, assets acquired and liabilities assumed from these operations are recorded at fair value on the date of acquisition. This allocation is based on a preliminary fair value of assets acquired and is expected to change during the measurement period. The preliminary goodwill recognized in connection with the acquisition of the assets is primarily attributable to the synergies expected with the expansion of the Company’s product offerings.

(Dollar amounts in millions, except share data)

The preliminary purchase price, net of cash acquired, was approximately $165.0. A portion of the transaction consideration for the acquisition of Ematec took the form of a $27.0 deferred payment promissory note in favor of the seller payable by Intermediate. As a result, Intermediate made a $27.0 non-cash contribution of the investment in Ematec to Trident TPI.

During the second quarter of fiscal 2023, the Company finalized its purchase accounting for Fibro and recorded necessary adjustments to reflect the fair value of identified intangible assets and the fair value of deferred purchase consideration.

The following is a summary of the preliminary allocation of the total purchase consideration to the fair values of the assets and liabilities of Ematec at the time of the transaction and the change in purchase price allocation for Fibro:

	Ematec	Fibro (Measurement Period Adjustments)	Total
Accounts receivable	$ 7.7	$ —	$ 7.7
Inventories	11.1	—	11.1
Prepaid expenses and other current assets	3.5	—	3.5
Property, plant and equipment	60.5	3.1	63.6
Goodwill	106.7	(9.7)	97.0
Intangible assets	0.1	15.0	15.1
Other long-term assets	0.8	—	0.8
Total acquired assets	$190.4	$ 8.4	$198.8
Accounts payable	$ 12.2	$ —	$ 12.2
Accrued liabilities	3.7	—	3.7
Deferred taxes	8.5	—	8.5
Other long-term liabilities	1.0	—	1.0
Deferred purchase consideration	—	8.4	8.4
Total assumed liabilities	25.4	8.4	33.8
Total purchase consideration	$165.0	$ —	$165.0

(Dollar amounts in millions, except share data)

NOTE 3. INVENTORIES

Inventories, net of reserves, are summarized as follows:

	December 31, 2022	June 30, 2022
Raw materials	$174.5	$157.2
Work-in-process	46.1	41.9
Finished goods	77.0	63.2
	$297.6	$262.3

NOTE 4. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents changes in the carrying value of goodwill:

Balance at June 30, 2022	$1,198.3
Currency translation	4.2
New acquisitions	106.7
Measurement Period Adjustments	(9.7)
Balance at December 31, 2022	$1,299.5

In-process research and development ("IPRD")

The Company recognizes, through purchase accounting, IPRD which has not yet reached commercialization. IPRD has an indefinite useful life. As of December 31, 2022 and June 30, 2022, the Company had $19.2 of IPRD intangible assets that have not been commercialized, and therefore not placed in service.

The Company did not recognize any impairment charges for the six month periods ended December 31, 2022 or 2021.

Definite-lived intangible assets

The components of the Company's identifiable intangible assets were as follows:

	December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 769.4	$(168.1)	$601.3
Know how	247.9	(56.1)	191.8
Trade names and trademarks	116.2	(40.3)	75.9
Developed technology and other	27.6	(11.2)	16.4
Total definite-lived intangible assets	$1,161.1	$(275.7)	$885.4

(Dollar amounts in millions, except share data)

	June 30, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 768.4	$(144.9)	$623.5
Know how	234.8	(48.0)	186.8
Trade names and trademarks	115.8	(24.2)	91.6
Developed technology and other	27.4	(10.1)	17.3
Total definite-lived intangible assets	$1,146.4	$(227.2)	$919.2

Amortization expense for intangibles assets was $47.7 and $26.2 for the six months ended December 31, 2022 and 2021, respectively.

NOTE 5. DEBT

Long-term debt as of December 31, 2022 and June 30, 2022 consisted of the following:

	December 31, 2022	June 30, 2022
2024 Notes	$ 345.0	$ 345.0
2025 Notes	260.0	260.0
Term Debt	1,772.1	1,610.4
ABL Facility	18.7	—
Capital lease obligations & Other	53.5	56.5
Factoring payables and other debt	21.5	18.1
Total long-term debt, including current portion	2,470.8	2,290.0
Long-term debt due within one year	(61.9)	(38.0)
Unamortized debt issuance costs	(31.0)	(32.1)
Unamortized debt discount	(11.4)	(3.3)
Long term debt	$2,366.5	$2,216.6

In connection with the Ematec acquisition, on November 1, 2022 the Company completed the Fourth Amendment to the Term Debt, and incurred a principal amount of $125.0 of Tranche B-4 Initial Term Loans, which were used to partially finance the acquisition of Ematec. In addition, the Company drew approximately $37.2 under the Tranche B-3 Term Loan (referred to in earlier reports as the Delayed Draw Term Loan).

Amounts outstanding under the Tranche B-4 Term Loan bear interest at a rate per year equal to the ABR base rate plus an applicable margin of 4.25%, or a SOFR rate plus an applicable margin of 5.25% and have a maturity of approximately six years. Amounts outstanding under the Tranche B-3 Term Loan bear interest at a rate per year equal to the ABR base rate plus an applicable margin of 3.00%, or a LIBOR rate plus an applicable margin of 4.00% and have a remaining maturity of approximately six years. The applicable margin for the Tranche B-3 Term Loan may be adjusted downward if the First Lien Net Leverage Ratio is equal or below 4:50 to 1:00.

(Dollar amounts in millions, except share data)

NOTE 6. INCOME TAXES

The provision for income taxes for the six months ended December 31, 2022 was $5.6 compared to a benefit of $9.1 for the six months ended December 31, 2021. The Company's income tax rate for the six months ended December 31, 2022 was (11.7%) compared to 650% for the six months ended December 31, 2021. The change in tax rate was driven primarily by a mix of income with both non-US profits and US losses taxed at differing rates where the non-US profits are taxed at rates above the US statutory tax rate, net reductions to income tax reserve driven by tax statute expirations, and the prior year benefit attributable to merger of two of the Company's foreign subsidiaries recognized at December 31, 2021.

NOTE 7. STOCKHOLDER'S EQUITY

Accumulated other comprehensive (loss) income

The following table summarizes the changes in accumulated other comprehensive (loss) income by component:

	Foreign Currency Translation	Defined Benefit Pension Plans	Total
Balance at June 30, 2022	$(53.4)	$0.9	$(52.5)
Other comprehensive income before reclassifications	12.6	—	12.6
Balance at December 31, 2022	$(40.8)	$0.9	$(39.9)

NOTE 8. LEASES

On July 1, 2022 the Company adopted ASC Topic 842, Leases ("ASC 842") using a modified retrospective transition method and elected the optional transition method as defined within Accounting Standards Update ("ASU") 2018-11. As a result, the Company was not required to adjust its comparative period financial information for effects of the standard or make the new required lease disclosures for periods before the date of adoption (i.e. July 1, 2022). The Company has elected to adopt the package of transition practical expedients and, therefore, has not reassessed (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases or (3) the accounting for initial direct costs that were previously capitalized. The Company did not elect the practical expedient to use hindsight for leases existing at the adoption date.

The Company has elected not to recognize ROU assets and lease liabilities for all short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Company leases.

Additionally, the Company applies the private company practical expedient to the use the risk-free rate as the discount rate.

As a result of the adoption of ASC 842 the Company recorded ROU assets of $100.4 and current and long-term lease liabilities of $12.1 and $88.3, respectively. Also, in connection with the adoption the Company re-evaluated a sale-leaseback lease and two build-to-suit leases under ASC 840, where the facilities were formerly treated as owned assets. The evaluation resulted in recording an increase to property, plant and equipment of $4.6, an increase to current liabilities of $2.0, a decrease to long-term liabilities of $7.3, and a resulting increase to retained earnings of $9.9.

The Company has commitments under operating leases for certain manufacturing and warehouse facilities, machinery and equipment, as well other facilities used in its operations. The Company has finance leases which are included in long-term debt. Excluding short-term leases and any corresponding extension options, the Company's leases have remaining non-cancellable terms of up to approximately 17 years. Some of the Company's leases include options to extend or renew, and some of which include options to terminate the leases with notice periods of up to 1 year. Certain lease agreements contain provisions for future rent increases. Payments due under lease contracts are fixed.

The Company determines if an arrangement is a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (1) there is an identified asset in the contract that is land or a depreciable asset (i.e., property, plant, and equipment), and (2) the customer has the right to control the use of the identified asset. The Company determines whether the contracts are considered an operating or finance lease.

Operating leases are included in right-of-use ("ROU") lease assets, current portion lease liability, and lease liabilities on the consolidated balance sheet when the lease term exceeds one year. The lease liabilities are initially measured at the present value of the unpaid lease payments at the lease commencement date.

Key estimates and judgments include how the Company determined (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term and (3) lease payments.

(1) ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As the majority of the Company's leases do not provide an implicit rate, the Company uses the private company practical expedient which allows for utilizing the risk-free rate to discount the future cash flows.

(2) The lease term for all of the Company's leases includes the non-cancellable period of the lease plus any additional periods covered by a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise.

(3) Lease payments included in the measurement of the lease liability comprise the following: fixed payments (including in-substance fixed payments), less any lease incentives paid or payable to the lessee, variable payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the exercise price of the Company option to purchase the underlying asset if the Company is reasonably certain to exercise.

The ROU asset is initially measured at cost, which comprises the initial measurement of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred, less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, adjusted for the remaining balance of any lease incentives received, any cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term and any unamortized initial direct costs. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Variable lease payments associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expenses in the Company's consolidated statement of operations in the same line item as expense arising from fixed lease payments for operating leases.

(Dollar amounts in millions, except share data)

ROU assets for operating leases are subject to the long-lived assets impairment guidance in ASC Subtopic 360-10, Property, Plant, and Equipment.

The Company monitors for events or changes in circumstances that require a reassessment of a lease. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

The Company has lease agreements which include lease and non-lease components, which are accounted for separately using a relative stand-alone price basis.

The Company recognized rent expense for the six months ended December 31, 2021 of $10.6, and the Company recorded $0.3 of sublease rental income. Lease cost recognized in the consolidated statements of operations for the six months ended December 31, 2022 is summarized as follows:

	Six Months Ended December 31, 2022
Lease Cost:	
Operating lease cost	$ 8.2
Short-term lease cost	2.8
Sublease income	(1.4)
Total lease cost	$ 9.6

Other lease information as of and for the six months ended December 31, 2022 includes:

	December 31, 2022
Weighted-average remaining lease term (in years)	
Operating leases	11.2
Weighted-average discount rate	
Operating leases	3.1%
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 7.9
ROU assets obtained in exchanged for new operating lease liabilities	
Operating leases	$ 0.4

As of December 31, 2022, maturities of the Company's operating lease liabilities are as follows:

2023	$ 7.9
2024	15.3
2025	14.0
2026	12.4
2027	9.3
Thereafter	63.3
Total lease payments	$122.3
Less: Imputed Interest	(19.9)
Present value of lease liability	$102.4

(Dollar amounts in millions, except share data)

Future minimum rental payments under operating leases (net of sublease amounts) that were required to be disclosed prior to the adoption of the new lease standard as of June 30, 2022 were as follows:

Fiscal year ending	
2023	$ 14.3
2024	13.4
2025	12.2
2026	11.1
2027	8.2
Thereafter	58.5
Total lease commitments	$117.6

NOTE 9. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company is presently a party to certain lawsuits arising in the ordinary course of its business. In the opinion of management, none of its current legal proceedings are expected to have a material impact on the Company's business or financial results.

The Company evaluates, on a regular basis, developments in its legal matters. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred, and the amount can be reasonably estimated.

With respect to any current legal proceedings or claims pending against the Company for which it has not made an accrual, but for which it is reasonably possible that a loss may occur, the Company is unable to estimate a range of loss due to various reasons, including, among others: (1) that the proceedings are in early stages, (2) that there is uncertainty as to the outcome of pending appeals, motions, or settlements, (3) that there are significant factual issues to be resolved, and (4) that there are novel legal issues presented. Such legal matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond the Company's control. Based on current knowledge, the Company believes that the final outcome of the matters discussed above will not, individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of operations, or cash flows. While the Company intends to vigorously defend these matters, in light of the uncertainties involved in such matters, there exists the possibility of adverse outcomes, and the final outcome of a particular matter could have a material adverse effect on results of operations or cash flows in a particular period.

The Company is subject to environmental laws requiring the investigation and cleanup of environmental contamination. In addition to remediation being undertaken by third parties at a limited number of its locations, the Company is investigating and remediating existing environmental conditions resulting from past industrial activity at several of the Company's facilities, including several of the Company's New Jersey facilities pursuant to the requirements of New Jersey's Industrial Site Recovery Act ("ISRA"). If any other events were to occur in the future that would be deemed to have affected a "change of control" or shutdown of any of the Company's New Jersey facilities as defined under ISRA, the Company would be required to take additional actions to comply with that statute, possibly resulting in additional investigations and remediation costs.

NOTE 10. RELATED PARTY TRANSACTIONS

Affiliates of Genstar Capital ("Genstar") currently own approximately 96.5% and 96.7% of the outstanding common stock of Parent as of December 31, 2022 and June 30, 2022, respectively. The Company is a wholly-owned subsidiary of Parent.

NOTE 11. SUBSEQUENT EVENT

The Company performed an evaluation for subsequent events through March 1, 2023 that could impact the financial statements for the period ended December 31, 2022, noting no matters that would require disclosure.

TRIDENT TPI HOLDINGS, INC.

Annual Report

For the Fiscal Year Ended June 30, 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Trident TPI Holdings, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Trident TPI Holdings, Inc. and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trident TPI Holdings, Inc. and subsidiaries as of June 30, 2022 and 2021, and the results of their operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Philadelphia, Pennsylvania
September 2, 2022

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except share and per share data)	June 30, 2022	June 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 24.8	$ 90.6
Accounts receivable, net of allowances of $1.5 and $0.8	236.9	131.0
Inventories	262.3	163.2
Prepaid expenses and other current assets	24.5	16.9
Total current assets	548.5	401.7
Property, plant and equipment, net	684.9	383.1
Deferred taxes	1.1	0.8
Goodwill	1,198.3	883.9
Intangible assets, net of accumulated amortization of $227.2 and $167.0	939.1	722.9
Other long-term assets	15.8	3.2
Total assets	$3,387.7	$2,395.6
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current portion of debt	$ 38.0	$ 9.9
Accounts payable	138.1	75.3
Accrued payroll and benefits	53.1	33.9
Accrued interest	16.7	16.4
Income taxes payable	4.2	3.9
Other current liabilities	47.1	35.8
Total current liabilities	297.2	175.2
Long-term debt	2,216.6	1,481.1
Deferred taxes	195.6	87.7
Other long-term liabilities	71.2	55.0
Total liabilities	2,780.6	1,799.0
Stockholder's equity		
Common stock ($0.001 par value; authorized 1,000 shares; issued and outstanding 1,000 shares)	—	—
Additional paid-in capital	644.0	602.5
Accumulated earnings (deficit)	15.5	(8.4)
Accumulated other comprehensive (loss) income	(52.4)	2.5
Total stockholder's equity	607.1	596.6
Total liabilities and stockholder's equity	$3,387.7	$2,395.6

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions)	Year Ended June 30, 2022	Year Ended June 30, 2021
Net sales	$1,681.9	$1,075.1
Cost of goods sold	1,286.9	790.1
Gross profit	395.0	285.0
Operating expenses		
Selling, general and administrative	286.7	194.7
Impairments	—	2.2
Income from operations	108.3	88.1
Other (income) expense		
Interest expense, net	129.4	95.3
Other income, net	(45.2)	(5.1)
Income (loss) before income taxes	24.1	(2.1)
Provision (benefit) for income taxes	0.2	(8.8)
Net income	$ 23.9	$ 6.7

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In millions)	Year Ended June 30, 2022	Year Ended June 30, 2021
Net income	$ 23.9	$ 6.7
Other comprehensive income (loss), net of taxes:		
Foreign currency translation, net of tax of $0.0 and $0.1	(54.5)	24.1
Change in funded status of defined benefit plans, net of tax of $(0.1) and $1.2	(0.4)	3.7
Other comprehensive (loss) income	(54.9)	27.8
Comprehensive (loss) income	$(31.0)	$34.5

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

(In millions, except share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balance June 30, 2020	1,000	$ —	$599.6	$(15.1)	$(25.4)	$559.1
Net income		—	—	6.7	—	6.7
Other comprehensive income		—	—	—	27.8	27.9
Capital contributions		—	0.9	—	—	0.9
Stock-based compensation		—	2.0	—	—	2.0
Balance June 30, 2021	1,000	$ —	$602.5	$ (8.4)	$ 2.4	$596.6
Net income		—	—	23.9	—	23.9
Other comprehensive loss		—	—	—	(54.9)	(54.9)
Capital contributions, net of distributions		—	36.6	—	—	36.6
Stock-based compensation		—	4.9	—	—	4.9
Balance June 30, 2022	1,000	$ —	$644.0	$ 15.5	$(52.5)	$607.1

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended June 30, 2022	2021
OPERATING ACTIVITIES:		
Net income	$ 23.9	$ 6.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	141.6	96.4
Amortization of deferred financing charges and debt discount	10.2	7.8
Stock-based compensation	4.9	2.0
Deferred income taxes	(29.2)	(28.7)
Other non-cash operating activity	(32.3)	(0.2)
Changes in assets and liabilities:		
Accounts receivable	(54.5)	(13.9)
Inventories	(44.4)	(15.6)
Prepaid expenses and other assets	6.2	2.2
Accounts payable	(3.7)	1.9
Accrued payroll and benefits	5.5	3.1
Accrued interest	0.3	—
Other current liabilities	(2.8)	11.3
Income taxes payable	(3.3)	(1.7)
Other long-term liabilities	(0.5)	0.2
Net cash provided by operating activities	21.9	71.5
INVESTING ACTIVITIES:		
Payments for net assets and intangibles acquired, net of cash acquired and purchase price adjustments	(755.6)	—
Capital expenditures	(66.9)	(68.5)
Proceeds from disposal of assets	0.5	0.1
Proceeds from insurance recoveries	11.7	14.6
Additions to intangible assets	(0.4)	(0.4)
Net cash used in investing activities	(810.7)	(54.2)
FINANCING ACTIVITIES:		
Short-term borrowings and cash overdrafts, net	2.3	—
Borrowings under line of credit	269.1	—
Repayments under line of credit	(269.1)	—
Proceeds from equity contribution from Parent	2.6	0.9
Borrowings under long-term debt, net of discounts	767.4	—
Repayments of long-term debt	(18.0)	(10.4)
Distribution to Parent	(11.3)	—
Debt financing costs	(18.4)	—
Net cash provided by (used in) financing activities	724.6	(9.5)
Effect of exchange rate changes on cash	(1.6)	2.6
Net (decrease) increase in cash and cash equivalents	(65.8)	10.4
Cash and cash equivalents beginning of period	90.6	80.2
Cash and cash equivalents end of period	$ 24.8	$ 90.6

TRIDENT TPI HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022
(Dollar amounts in millions, except share data)

NOTE 1. ORGANIZATION

On October 17, 2017, ASP TPI Holdings, Inc. (the "Company"), a Delaware corporation, was acquired by Trident Intermediate, Inc. ("Intermediate"), which is a Delaware corporation and wholly-owned subsidiary of Tekni-Plex Parent, Inc., formerly known as Trident Parent, Inc., (the "Parent"), a Delaware corporation which is owned by certain affiliated funds managed by Genstar Capital LLC (the "2018 Merger").

The 2018 Merger was consummated pursuant to the Agreement and Plan of Merger, dated August 29, 2017 (as amended by that certain Amendment No. 1 to Agreement and Plan of Merger, dated September 20, 2017, the "Merger Agreement", and such amendment, (the "Amendment"), by and among Parent, Intermediate, Trident Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Intermediate (the "Merger Sub"), the Company and ASP TPI Investco LP, a Delaware limited partnership (the "Stockholders Representative"). Pursuant to the Merger Agreement, Merger Sub was merged with the Company, Merger Sub's separate corporate existence ceased and the Company continued as the surviving corporation. The Company was renamed Trident TPI Holdings, Inc. ("Trident TPI").

Unless otherwise noted, or indicated by the context in this Annual Report, the terms "Trident TPI", the "Company", "we", "us", and "our" refer to Trident TPI Holdings and its subsidiaries; and the term "working capital" refers to current assets minus current liabilities.

Tekni-Plex, Inc., an indirect subsidiary of Trident TPI, is a globally integrated company that provides innovative solutions through material science and manufacturing technologies. Its solutions are found in some of the most well-known names in the Healthcare, Pharmaceutical, Beauty and Personal Care, Household, and Food and Beverage markets. At the beginning of fiscal year 2022, the Company reorganized its lines of business into two key market — focused divisions: Tekni-Plex Healthcare ("Healthcare") and Tekni-Plex Consumer Products ("Consumer Products"). The reorganization is part of an intensive planning effort to evolve the Company into an innovative partner leveraging proprietary material-science application knowledge to provide solutions to make the world healthier and more sustainable.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements reflect the results of operations, cash flows and financial position of the Company and its wholly-owned subsidiaries. Intercompany transactions and account balances have been eliminated.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Foreign currencies

Certain of the Company's subsidiaries' functional currencies are currencies other than the U.S. Dollar. When translating the results of those subsidiaries into the U.S. Dollar, assets and liabilities that are recorded in foreign currencies are translated at the exchange rate on the consolidated balance sheet date. Equity accounts are translated at historical rates. Revenues and expenses are translated at average rates of exchange prevailing during the fiscal period. Translation adjustments resulting from this process are recorded in accumulated other comprehensive income (loss).

Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency of the applicable subsidiary are included in other (income) expense in the year in which the transaction occurs. The Company recognized foreign exchange gains of $25.6 and foreign exchange losses of $9.3 during fiscal years 2022 and 2021, respectively.

Cash and cash equivalents

The Company considers all highly-liquid instruments with an original maturity of three months or less to be cash equivalents. The Company maintains demand deposits at several major banks throughout the United States, Canada, Europe and Asia. As part of its cash management process, the Company periodically reviews the credit standing of these banks. In the United States, the Company maintains cash in bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to $0.25.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are customer obligations due under normal trade terms. The Company sells products primarily to large manufacturers and pharmaceutical companies. The Company performs continuing credit evaluations of customers’ financial condition, and although the Company generally does not require collateral, letters of credit or cash in advance may be required from customers in certain circumstances.

Management reviews accounts receivable on a monthly basis to determine if any receivables will potentially be uncollectible. The Company includes any accounts receivable balances that are determined to be uncollectible in the overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written-off against the allowance. Based on the information available, the Company believes the allowances for doubtful accounts as of June 30, 2022 and 2021 were adequate. However, actual write-offs could exceed the recorded allowance.

The Company’s largest customer, in terms of Net sales, accounts for approximately 5.1% and 5.0% of total Net sales for the years ended June 30, 2022 and 2021, respectively. No other customer exceeds 5% of Net Sales in either period presented.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory cost is generally determined using standard cost, which is adjusted to actual cost on a first-in, first-out basis. Management reviews inventory on a quarterly basis to determine whether inventory is stated at the lower of cost or market and to determine whether there is sufficient reserve for obsolete and slow-moving items.

Property, plant and equipment

Depreciation is recorded over estimated useful lives using the straight-line method. Assets are evaluated for impairment when conditions indicate that the carrying value may not be recoverable. Such conditions include significant adverse changes in business climate or a plan of disposal.

Maintenance repairs and minor expenditures are expensed in the period incurred. Leasehold improvements are depreciated over the estimated life of the related assets or lease, whichever is shorter. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. Assets under capital leases are generally depreciated over their respective lease terms.

Depreciable lives for the Company's major classes of property, plant and equipment are as follows:

	Useful Lives (years)
Building and improvements	10 – 40
Machinery and equipment	5 – 10
Software costs	3 – 7
Furniture and fixtures	2 – 10

Software costs

The Company capitalizes certain costs of software, consulting services and payroll-related costs incurred to purchase or develop software for internal use. Capitalized costs are included in property, plant and equipment and amortized over its useful life. The Company expenses costs incurred during preliminary project assessment, research and development, re-engineering, training and application maintenance phases of a project.

Goodwill and intangible assets with indefinite lives

The Company performs an annual impairment test of goodwill for each reporting unit during the second quarter of its fiscal year. In applying the goodwill impairment test, the Company assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Qualitative factors may include, but are not limited to, macroeconomic conditions, industry conditions, the competitive environment, changes in the market for the Company's products and services, regulatory and political developments, and entity specific factors such as strategies and financial performance. If, after completing the qualitative assessment or the Company elects to skip the qualitative assessment, the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company proceeds to a quantitative impairment test.

Intangible assets may be subject to impairment charges. Intangible assets acquired through acquisitions are initially measured at fair value and any changes in expectations used in the valuation of such intangible assets could potentially lead to an impairment.

Determining fair value requires the exercise of significant judgment. The more significant judgments and assumptions made to determine the fair value of the Company's reporting units were (1) the amount and timing of expected future cash flows which are based primarily on the Company's estimates of future sales, earnings, taxes and investments, (2) the expected long-term growth rates for each of the Company's reporting units, (3) discount rates that are used to discount future cash flows to their present values, and (4) determination of appropriate earnings multiples used to estimate a reporting unit's fair value under the market approach and the selection of appropriate comparable companies for each reporting unit to be used for purposes of determining those multiples.

In-process research and development ("IPRD") that has not reached commercialization is tested for impairment on an annual basis and more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. If the carrying value of IPRD is determined to exceed the fair value, an impairment loss is recognized for the difference.

At June 30, 2022 and 2021, the Company had no material intangible assets with indefinite lives other than goodwill and in-process research and development.

Definite-lived intangible assets

Definite-lived intangible assets, including customer relationships, know-how, developed technology and trademarks and trade names are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period in which the assets are expected to contribute to future cash flows and generally range from seven to twenty years.

Intangible assets with finite lives are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable over their estimated useful life. When a triggering event for impairment is identified, the Company compares the carrying value of the relevant assets to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. When the estimated undiscounted future cash flows are less than their carrying amount, an impairment loss is recognized equal to the difference between the asset's fair value and its carrying value.

To determine fair value, the Company principally uses internal discounted cash flow estimates, but also uses quoted market prices when available and independent appraisals as appropriate to determine fair value at the valuation date. Cash flow estimates are derived from historical experience and internal business plans with an appropriate discount rate applied.

The Company evaluates the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Deferred financing costs

The Company amortizes deferred financing costs incurred in connection with the Company's borrowings over the life of the related indebtedness utilizing the effective interest method or the straight-line method to the extent that it approximates the effective interest method.

Leases and deferred rent

The Company leases certain manufacturing, warehouse and office facilities. The Company evaluates all of its leases in accordance with GAAP and records them as either operating or capital leases for financial reporting purposes as appropriate. For leases that contain rent escalations, the Company records the total rent payable during the lease term on a straight-line basis over the term of the lease and records the difference between the rents paid and the straight-line rent as a deferred rent. Any lease incentives the Company receives for items such as leasehold improvements are recorded as a deferred credit for the amount of the lease incentive and amortized over the lease term, which may or may not equal the amortization period of the leasehold improvements.

Income taxes

The Company's annual provision for income taxes and determination of the deferred tax assets and liabilities require management to assess uncertainties, make judgments regarding outcomes and utilize estimates. Management must make judgments about such uncertainties and determine estimates of the Company's deferred tax assets and liabilities. Deferred tax assets and liabilities are measured and recorded using currently enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. While management believes that its judgments and interpretations regarding income taxes are appropriate, significant differences in actual experience may require future adjustments to the Company's deferred tax assets and liabilities, which could be material.

The Company is also required to assess the realizability of its deferred tax assets. The Company evaluates all positive and negative evidence and uses judgments regarding past and future events, including operating results and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, the Company determines when it is more likely than not that all or some portion of its deferred tax assets may not be realized, in which case the Company records a valuation allowance to offset its deferred tax assets in an amount equal to future tax benefits that may not be realized. To the extent facts and circumstances change in the future, adjustments to the valuation allowances may be required.

Significant judgment is required in determining income tax provisions and in evaluating tax positions. The Company establishes additional provisions for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold, which is a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority. In the normal course of business, the Company is examined by various Federal, state and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of its provision for income taxes. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes.

Revenue recognition

In accordance with ASC 606, Revenue from Contracts with Customers, the Company's sales to customers are governed by the combination of supply agreements, customers' purchase orders and the Company's order acknowledgments. The Company typically satisfies its performance obligations and recognizes revenue at a point in time for product sales, generally when products are shipped or delivered to the customer, depending on the terms underlying each arrangement, or, for consignment-type arrangements, generally upon usage or consumption by the customer. Furthermore, the Company recognizes revenue when title and risk of loss has transferred to the customer.

The Company also manufactures and sells equipment, in which case revenue is recognized over the life of the contract based on percentage of completion.

Revenue is recorded net of estimated returns and allowances, customer incentive programs and other incentive offerings including special pricing agreements, promotions, discounted payment terms and other volume-based incentives. Revisions to these estimates are charged to income in the period in which the facts that give rise to the revision become known.

The Company offers certain sales incentives to customers who become eligible based on the level of purchases made during the calendar year. The sales incentives programs are considered customer volume rebates, which are typically computed as a percentage of customer sales, and in certain instances, the rebate percentage may increase as customers achieve certain purchase levels. Volume rebates are accrued throughout the year based on the Company's estimates of customers' annual and quarterly purchase volumes and the expected annual rebate percentage achieved. The Company characterizes the volume rebates to customers as a reduction of revenue in its consolidated statements of operations.

Shipping and handling costs

The Company incurs shipping and handling costs in the normal course of operations. These costs consist primarily of freight expenses incurred for third-party shippers to transport products to distribution centers, manufacturers and food processors. These costs are included in cost of sales and amounts billed to customers for shipping are included in net sales in the Company's consolidated statements of operations.

Research and development

The Company expenses research and development costs as incurred. These costs include salary and benefits, contractor charges, building costs, and other administrative and allocated corporate costs. Research and development expenses totaled $13.4 and $7.4 for fiscal years 2022 and 2021, respectively.

Environmental liabilities

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law and existing technologies. These accruals are adjusted periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. Accruals for environmental liabilities are included in the consolidated balance sheets as a component of other long-term liabilities at undiscounted amounts.

Asset retirement obligations

The Company has recorded the fair value of asset retirement obligations ("AROs") in order to recognize legal obligations associated with the retirement of tangible long-lived assets and the return of leased property to its original condition upon the expiration of its underlying lease terms. The fair value is increased annually through accretion expense until such time as the lease expires or the long-lived assets are removed from service and the obligation has been satisfied. Dismantlement of facilities at leased sites is assumed to occur upon lease termination unless it is likely that the Company is able to and plans to extend the term.

The Company has a number of AROs that are conditional in nature including those triggered upon the Company's commitments to take certain actions, including demolition, renovation and other retirement-related activities. These actions include the preparation of certain properties for sale or for alternative uses as well as the requirement to dismantle the Company's manufacturing facilities in certain countries upon their ultimate retirement. There are also conditional requirements for asset component retirements in which the Company can reasonably estimate both the amount of the required settlement as well as the range of settlement dates.

With respect to environmental contamination, the Company operates within the requirements of numerous regulations at the local, state, U.S. Federal and foreign levels regarding issues such as the handling and disposal of hazardous chemicals, waste-water treatment and effluent and emissions limitations, among others. From a practical standpoint, certain environmental contamination cannot be reasonably determined until a facility or asset is retired or an event occurs that otherwise requires the facility to be tested and monitored. In the absence of such requirements to test for environmental contamination prior to an asset or facility retirement, the Company anticipates operating its manufacturing facilities indefinitely into the future thereby rendering the potential range of settlement dates as indeterminate.

The liability for the AROs is included in other current and other long-term liabilities. The associated leasehold improvement is included in property, plant and equipment and is amortized over the life of the related asset or term of the remaining lease.

Stock-based compensation

The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted under its equity incentive plans. Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the applicable vesting period of the stock award using the straight-line method. When options are exercised, shares issued will be made from authorized, but unissued shares of common stock.

New accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASC 842), which will supersede the current lease requirements. ASC 842 requires lessees to recognize the present value of the minimum lease payments as a lease liability and a corresponding right-of-use asset for all leases, with a limited exception for short-term leases of twelve months or less. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. ASC 842 will be effective for the Company's year ending June 30, 2023 and will be applied using a modified retrospective transition method. ASC 842 is expected to have a significant effect on the Company's consolidated balance sheet as a result of the Company's operating leases, as disclosed in Note 13, which will be reported on the consolidated balance sheet at adoption. The Company is still in the process of assessing this ASU's impact on our consolidated results of operations and financial condition. The effects on the results of the consolidated statements of comprehensive income (loss) and cash flows are not expected to be significant; however, the impacts to the consolidated balance sheet are expected to be material.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). ASU 2019-12 removes certain exceptions to the general principles in ASC 740 in order to reduce the cost and complexity of its application. ASU 2019-12 is effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years, with certain amendments applied on a modified retrospective basis, with a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption, and others prospectively. The Company is currently evaluating the impact of adopting this new accounting guidance.

In November 2021, the FASB issued ASU 2021-10, Disclosures by Business Entities about Government Assistance. The ASU adds disclosures surrounding the nature of government transactions, the impact to the corresponding financial statements and the significant terms and conditions of the transactions, including but not limited to commitments and contingencies. The ASU is effective for the Company for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company is still in the process of evaluating the impact of adoption of this standard.

NOTE 3. ACQUISITIONS

During fiscal year 2022, the Company acquired five businesses. These acquisitions were accounted for as business combinations using the acquisition method. Under the acquisition method of accounting, assets acquired and liabilities assumed from these operations are recorded at fair value on the date of acquisition. This allocation is based on a preliminary fair value of assets acquired and is expected to change during the measurement period. The preliminary goodwill recognized in connection with the acquisition of the assets is primarily attributable to the synergies expected with the expansion of the Company's product offerings. The preliminary purchase price allocation resulted in preliminary goodwill of $4.6, which will be deductible for tax purposes due to the nature of the acquisition by the Company, when finalized. The purchase price allocations for Grupo Phoenix, M-Industries, Keyes Packaging and

(Dollar amounts in millions, except share data)

JPG will be finalized after the completion of the respective pre-acquisition, stub-period tax returns which will be filed during fiscal year 2023. In addition, the Company will complete the fair value of the assets acquired and liabilities assumed, including the identification of any intangible assets, and inventory, fixed asset or other adjustments, for Fibro during fiscal year 2023.

The following is a summary of the preliminary allocation of the total purchase consideration to the fair values of the assets and liabilities of each acquisition at the time of the transaction:

	Grupo Phoenix	All Other	Total
Accounts receivable	$ 53.9	$ 7.0	$ 60.9
Inventories	58.0	9.3	67.3
Prepaid expenses and other current assets	12.5	0.9	13.4
Property, plant and equipment	279.7	54.5	334.2
Deferred taxes	2.3	2.6	4.9
Goodwill	281.2	54.4	335.6
Intangible assets	261.6	33.1	294.7
Other long-term assets	14.0	0.1	14.1
Total acquired assets	963.2	161.9	1,125.1
Current portion of debt	17.0	—	17.0
Accounts payable	65.1	4.5	69.6
Accrued liabilities	9.3	1.7	11.0
Income taxes payable	4.9	(0.9)	4.0
Other current liabilities	11.2	1.5	12.7
Long-term debt	40.2	—	40.2
Deferred taxes	131.9	14.9	146.8
Other long-term liabilities	7.9	2.8	10.7
Total assumed liabilities	287.5	24.5	312.0
Total purchase consideration	**$675.7**	**$137.4**	**$ 813.1**

On September 17, 2021, the Company acquired all of the outstanding equity interests of Phoenix Capital Ltd. (BVI) (“Grupo Phoenix”), a manufacturer of both plastic and paper products to global brands in over 20 vertical markets, such as dairy, desserts, coffee, beverages, ice cream, soups, spreads, cosmetics and household cleaning. Grupo Phoenix has operations in the United States, Mexico and Colombia. The Company acquired Grupo Phoenix in order to expand both its product offerings and geographic presence. The preliminary purchase consideration, net of cash acquired, was approximately $675.7. A portion of the transaction consideration for the acquisition of Grupo Phoenix took the form of a $50.0 deferred payment promissory note in favor of the seller payable by Intermediate. As a result, Intermediate made a $50.0 noncash contribution of the investment in Grupo Phoenix to Trident TPI. In addition, included in the purchase price allocation of Grupo Phoenix is approximately $42.5 of capital lease liabilities, $12.5 of supplier financing and other assumed debt of $2.2.

On August 9, 2021, the Company acquired all of the outstanding equity interests of M-Industries, LLC (“M-Industries”), a manufacturer of complex venting lining solutions for products that need air pressure regulation due to ingredients, filling methods, and/or the way they are shipped and stored. The Company acquired M-Industries in order to expand its product offerings. The preliminary purchase consideration, net of cash acquired, was approximately $24.1. The Company recorded contingent consideration of approximately $2.4, in the preliminary allocation of purchase consideration. At June 30, 2022, the Company computed the fair-value of the contingent consideration and recorded an adjustment to reduce the liability by $1.4 to $1.0, which is reflected in Total liabilities on the consolidated balance sheet. As part of the purchase consideration paid, the sellers of M-Industries are eligible to receive an aggregate amount of up to $10.0 as contingent consideration should M-Industries achieve certain revenue targets for two distinct measurement periods. The contingent consideration payments are contingent upon net sales targets being met for two distinct measurement periods.

On September 23, 2021, the Company acquired all of the outstanding equity interests of Keyes Packaging Group (“Keyes Packaging”), a manufacturer of environmentally-friendly, protective packaging for the food and beverage industry. The Company acquired Keyes Packaging in order to expand our product offerings and to acquire technological capabilities. The preliminary purchase consideration, net of cash acquired, was approximately $82.2.

On October 1, 2021, the Company acquired all of the outstanding equity interests of Johnson Plastic Group SA DE CV (“JPG”), a manufacturer of complete extrusion solutions for a variety of medical device applications for interventional and therapeutic procedures. The Company acquired JPG in order to expand our product offerings and to acquire technological capabilities. The preliminary purchase consideration, net of cash acquired, was approximately $16.1. The Company recorded contingent consideration of approximately $4.9, which is reflected in Total liabilities on the Consolidated Balance Sheet. At June 30, 2022, the Company assessed the fair-value of the contingent consideration liability and no adjustment was needed. As part of the purchase consideration paid, the sellers of JPG are eligible to receive an aggregate amount of up to $9.0 as contingent consideration should JPG meet certain performance thresholds. The contingent consideration payments are contingent upon both net sales and adjusted EBITDA targets being met concurrently for two distinct measurement periods.

On January 18, 2022, the Company acquired assets and licensed technologies of Fibro Corporation, an innovative pulp products provider based in Tacoma, Washington. The Company acquired the Fibro Corporation assets in order to acquire technological capabilities. The preliminary purchase price, net of cash acquired, was approximately $15.0.

The Company incurred professional fees and other acquisition related expenses of $17.3 in connection with the five acquisitions.

Tekni-Plex signed a definitive purchase agreement on June 21, 2022 to acquire Empaques Moldeados de America Tecnologias, S. DE R.L. DE C.V (“Ematec”). The closing of the acquisition, which is expected in the first quarter of fiscal year 2023, is conditioned upon regulatory and other approvals. The purchase price of approximately $170.0 is expected to be financed through additional Term Debt borrowings and a $30.0 deferred payment promissory note.

There were no acquisitions in fiscal year 2021.

(Dollar amounts in millions, except share data)

NOTE 4. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents changes in the carrying value of goodwill:

Balance at June 30, 2020	$ 871.8
Currency translation	12.1
Balance at June 30, 2021	$ 883.9
Currency translation	(21.2)
New acquisitions	335.6
Balance at June 30, 2022	$1,198.3

The Company did not record a goodwill impairment charge for the fiscal years ended June 30, 2022 or 2021.

In-process research and development ("IPRD")

The Company recognizes, through purchase accounting, IPRD which has not yet reached commercialization. IPRD has an indefinite useful life. As of June 30, 2022 and 2021, the Company had $19.2 and $21.6, respectively, of IPRD intangible assets that have not been commercialized, and therefore not placed in service.

The Company did not recognize any impairment charges during fiscal year 2022. The Company recognized an impairment charge of $2.2 during fiscal year 2021 related to the write-off of certain IPRD assets that were no longer determined to have a future economic life.

As of June 30, 2022 and 2021, the Company also had $0.7 and $0.6, respectively, of intangible assets, which primarily related to costs incurred in patent development projects which have not been placed in service.

Definite-lived intangible assets

The components of the Company's identifiable intangible assets were as follows:

	June 30, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 768.4	$(144.9)	$623.5
Know how	234.8	(48.0)	186.8
Trade names and trademarks	115.8	(24.2)	91.6
Developed technology and other	27.4	(10.1)	17.3
Total definite-lived intangible assets	$1,146.4	$(227.2)	$919.2

(Dollar amounts in millions, except share data)

	June 30, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$543.0	$(104.7)	$438.3
Know how	189.6	(35.4)	154.2
Trade names and trademarks	107.9	(18.9)	89.0
Developed technology and other	27.2	(8.0)	19.2
Total definite-lived intangible assets	$867.7	$(167.0)	$700.7

Amortization period for the Company's identifiable intangible assets were as follows:

	Amortization Period (years)
Customer relationships	11 – 18
Know how	15 – 18
Trade names and trademarks	10 – 20
Developed technology and other	5 – 13

The estimated amortization expense of definite-lived intangible assets for each of the next five fiscal years and thereafter is as follows:

Fiscal Year Ending	
2023	$ 68.2
2024	68.1
2025	68.0
2026	67.9
2027	67.9
Thereafter	579.1
	$919.2

Amortization expense for intangibles assets was $64.3 and $51.3 during fiscal years 2022 and 2021, respectively.

NOTE 5. ACCOUNTS RECEIVABLE AND FACTORING

The Company has factoring programs at certain of its subsidiaries, including Belgium and certain Grupo Phoenix entities. The structure of these transactions provides for a legal "true-sale" as defined by GAAP. The financial institution funds an initial purchase price that typically ranges from approximately 85% to 100% of approved accounts receivable. The remaining deferred purchase price is settled upon collection of the receivables, less fees and expenses. At each consolidated balance sheet date, the Company removes from accounts receivable the amount of proceeds from the initial purchase price as they meet the applicable criteria and continues to recognize the deferred purchase price in the Company's accounts receivable. The aggregate maximum amount of receivables that may be sold under the various agreements was approximately $40.0 at June 30, 2022.

In addition, the Company has a factoring program at a subsidiary in Ireland that doesn't qualify as a "true-sale" under U.S. GAAP. The maximum allowable advances under the agreement is £2.0

(Dollar amounts in millions, except share data)

(approximately $2.4 at June 30, 2022). Any factoring under this arrangement is treated as other debt on the consolidated balance sheet.

NOTE 6. INVENTORIES

Inventories, are summarized as follows:

	June 30, 2022	June 30, 2021
Raw materials	$157.2	$ 95.5
Work-in-process	41.9	25.4
Finished goods	63.2	42.3
	$262.3	$163.2

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2022	June 30, 2021
Land	$ 47.6	$ 28.4
Building and improvements	118.5	80.2
Buildings under capital lease	56.6	28.3
Leasehold improvements	34.3	19.9
Machinery and equipment	545.3	300.8
Software costs	5.9	4.8
Furniture and fixtures	12.0	8.5
Equipment under capital lease	4.1	0.4
Construction in progress	84.8	66.2
	909.1	537.5
Less: accumulated depreciation	(224.2)	(154.4)
	$ 684.9	$ 383.1

The Company leases certain facilities in Ridgefield, New Jersey, Costa Rica and Italy with which the Company is deemed to have continuing involvement. Therefore, they have been treated as financing obligations, with the related assets, primarily buildings, recorded as part of Property, plant and equipment, net on the Company's consolidated balance sheets. The buildings are being depreciated over a 40-year term and the annual lease costs of approximately $3.6 are allocated between interest expense and a reduction of other current and long-term liabilities.

Impairments

There were no impairments of property, plant or equipment during fiscal year 2022 or 2021.

Depreciation expense and accumulated depreciation

Depreciation expense was $77.3 and $45.1 during fiscal years 2022 and 2021, respectively. Accumulated depreciation on capital lease assets was $8.9 and $5.7 at June 30, 2022 and 2021, respectively.

(Dollar amounts in millions, except share data)

Collateral

Certain of the Company's Property, Plant and Equipment has been pledged as collateral under its various credit agreements.

NOTE 8. LONG-TERM DEBT

Long-term debt consists of the following:

	June 30, 2022	June 30, 2021
2024 Notes	$ 345.0	$ 345.0
2025 Notes	260.0	260.0
Term Debt	1,610.4	893.3
ABL Facility	—	—
Capital lease obligations	56.5	17.8
Supplier financing and other debt	18.1	—
Total long-term debt, including current portion	2,290.0	1,516.1
Long-term debt due within one year	(38.0)	(9.9)
Unamortized debt issuance costs	(32.1)	(22.8)
Unamortized debt discount	(3.3)	(2.3)
Long term debt	$2,216.6	$1,481.1

Scheduled payments on the Company's long-term debt over the next five fiscal years and thereafter are as follows:

Fiscal Year Ending	
2023	38.0
2024	20.2
2025	1,187.0
2026	271.6
2027	11.5
Thereafter	761.7
	2,290.0

Outstanding letters of credit at June 30, 2022 totaled $5.8, which includes $1.2 to secure deductibles of the Company's workers compensation insurance program and $4.6 is to secure a surety bond associated with potential financial obligations associated with potential import duties and taxes.

2024 Notes

The Company issued $345.0 of 9.250% Senior Notes due 2024, pursuant to an Indenture dated as of July 24, 2019, among Trident TPI, the guarantors party thereto and U.S. Bank National Association as Trustee. The 2024 Notes are guaranteed by certain of the Company's domestic subsidiaries. The 2024 Notes bear interest at an annual rate of 9.250%, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2020.

2025 Notes

The Company issued $260.0 of 6.625% Senior Notes due 2025, pursuant to an Indenture dated as of October 17, 2017, among Trident TPI, the guarantors party thereto and U.S. Bank National Association as Trustee. The Senior Notes are guaranteed by certain of the Company's domestic subsidiaries. The Senior Notes bear interest at an annual rate of 6.625%, payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2018.

Senior Secured Term Debt

The Company entered into a Credit Agreement dated as of October 17, 2017 (the "Term Debt") among Intermediate, Trident TPI, the lenders party thereto, Credit Suisse AG, Cayman Islands Branch as Administrative Agent, Collateral Agent and a lender, Credit Suisse Securities (USA) LLC, Jefferies Finance LLC and BMO Capital Markets Corp. as joint lead arrangers and bookrunners. Borrowings under the Company's initial Term Debt included (a) a US Dollar tranche of Tranche B-1 Term Loans in an aggregate principal amount of $413.0 and (b) a Euro tranche of Tranche B-2 Term Loans in an aggregate principal amount of €249.0 (approximately $273.9 at June 30, 2022). The Term Loans have a seven-year term and mature in October, 2024. Subsequent to the 2018 Merger, the Company amended the Credit Agreement and incurred an additional principal amount of $216.0 of Tranche B-1 loans to finance the Company's acquisitions in fiscal year 2018.

Amounts outstanding under the Term Debt bear interest at a rate per year equal to the base rate plus an applicable margin of 2.25%, or a LIBOR rate plus an applicable margin of 3.25% for Tranche B-1, or a EURIBOR rate plus an applicable margin of 3.50% for Tranche B-2. The applicable margin may be adjusted downward if the First Lien Net Leverage Ratio is equal or below 4:20 to 1:00. The interest rate on the $601.2 and $607.5 of B-1 Term Debt at June 30, 2022 and 2021 was 5.50% and 4.00%, respectively. The interest rate on the $247.1 and $285.8 of B-2 Term Debt at June 30, 2022 and 2021 was 3.50% and 3.25%, respectively.

Principal amortization payments under the Term Debt are due the last business day of each September, December, March and June, beginning March, 2018 and ending with the last such business day prior to the Initial Term Loan Maturity Date, totaling a principal amount in Dollars equal to 0.25% of the aggregate principal amount of all Tranche B-1 Term Loans outstanding on the Closing Date, as adjusted for any incremental borrowings, and a principal amount in Euros equal to 0.25% of the aggregate principal amount of all outstanding Tranche B-2 Term Loans outstanding on the Closing Date, as adjusted for any incremental borrowings.

During the first quarter of fiscal year 2022, the Company completed the Third Amendment to the Term Debt, and incurred a principal amount of $705.0 of Tranche B-3 Initial Term Loans, which were used to partially finance the acquisition of Grupo Phoenix and Keyes Packaging. The Third Amendment also provided for an additional aggregate principal amount of $100.0 under a Delayed Draw Term Loan (the "DDTL" and together with the Tranche B-3 Initial Term Loans, the "Tranche B-3 Term Loans"). During the second and third quarters of fiscal year 2022, the Company drew approximately $40.3 and $22.5, respectively, under the DDTL in connection with the Company's recent acquisitions which were originally financed through cash from the balance sheet and borrowings under the ABL.

Amounts outstanding under the Tranche B-3 Term Loans bear interest at a rate per year equal to the base rate plus an applicable margin of 3.00%, or a LIBOR rate plus an applicable margin of 4.00% and have a maturity of seven years. The applicable margin may be adjusted downward if the First Lien Net Leverage Ratio is equal or below 4:50 to 1:00. The interest rate on the $762.1 of B-3 Term Debt at June 30, 2022 was 6.25%.

Principal amortization payments under the Tranche B-3 Term Debt are due the last business day of each September, December, March and June, beginning December, 2021 and ending with the last such business day prior to the maturity date, totaling a principal amount in Dollars equal to 0.25% of the aggregate principal amount of all Tranche B-3 Term Loans outstanding on September 17, 2021, as adjusted for any incremental borrowings. Principal amortization payments under the Delayed Draw Term Debt are due the last business day of each September, December, March and June, beginning December, 2021 and ending with the last such business day prior to the maturity date, totaling a principal amount in Dollars equal to 0.25% of the aggregate principal amount of all Tranche B-3 Term Loans outstanding, as adjusted for any incremental borrowings.

ABL Credit Facility

The Company maintains a $126.0 senior secured asset-based revolving credit facility (“ABL”) pursuant to that certain ABL Facility Agreement, dated October 17, 2017, as amended from time-to-time, among Intermediate, Trident TPI, the lenders named therein, BMO Harris Bank N.A. as Administrative Agent and Collateral Agent, and BMO Harris Bank N.A., Credit Suisse Securities (USA) LLC and Jefferies Finance LLC as joint lead arrangers and bookrunners. Availability under the ABL Facility was approximately $118.8 and $95.0 as of June 30, 2022 and 2021, respectively. The availability will fluctuate throughout the course of the year based on a variety of factors impacting the Company’s borrowing base and outstanding borrowings and other obligations. There were no outstanding borrowings under the ABL Facility as of June 30, 2022 and 2021. On August 16, 2021, the Company amended the ABL to, among other things, extend the maturity date to August 16, 2024. On March 31, 2022 the Company further amended the ABL to, among other things, increase the capacity from $100.0 to $126.0.

Asset-Based Financing

The Company maintained an agreement with Key Equipment Finance, under which the Company pledged certain equipment as collateral to secure the borrowings. The agreement expired in December 2020. Principal payments were paid off as of June 30, 2021.

Capital Lease Obligations

The Company has capital lease obligations on building and equipment in various locations. The present value of the payments has been recorded as a capital lease obligation and the related asset has been reflected in property, plant and equipment.

Supplier Financing Agreement

Grupo Phoenix maintains a supplier financing agreement that automatically renews for successive 1 year periods, starting with the initial term of three years ending in June of 2022, until 30 day notice by one of the parties is provided. In February 2022 the Company amended the agreement to increase the capacity up to $25.0 from $15.0 and extend the term to January 23, 2023. A subsidiary of Grupo Phoenix entered into an agreement with a counterparty that provides more favorable accounts payable terms (with limitations on the amounts per transaction). Financial institutions are used to fund the program. The Agreement contains various cancellation and renewal provisions. The primary purpose of the arrangement is to maximize working capital for Grupo Phoenix. As of June 30, 2022, $9.9 was outstanding under the supplier financing agreement.

Covenants

The Term Debt, Senior Notes and the ABL Facility contain certain covenants that, subject to important exceptions and qualifications, limit the Company’s ability and the ability of its restricted subsidiaries to, among other things, pay dividends or distributions, repurchase equity, prepay subordinated debt or make certain investments, incur additional debt or issue certain disqualified stock and preferred stock, incur liens on assets, merge or consolidate with another company or sell all or substantially all assets, enter into transactions with affiliates and allow to exist certain restrictions on the ability of the guarantors to pay dividends or make other payments.

(Dollar amounts in millions, except share data)

The ABL Facility provides that upon the commencement and during the continuance of a Covenant Trigger Period, the Company will not permit the Fixed Charge Coverage Ratio (calculated on a Pro Forma Basis as of the last day of the most recently ended Test Period ended prior to the commencement of such Covenant Trigger Period and the last day of each Test Period thereafter during the continuance of a Covenant Trigger Period) to be less than 1.00 to 1.00.

As of June 30, 2022, the Company was in compliance with all of the financial covenants under our outstanding debt instruments.

Events of Default

The Term Debt, Senior Notes and the ABL Facility contain customary events of default, including, but not limited to, payment defaults, covenant defaults, cross-acceleration and payment defaults to certain indebtedness, certain events of bankruptcy, material judgments and failure of guarantees by certain guarantors to be in full force and effect. If an event of default occurs and is continuing with respect to the Company, the principal amount owed, plus accrued and unpaid interest, if any, may be declared immediately due and payable.

Fair Value

As of June 30, 2022, the estimated fair value of the Company's debt excluding, the capital lease obligations, supplier financing and other debt, is classified as level 2 in the fair value hierarchy and was $2,094.7 based upon recent market prices of the loans for the Term Debt and Senior Notes.

NOTE 9. OTHER CURRENT LIABILITIES

Other current liabilities consist of:

	June 30, 2022	June 30, 2021
Accrued freight	$ 7.8	$ 3.5
Deferred revenue	6.8	9.9
Customer rebates	6.6	5.1
Accrued professional fees	2.9	6.5
Other	23.0	10.8
	$47.1	$35.8

(Dollar amounts in millions, except share data)

NOTE 10. INCOME TAXES

The provision for income taxes is summarized as follows:

	Year Ended June 30, 2022	Year Ended June 30, 2021
Current:		
Federal	$ —	$ —
Foreign	28.1	19.8
State and local	1.3	0.1
Total current	29.4	19.9
Deferred:		
Federal	(9.2)	(24.1)
Foreign	(17.1)	(2.6)
State and local	(2.9)	(2.0)
Total deferred	(29.2)	(28.7)
Provision (benefit) for income taxes	$ 0.2	$ (8.8)

The components of income (loss) before income taxes are as follows:

	Year Ended June 30, 2022	Year Ended June 30, 2021
Domestic	$(44.0)	$(76.0)
Foreign	68.1	73.9
Income (loss) before income taxes	$ 24.1	$ (2.1)

The provision for income taxes differs from the federal statutory rate due to the following:

	Year Ended June 30, 2022	Year Ended June 30, 2021
Benefit from income taxes at federal statutory	$ 5.0	$(0.5)
State and local income taxes, net of federal benefits	(2.4)	(1.6)
Tax effect of international items	4.3	3.6
Uncertain tax positions	(0.5)	(0.8)
Tax on unremitted foreign earnings	—	(9.3)
Merger related costs	(8.0)	0.9
Permanent differences	0.5	(1.2)
Valuation allowance	0.9	(0.5)
Non-US tax law changes	—	1.0
Other, net	0.4	(0.4)
Provision (benefit) for income taxes	$ 0.2	$(8.8)

(Dollar amounts in millions, except share data)

Significant components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2022	June 30, 2021
Deferred tax assets:		
Accrued expenses	$ 10.5	$ 7.3
Net operating loss, disallowed interest carryforwards and credits	125.7	101.6
Inventory	3.6	2.2
Allowance for doubtful accounts	1.1	0.5
Accrued pension and post-retirement	2.3	0.9
Bond discount	1.2	0.8
Other expenses	1.5	6.5
Total gross deferred tax assets	145.9	119.8
Less: valuation allowance	(39.4)	(22.9)
Total current deferred tax assets	106.5	96.9
Deferred tax liabilities:		
Tax on unremitted foreign earnings	(0.8)	(0.9)
Difference in tax and book basis of fixed assets	(52.7)	(34.9)
Difference in tax and book basis of intangible assets	(136.8)	(148.0)
Investment in Partnership	(110.7)	—
Net long-term deferred tax liabilities	(301.0)	(183.8)
Net deferred tax liability	$(194.5)	$ (86.9)

Net operating losses, disallowed interest carryforwards and credits

The Company has gross federal net operating loss carry-forwards ("NOLs") of approximately $268.8 and $286.4 as of June 30, 2022 and 2021, respectively. In addition to the aforementioned NOLs, the Company had NOLs generated from prior taxable periods; however, due to the remote probability that these NOLs could be utilized as an offset to future taxable income, any potential impact of these NOLs has been eliminated from the consolidated financial statements. A portion of the Company's federal NOL carry-forward period expires between 2025 and 2038, while a portion of the federal NOLs may be carried forward indefinitely. The Company has $153.6 of interest limitation disallowance as of June 30, 2022 that can be carried forward indefinitely. In addition to the domestic federal carry-forward balances, the Company has NOL carry-forwards related to its international operations of $53.1 and state apportioned NOLs of $313.2 that expire between 2022 and 2041. Additionally, a portion of the foreign NOLs may be carried forward indefinitely.

Valuation allowance

The Company's realization of federal, state and foreign operating loss carry-forwards through 2042, are contingent upon the Company generating future taxable income of the appropriate character within the appropriate jurisdictions. In general, each deferred tax asset, including carry-forwards, is reviewed for expected utilization, and valuation allowances are established to reduce the deferred tax assets to their net realizable value to the extent it is more likely than not that some portion or all of the deferred tax assets will not be realized based on the character of the carry-forward item, the associated taxing jurisdiction, the relevant history for the particular item, the applicable expiration dates, and identified actions under the control of the Company in realizing such assets. The Company assesses the available positive and negative evidence surrounding the recoverability of the deferred tax assets and applies its judgment in estimating the amount of valuation allowance necessary under the circumstances, if any. The valuation allowance against U.S. Federal, foreign and state deferred tax assets as of June 30, 2022 and 2021 was $39.4 and $22.9 respectively. The valuation allowances relate primarily to state and foreign deferred tax assets.

(Dollar amounts in millions, except share data)

Undistributed earnings of foreign subsidiaries

As result of US Tax Reform and changes to Belgium Tax law for foreign distributions during the year-ended June 30, 2018, which now allow 100% participation exemption, the Company has changed its assertion with respect to foreign earnings. We are no longer permanently reinvested in earnings of our foreign subsidiaries for any year. As such, we have recorded a $0.6 tax liability, as of June 30, 2022 related to state and foreign withholding taxes for any remaining undistributed foreign earnings.

Provision for uncertain income tax positions

A reconciliation of the beginning and ending balances for gross liabilities associated with unrecognized tax benefits is as follows:

	Year Ended June 30, 2022	Year Ended June 30, 2021
Unrecognized tax benefits, beginning of period	$21.5	$22.0
Gross increases (decreases) – prior period tax provisions	—	(0.4)
Gross increases – tax positions in current period	0.3	0.4
Lapse of statute of limitations	(0.7)	(0.7)
Settlement	—	—
Currency translation adjustment	(0.2)	—
Other acquisition related adjustments	9.5	0.2
Unrecognized tax benefits, end of period	$30.4	$21.5

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. At June 30, 2022 and 2021, the Company had approximately $0.9 and $1.3 of interest and penalties accrued for unrecognized tax benefits, respectively. The Company recognized $0.3 and $0.3 of interest and penalty reductions due to statute expirations during fiscal year 2022 and 2021, respectively.

As of June 30, 2022, the amount of gross unrecognized tax benefits is $31.3 (including interest and penalties, net of ($1.3) of currency translation adjustments), of which $12.4 liabilities recorded, if reversed due to expiration of statutes of limitations, favorable resolution of tax audits or court decisions, would favorably affect the Company's effective tax rate. As of June 30, 2021, the amount of gross unrecognized tax benefits is $22.7 (including interest and penalties, net of ($0.8) of currency translation adjustments), of which $3.9 liabilities recorded, if reversed due to expiration of statutes of limitations, favorable resolution of tax audits or court decisions, would favorably affect the Company's effective tax rate. The Company does not expect that its unrecognized tax benefits on existing positions will significantly change during the next 12 months, other than for normal lapses in the statute of limitations.

The Company is subject to U.S. Federal, foreign and state income taxes. The U.S. Federal income taxes have been audited through 2013, while the foreign and state income taxes remain open for examination by the tax authorities generally beginning in 2015.

U.S. Tax Reform

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, reducing the top U.S. federal corporate tax rate from 35 percent to 21 percent; requiring companies to pay a one-time transition tax on certain un-repatriated earnings of foreign subsidiaries; generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries; requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations (GILTI); eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; creating the base erosion anti-abuse tax (BEAT), a new minimum tax; the acceleration of expensing for certain business assets; creating a new limitation on deductible interest expense; and changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017.

In July 2021, the U.S. Treasury Department and IRS (collectively "Treasury") released new regulations related to the tax reform provisions of GILTI and IRC Section 163(j) limitation on deductible interest expense. Upon retroactive adoption of the regulations, the Company recorded a federal tax benefit of $9.3 related to the June 30, 2019 and June 30, 2020 tax periods in June 30, 2021 as these regulations are considered changes in tax law occurring during June 30, 2021.

Provision Related to Foreign Sourced Earnings

While the U.S. Tax Act provides for a participation exemption, for tax years beginning after January 1, 2018, it includes two new U.S. tax base erosion provisions, the global intangible low-taxed income ("GILTI") provisions and the base-erosion and anti-abuse tax ("BEAT") provisions. Both provisions became effective for the Company during year end June 30, 2019 and continues to current year-end June 30, 2022. The GILTI provisions require the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets. The Company has made an accounting policy election to treat the taxes due on future US GILTI inclusions in taxable income as a current-period expense when incurred ("period cost method"); therefore, the Company has not recorded any deferred taxes related to GILTI. As result of adopting the aforementioned July 2021 Treasury regulations, the Company recorded zero GILTI tax expense related to foreign earnings during the period June 30, 2022.

NOTE 11. EMPLOYEE BENEFIT PLANS

Savings plans

The Company sponsors a discretionary 401(k) defined contribution savings plan (the "Plan") covering eligible employees. Beginning January 1, 2019, the Company made matching contributions equal to 100% of each participant's elective deferrals not exceeding 3% of the participant's compensation, plus 50% of each participant's elective deferrals in excess of 3% but not in excess of 5% of the participant's compensation. Prior to January 1, 2019, the Company determined maximum matching contributions to the plans each year, up to 4% of the employee's eligible compensation. The Company made matching contributions totaling $4.7 and $3.6 for fiscal years 2022 and 2021, respectively. Certain of the Company's acquisitions during fiscal year 2022 had defined contribution savings plans that the Company assumed as part of the respective acquisition.

Pension plans

The Company sponsors certain defined benefit pension plans for certain employees in the U.S., Belgium and Mexico and is subject to legally-required, actuarially-computed post-employment benefits for employees in Mexico. Benefit accruals under the U.S. pension plan have been frozen. The aggregate projected benefit obligation for all of the plans including the legally-required post-employment benefit in Mexico at June 30, 2022 and 2021 was $33.1 and $38.2, respectively. The aggregate fair value of the U.S. and Belgium pension plan assets at June 30, 2022 and 2021 was $27.9 and $34.7, respectively. The aggregate unfunded liability for all of the defined benefit plans including the legally-required post-employment benefits in Mexico at June 30, 2022 and 2021, were $5.2 and $3.5, respectively.

(Dollar amounts in millions, except share data)

NOTE 12. STOCKHOLDER'S EQUITY

Stock options

The Board of Directors of the Parent maintains the 2017 Equity Incentive Plan, as amended, (the "2017 Equity Plan"). Under the amended 2017 Equity Plan, 75,270 shares are available for awards to employees, directors, consultants and advisors to the Company and its subsidiaries. Options are granted with an exercise price not less than fair market value on the date of grant. Options are granted in accordance with the terms and conditions of the 2017 Equity Plan and an individual's stock option agreement. The contractual life of the options cannot exceed 10 years. At June 30, 2022, 16,166 shares were available for grant under the 2017 Equity Plan.

Certain stock options granted under the 2017 Equity Plan vest on each of the first through fifth anniversaries of the grant date, unless accelerated in connection with a Change of Control (as defined in the 2017 Equity Plan) ("Tranche 1"). As of June 30, 2022, the Company has unrecognized compensation cost of $4.1, which will be recognized over a weighted average period of 3.8 years.

In addition, certain stock options granted under the 2017 Equity Plan will vest only upon the achievement of certain market and performance conditions ("Tranche 2" and "Tranche 3", collectively the "Performance Tranches"). The Company has not recognized any compensation expense related to the Performance Tranche options, since the performance condition on which the options vest is not considered probable.

The following table presents information with respect to stock options granted:

	Tranche 1	Performance Tranches
Fair value	$521.52	$294.47 – 349.70
Dividend yield	0%	0%
Expected volatility	50%	55%
Risk-free interest rate	2.70%	2.44%
Expected term (in years)	6.5	4.0

(Dollar amounts in millions, except share data)

The following tables present information with respect to stock option activity for fiscal year 2022:

Tranche 1 Options	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)
Options outstanding at June 30, 2021	23,956	$1,180.21	7.52
Granted	3,965	1,808.65	
Exercised	(1,486)	1,074.14	
Forfeited	(7,648)	1,140.46	
Options outstanding at June 30, 2022	18,787	1,337.42	7.24
Options vested and exercisable at June 30, 2022	8,965	1,080.74	6.00
Options expected to vest at June 30, 2022	9,822	1,571.68	8.38

Performance Options	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)
Options outstanding at June 30, 2021	47,689	$1,195.58	7.58
Granted	7,680	1,808.64	
Exercised	(1,151)	1,000.00	
Forfeited	(16,538)	1,138.49	
Options outstanding at June 30, 2022	37,680	1,351.57	7.30
Options vested and exercisable at June 30, 2022	—		
Options expected to vest at June 30, 2022	—		

The following tables presents information with respect to nonvested stock option activity for fiscal year 2022:

Tranche 1 Options	Shares
Nonvested options at June 30, 2021	12,475
Granted	3,965
Vested	(4,791)
Forfeited	(1,827)
Nonvested options at June 30, 2022	9,822

Performance Options	Shares
Nonvested options at June 30, 2021	47,689
Granted	7,680
Vested	(4,719)
Forfeited	(12,970)
Nonvested options at June 30, 2022	37,680

(Dollar amounts in millions, except share data)

The Company recognized stock compensation expense of $4.9 and $2.1 during fiscal years 2022 and 2021, respectively. There were no stock-based compensation costs capitalized during the fiscal years 2022 or 2021.

Accumulated other comprehensive income (loss)

The following table summarizes the changes in accumulated other comprehensive income (loss) by component:

	Foreign currency translation	Defined benefit pension plans	Total
Balance at June 30, 2020	$(23.0)	$(2.4)	$(25.4)
Other comprehensive income before reclassifications	24.2	4.9	29.1
Amounts reclassified from accumulated other comprehensive income	—	—	—
Net other comprehensive income before income tax	24.2	4.9	29.1
Income tax expense	(0.1)	(1.2)	(1.3)
Other comprehensive income	24.1	3.7	27.8
Balance at June 30, 2021	$ 1.1	$ 1.3	$ 2.4
Other comprehensive loss before reclassifications	(54.5)	(0.5)	(55.0)
Amounts reclassified from accumulated other comprehensive income	—	—	—
Net other comprehensive loss before income tax	(54.5)	(0.5)	(55.0)
Income tax benefit	—	0.1	0.1
Other comprehensive loss	(54.5)	(0.4)	(54.9)
Balance at June 30, 2022	$(53.4)	$ 0.9	$(52.5)

Amounts reclassified from accumulated other comprehensive income (loss) to net income related to the Company's defined benefit pension plans were included in the selling, general and administrative expenses line of the consolidated statements of operations in 2021.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Operating lease and service commitments

The Company leases building space and certain equipment under long-term non-cancelable operating leases. Leases for buildings generally have initial terms of 10 years, and most have renewal options for additional periods and expire between calendar 2022 and 2045. Leases for equipment generally have terms of 5 years.

(Dollar amounts in millions, except share data)

At June 30, 2022, the Company's future minimum payments under its operating lease agreements are as follows:

Fiscal year ending	
2023	$ 14.3
2024	13.4
2025	12.2
2026	11.1
2027	8.2
Thereafter	58.5
Total lease commitments	$117.6

Rent expense was $16.8 and $11.3 for fiscal years 2022 and 2021, respectively.

Contingencies

The Company is presently a party to certain lawsuits arising in the ordinary course of its business. In the opinion of management, none of its current legal proceedings are expected to have a material impact on the Company's business or financial results.

The Company evaluates, on a regular basis, developments in its legal matters. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred, and the amount can be reasonably estimated.

With respect to any current legal proceedings or claims pending against the Company for which it has not made an accrual, but for which it is reasonably possible that a loss may occur, the Company is unable to estimate a range of loss due to various reasons, including, among others: (1) that the proceedings are in early stages, (2) that there is uncertainty as to the outcome of pending appeals, motions, or settlements, (3) that there are significant factual issues to be resolved, and (4) that there are novel legal issues presented. Such legal matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond the Company's control. Based on current knowledge, the Company believes that the final outcome of the matters discussed above will not, individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of operations, or cash flows. While the Company intends to vigorously defend these matters, in light of the uncertainties involved in such matters, there exists the possibility of adverse outcomes, and the final outcome of a particular matter could have a material adverse effect on results of operations or cash flows in a particular period.

The Company is subject to environmental laws requiring the investigation and cleanup of environmental contamination. In addition to remediation being undertaken by third parties at a limited number of its locations, the Company is investigating and remediating existing environmental conditions resulting from past industrial activity at several of the Company's facilities, including several of the Company's New Jersey facilities pursuant to the requirements of New Jersey's Industrial Site Recovery Act ("ISRA"). If any other events were to occur in the future that would be deemed to have affected a "change of control" or shutdown of any of the Company's New Jersey facilities as defined under ISRA, the Company would be required to take additional actions to comply with that statute, possibly resulting in additional investigations and remediation costs.

(Dollar amounts in millions, except share data)

NOTE 14. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	Year Ended June 30, 2022	Year Ended June 30, 2021
Cash paid for:		
Interest	$119.9	$87.9
Income taxes	22.0	21.4
Non-cash investing activities:		
Capital Leases	1.0	—
Non-cash financing activities:		
Capital Leases	1.0	—

NOTE 15. RELATED PARTY TRANSACTIONS

Affiliates of Genstar Capital ("Genstar") currently own approximately 96.7% and 96.1% of the outstanding common stock of Parent as of June 30 2022 and 2021, respectively. The Company is a wholly-owned subsidiary of Parent.

NOTE 16. FIRE LOSS

On March 21, 2020, the Company experienced a fire at its facility in Gallarate, Italy resulting in a temporary disruption in production and losses related to the destroyed property, plant and equipment. Repairs have been made and the Company re-commenced limited commercial production in the second quarter of fiscal year 2021. The Company had insurance recoveries of $19.2 and $14.2 in fiscal years 2022 and 2021, respectively. These insurance recoveries were utilized to offset the costs of rebuilding the facility, machinery and equipment, as well as business interruption. The Gallarate facility was substantially operational by the end of the first quarter of fiscal year 2022.

TRIDENT TPI HOLDINGS, INC.

Annual Report

For the Fiscal Year Ended June 30, 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Trident TPI Holdings, Inc.

We have audited the accompanying consolidated financial statements of Trident TPI Holdings, Inc. and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trident TPI Holdings, Inc. and subsidiaries as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Philadelphia, Pennsylvania
August 20, 2021

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)	June 30, 2021	June 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 90,644	$ 80,167
Accounts receivable, net of allowances of $798 and $995	131,017	113,798
Inventories	163,153	147,256
Prepaid expenses and other current assets	16,928	16,548
Total current assets	401,742	357,769
Property, plant and equipment, net	383,070	349,772
Deferred taxes	761	1,292
Goodwill	883,902	871,847
Intangible assets, net of accumulated amortization of $166,965 and $114,045	722,916	764,799
Other long-term assets	3,246	2,723
Total assets	$2,395,637	$2,348,202
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current portion of debt	$ 9,922	$ 10,222
Accounts payable	75,348	69,096
Accrued payroll and benefits	33,931	29,880
Accrued interest	16,416	16,472
Income taxes payable	3,851	2,984
Other current liabilities	35,755	24,018
Total current liabilities	175,223	152,672
Long-term debt	1,481,094	1,465,927
Deferred taxes	87,692	111,330
Deferred sale proceeds	20,062	19,792
Other long-term liabilities	34,985	39,386
Total liabilities	1,799,056	1,789,107
Stockholder's equity		
Common stock ($0.001 par value; authorized 1,000 shares; issued and outstanding 1,000 shares)	—	—
Additional paid-in capital	602,521	599,562
Accumulated deficit	(8,404)	(15,068)
Accumulated other comprehensive income (loss)	2,464	(25,399)
Total stockholder's equity	596,581	559,095
Total liabilities and stockholder's equity	$2,395,637	$2,348,202

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands)	Year Ended June 30, 2021	2020
Net sales	$1,075,066	$1,040,785
Cost of goods sold	790,036	791,785
Gross profit	285,030	249,000
Operating expenses		
Selling, general and administrative	194,700	182,307
Impairment	2,189	—
Income from operations	88,141	66,693
Other (income) expense		
Interest expense, net	95,332	103,332
Other (income) expense	(5,014)	10,168
Loss before income taxes	(2,177)	(46,807)
(Benefit) provision for income taxes	(8,841)	4,688
Net income (loss)	$ 6,664	$ (51,495)

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)	Year Ended June 30, 2021	2020
Net income (loss)	$ 6,664	$(51,495)
Other comprehensive income (loss), net of taxes:		
Foreign currency translation, net of tax of $84 and $0	24,164	(10,649)
Change in funded status of defined benefit plans, net of tax of ($1,209) and $567	3,699	(1,736)
Other comprehensive income (loss)	27,863	(12,385)
Comprehensive income (loss)	$34,527	$(63,880)

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

(In thousands, except share and per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balance June 30, 2019	1,000	$ —	$540,423	$ 36,427	$(13,014)	$563,836
Net income (loss)		—	—	(51,495)	—	(51,495)
Other comprehensive income (loss)		—	—	—	(12,385)	(12,385)
Capital contributions		—	57,441	—	—	57,441
Stock-based compensation		—	1,698	—	—	1,698
Balance June 30, 2020	1,000	$ —	$599,562	$(15,068)	$(25,399)	$559,095
Net income (loss)		—	—	6,664	—	6,664
Other comprehensive income (loss)		—	—	—	27,863	27,863
Capital contributions		—	899	—	—	899
Stock-based compensation		—	2,060	—	—	2,060
Balance June 30, 2021	1,000	$ —	$602,521	$ (8,404)	$ 2,464	$596,581

TRIDENT TPI HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Year Ended June 30, 2021	2020
OPERATING ACTIVITIES:		
Net income (loss)	$ 6,664	$ (51,495)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	45,137	53,818
Amortization of intangible assets	51,341	50,359
Amortization of deferred financing charges and debt discount	7,806	10,983
Accretion of asset retirement obligations	254	166
Stock-based compensation	2,060	1,698
Impairment of intangible assets	2,189	—
Provision for bad debts	(248)	(136)
Deferred income taxes	(28,725)	(13,548)
Loss on disposal of assets	368	8,291
Other non-cash operating activity	(2,897)	4,973
Changes in assets and liabilities:		
Accounts receivable	(13,899)	(1,127)
Inventories	(15,634)	(2,500)
Prepaid expenses and other assets	2,187	2,340
Accounts payable	1,942	(1,498)
Accrued payroll and benefits	3,110	5,074
Accrued interest	(21)	12,971
Other current liabilities	11,347	(1,247)
Income taxes payable	(1,703)	(79)
Other long-term liabilities	239	(1,471)
Net cash provided by operating activities	71,517	77,572
INVESTING ACTIVITIES:		
Payments for net assets and intangibles acquired, net of cash acquired and purchase price adjustments	—	(180,979)
Capital expenditures	(68,541)	(38,660)
Proceeds from disposal of assets	113	20,537
Proceeds from insurance recoveries	14,632	8,438
Additions to intangible assets	(365)	(393)
Net cash used in investing activities	(54,161)	(191,057)
FINANCING ACTIVITIES:		
Short-term borrowings and cash overdrafts, net	—	(321)
Borrowings under line of credit	—	17,400
Repayments under line of credit	—	(59,400)
Proceeds from equity contribution from Parent	899	57,441
Borrowings under long-term debt, net of discounts	—	376,619
Repayments of long-term debt	(10,393)	(306,057)
Debt financing costs	—	(7,543)
Net cash (used in) provided by financing activities	(9,494)	78,139
Effect of exchange rate changes on cash	2,615	(337)
Net increase (decrease) in cash and cash equivalents	10,477	(35,683)
Cash and cash equivalents beginning of period	80,167	115,850
Cash and cash equivalents end of period	$ 90,644	$ 80,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021
(Dollar amounts in thousands, except share data)

NOTE 1. ORGANIZATION

Unless otherwise noted, or indicated by the context in this Annual Report, the terms “we”, “us”, “our” and “Trident TPI” refer to Trident TPI Holdings and its subsidiaries, and the term “Company” refers to ASP TPI Holdings, Inc. and its subsidiaries prior to the 2018 Merger and refers to Trident TPI and its subsidiaries after the 2018 Merger.

On October 17, 2017, ASP TPI Holdings, Inc. (the “Company”), a Delaware corporation, was acquired by Trident Intermediate, Inc. (“Intermediate”), which is a Delaware corporation and wholly-owned subsidiary of Trident Parent Inc. (the “Parent”), a Delaware corporation which is owned by certain affiliated funds managed by Genstar Capital LLC (the “2018 Merger”).

The 2018 Merger was consummated pursuant to the Agreement and Plan of Merger, dated August 29, 2017 (as amended by that certain Amendment No. 1 to Agreement and Plan of Merger, dated September 20, 2017, the “Merger Agreement”, and such amendment, (the “Amendment”), by and among Parent, Intermediate, Trident Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Intermediate (the “Merger Sub”), the Company and ASP TPI Investco LP, a Delaware limited partnership (the “Stockholders’ Representative”). Pursuant to the Merger Agreement, Merger Sub was merged with the Company, Merger Sub’s separate corporate existence ceased and the Company continued as the surviving corporation. The Company was renamed Trident TPI Holdings, Inc. (“Trident TPI”).

Unless otherwise noted, or indicated by the context in this Annual Report, the terms “Trident TPI”, “we”, “us”, and “our” refer to Trident TPI Holdings and its subsidiaries; and the term “Company” refers to ASP TPI Holdings, Inc. and its subsidiaries prior to the 2018 Merger and refers to Trident TPI and its subsidiaries after the 2018 Merger.

Trident TPI is a global manufacturer of technically sophisticated products and components engineered to meet critical customer needs in niche applications. The Company has three lines of business: Healthcare, Specialty Packaging and Food Packaging. Trident TPI’s primary products include medical tubing, sterilizable medical packaging, high-barrier pharmaceutical films, medical compounds, dispensing components, closure liners and thermoformed containers.

NOTE 2. COVID-19

The Company is continually responding to changes brought about by the COVID-19 pandemic. Necessary protocols to address the safety of our employees and preserve the continuity of our operations have been implemented and are continually monitored and addressed. We believe we currently possess sufficient liquidity to meet ongoing needs and continue to operate as an “essential supplier” across substantially all of our product lines and locations worldwide. We have operated globally without significant, extended disruption to demand or production due to COVID-19 as of the date of this filing. In a few instances, the Company has had to interrupt or adjust production for short periods to follow established protocols where the potential for exposure had been identified, or in response to non-US government actions, until such time as our status as an “essential supplier” could be established. To date, the Company has not experienced any significant negative impacts resulting from non-attendance of our employees. As the COVID- 19 pandemic evolves, the Company will continue to adapt operations to service ongoing customer needs. The extent of the impact of the COVID- 19 pandemic on our operational and financial performance will depend on future developments, including the duration, severity and spread of the pandemic, actions that may be taken by governmental authorities, and impacts to the businesses of our customers, all of which are uncertain and cannot be predicted.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements reflect the results of operations, cash flows and financial position of the Company and its wholly-owned subsidiaries. Intercompany transactions and account balances have been eliminated.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Foreign currencies

Certain of our subsidiaries' functional currencies are currencies other than the U.S. Dollar. When translating the results of those subsidiaries into the U.S. Dollar, assets and liabilities that are recorded in foreign currencies are translated at the exchange rate on the consolidated balance sheet date. Equity accounts are translated at historical rates. Revenues and expenses are translated at average rates of exchange prevailing during the fiscal period. Translation adjustments resulting from this process are recorded in accumulated other comprehensive income (loss).

Transaction gains and losses resulting from exchange rate changes on transactions denominated in currencies other than the functional currency of the applicable subsidiary are included in other expense in the year in which the transaction occurs. The Company recognized foreign exchange losses of $9,299 and foreign exchange gains of $10,907 during fiscal years 2021 and 2020, respectively.

Cash equivalents

The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are customer obligations due under normal trade terms. The Company sells products primarily to large manufacturers and pharmaceutical companies. The Company performs continuing credit evaluations of customers' financial condition and although the Company generally does not require collateral, letters of credit or cash in advance may be required from customers in certain circumstances.

Management reviews accounts receivable on a monthly basis to determine if any receivables will potentially be uncollectible. The Company includes any accounts receivable balances that are determined to be uncollectible in the overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, the Company believes the allowances for doubtful accounts as of June 30, 2021 and June 30, 2020 were adequate. However, actual write-offs could exceed the recorded allowance.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory cost is determined using standard cost, which is adjusted to actual cost on a first -in, first-out basis. Management reviews inventory on a quarterly basis to determine whether inventory is stated at the lower of cost or market and to determine whether there is sufficient reserve for obsolete and slow-moving items.

Property, plant and equipment

Depreciation is recorded over estimated useful lives using the straight-line method. Assets are evaluated for impairment when conditions indicate that the carrying value may not be recoverable. Such conditions include significant adverse changes in business climate or a plan of disposal.

Maintenance repairs and minor expenditures are expensed in the period incurred. Leasehold improvements are depreciated over the estimated life of the related assets or lease, whichever is shorter. Depreciation is recognized using the straight -line method over the estimated useful lives of the assets. Assets under capital leases are generally depreciated over their respective lease terms.

Depreciable lives for the Company's major classes of property, plant and equipment are as follows:

	Useful Lives (years)
Building and improvements	10 – 40
Machinery and equipment	5 – 10
Software costs	3 – 7
Furniture and fixtures	2 – 10

Software costs

The Company capitalizes certain costs of software, consulting services and payroll-related costs incurred to purchase or develop software for internal use. Capitalized costs are included in property, plant and equipment and amortized over its useful life. The Company expenses costs incurred during preliminary project assessment, research and development, re-engineering, training and application maintenance phases of a project.

Goodwill and intangible assets with indefinite lives

The Company performs an annual impairment test of goodwill at each reporting unit during the second quarter of its fiscal year. In applying the goodwill impairment test, the Company assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Qualitative factors may include, but are not limited to, macroeconomic conditions, industry conditions, the competitive environment, changes in the market for the Company's products and services, regulatory and political developments, and entity specific factors such as strategies and financial performance. If, after completing the qualitative assessment or the Company elects to skip the qualitative assessment, or the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company proceeds to a quantitative impairment test. The Company did not record a goodwill impairment charge for the fiscal years ended June 30, 2021 or June 30, 2020.

Intangible assets may be subject to impairment charges. Intangible assets acquired through acquisitions are initially measured at fair value and any changes in expectations used in the valuation of such intangible assets could potentially lead to an impairment.

Determining fair value requires the exercise of significant judgment. The more significant judgments and assumptions made to determine the fair value of the Company's reporting units were (1) the amount and timing of expected future cash flows which are based primarily on the Company's estimates of future sales, earnings, taxes and investments, (2) the expected long-term growth rates for each of the Company's reporting units, (3) discount rates that are used to discount future cash flows to their present values, and (4) determination of appropriate earnings multiples used to estimate a reporting unit's fair value under the market approach and the selection of appropriate comparable companies for each reporting unit to be used for purposes of determining those multiples.

In-process research and development ("IPRD") that has not reached commercialization is tested for impairment on an annual basis and more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. If the carrying value of IPRD is determined to exceed the fair value, an impairment loss is recognized for the difference.

At June 30, 2021 and June 30, 2020, the Company had no material intangible assets with indefinite lives other than goodwill and in-process research and development.

Definite-lived intangible assets

Definite-lived intangible assets, including customer relationships, know-how, developed technology and trademarks and trade names are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period in which the assets are expected to contribute to future cash flows and generally range from seven to twenty years.

Intangible assets with finite lives are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable over their estimated useful life. When a triggering event for impairment is identified, the Company compares the carrying value of the relevant assets to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. When the estimated undiscounted future cash flows are less than their carrying amount, an impairment loss is recognized equal to the difference between the asset's fair value and its carrying value.

To determine fair value, the Company principally uses internal discounted cash flow estimates, but also uses quoted market prices when available and independent appraisals as appropriate to determine fair value at the valuation date. Cash flow estimates are derived from historical experience and internal business plans with an appropriate discount rate applied.

The Company evaluates the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Deferred financing costs

The Company amortizes deferred financing costs incurred in connection with the Company's borrowings over the life of the related indebtedness utilizing the effective interest method or the straight-line method to the extent that it approximates the effective interest method.

Leases and deferred rent

The Company leases certain manufacturing, warehouse and office facilities. The Company evaluates all of its leases in accordance with GAAP and records them as either operating or capital leases for financial reporting purposes as appropriate. For leases that contain rent escalations, the

Company records the total rent payable during the lease term on a straight-line basis over the term of the lease and records the difference between the rents paid and the straight-line rent as a deferred rent. Any lease incentives the Company receives for items such as leasehold improvements are recorded as a deferred credit for the amount of the lease incentive and amortized over the lease term, which may or may not equal the amortization period of the leasehold improvements.

Income taxes

The Company's annual provision for income taxes and determination of the deferred tax assets and liabilities require management to assess uncertainties, make judgments regarding outcomes and utilize estimates. Management must make judgments about such uncertainties and determine estimates of the Company's deferred tax assets and liabilities. Deferred tax assets and liabilities are measured and recorded using currently enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. While management believes that its judgments and interpretations regarding income taxes are appropriate, significant differences in actual experience may require future adjustments to the Company's deferred tax assets and liabilities, which could be material.

The Company is also required to assess the realizability of its deferred tax assets. The Company evaluates all positive and negative evidence and uses judgments regarding past and future events, including operating results and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, the Company determines when it is more likely than not that all or some portion of its deferred tax assets may not be realized, in which case the Company records a valuation allowance to offset its deferred tax assets in an amount equal to future tax benefits that may not be realized. To the extent facts and circumstances change in the future, adjustments to the valuation allowances may be required.

Significant judgment is required in determining income tax provisions and in evaluating tax positions. The Company establishes additional provisions for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold, which is a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority. In the normal course of business, the Company is examined by various Federal, state and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of its provision for income taxes. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes.

Revenue recognition

In accordance with ASC 606, *Revenue from Contracts with Customers*, the Company's sales to customers are governed by the combination of supply agreements, customers' purchase orders and the Company's order acknowledgments. The Company typically satisfies its performance obligations and recognizes revenue at a point in time for product sales, generally when products are shipped or delivered to the customer, depending on the terms underlying each arrangement, or, for consignment-type arrangements, generally upon usage or consumption by the customer. Furthermore, the Company recognizes revenue when title and risk of loss has transferred to the customer.

The Company also manufactures and sells equipment, in which case revenue is recognized over the life of the contract based on percentage of completion.

Revenue is recorded net of estimated returns and allowances, customer incentive programs and other incentive offerings including special pricing agreements, promotions, discounted payment terms and other volume- based incentives. Revisions to these estimates are charged to income in the period in which the facts that give rise to the revision become known.

The Company offers certain sales incentives to customers who become eligible based on the level of purchases made during the calendar year. The sales incentives programs are considered customer volume rebates, which are typically computed as a percentage of customer sales, and in certain instances, the rebate percentage may increase as customers achieve sales hurdles. Volume rebates are accrued throughout the year based on the Company's estimates of customers' annual and quarterly sales volumes and the expected annual rebate percentage achieved. The Company characterizes the volume rebates to customers as a reduction of revenue in its consolidated statements of operations.

Shipping and handling costs

The Company incurs shipping and handling costs in the normal course of operations. These costs consist primarily of freight expenses incurred for third-party shippers to transport products to distribution centers, manufacturers and food processors. These costs are included in cost of sales and amounts billed to customers for shipping are included in net sales in the Company's consolidated statements of operations.

Research and development

The Company expenses research and development costs as incurred. These costs include salary and benefits, contractor charges, building costs, and other administrative and allocated corporate costs. Research and development expenses totaled $7,370 and $8,196 for fiscal years 2021 and 2020, respectively.

Environmental liabilities

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law and existing technologies. These accruals are adjusted periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. Accruals for environmental liabilities are included in the consolidated balance sheets as a component of other long-term liabilities at undiscounted amounts.

Asset retirement obligations

The Company has recorded the fair value of asset retirement obligations ("AROs") in order to recognize legal obligations associated with the retirement of tangible long-lived assets and the return of leased property to its original condition upon the expiration of its underlying lease terms. The fair value is increased annually through accretion expense until such time as the lease expires or the long-lived assets are removed from service and the obligation has been satisfied. Dismantlement of facilities at leased sites is assumed to occur upon lease termination unless it is likely that the Company is able to and plans to extend the term.

The Company has a number of AROs that are conditional in nature including those triggered upon the Company's commitments to take certain actions, including demolition, renovation and other retirement-related activities. These actions include the preparation of certain properties for sale or for alternative uses as well as the requirement to dismantle the Company's manufacturing facilities in certain countries upon their ultimate retirement. There are also conditional requirements for asset component retirements in which the Company can reasonably estimate both the amount of the required settlement as well as the range of settlement dates.

(Dollar amounts in thousands, except share data)

With respect to environmental contamination, the Company operates within the requirements of numerous regulations at the local, state, U.S. Federal and foreign levels regarding issues such as the handling and disposal of hazardous chemicals, waste-water treatment and effluent and emissions limitations, among others. From a practical standpoint, certain environmental contamination cannot be reasonably determined until a facility or asset is retired or an event occurs that otherwise requires the facility to be tested and monitored. In the absence of such requirements to test for environmental contamination prior to an asset or facility retirement, the Company anticipates operating its manufacturing facilities indefinitely into the future thereby rendering the potential range of settlement dates as indeterminate.

The balances and the changes in the balances of the AROs, exclusive of the environmental remediation liabilities, are summarized as follows:

Balance at June 30, 2019	$6,194
New acquisitions	2,989
Liabilities incurred	119
Accretion	166
Foreign currency adjustment	(46)
Balance at June 30, 2020	9,422
Accretion	254
Revision of estimate	(44)
Foreign currency adjustment	65
Balance at June 30, 2021	$9,697

The liability for the AROs is included in other current and long-term liabilities. The associated asset retirement costs are included in property, plant and equipment and are being amortized over the life of the related asset or term of the remaining lease.

Stock-based compensation

The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted under its equity incentive plans. Stock -based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the applicable vesting period of the stock award using the straight-line method. When options are exercised, shares issued will be made from authorized, but unissued shares of common stock.

New accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Company's year ending June 30, 2023 and will be applied using a modified retrospective transition method. The new lease standard is expected to have a significant effect on the Company's consolidated financial statements as a result of the Company's operating leases, as disclosed in Note 15, which will be reported on the consolidated balance sheet at adoption. Upon adoption, the Company will recognize a lease liability and corresponding right-of-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In August 2018, the FASB issued ASU 2018-14, *Changes to the Disclosure Requirements for Defined Benefit Plans*. The ASU adds disclosure of, among other things, the weighted-average interest crediting rates used in cash balance or other similar plans and a narrative description of the reasons for significant gains/losses affecting the benefit obligation. The ASU removed the disclosure requirements of, among other things, the amounts in accumulated other comprehensive income expected to be recognized as part of net periodic benefit cost over the next year and information about plan assets to be returned to the entity including amounts and expected timing. The ASU is effective for the Company for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company does not believe there will be a material impact to the consolidated financial statements as a result of adopting this ASU.

NOTE 4. ACQUISITIONS

Fiscal Year 2021 Acquisitions

The Company had no acquisition activity during fiscal year 2021.

Fiscal Year 2020 Acquisitions

Lameplast

On July 1, 2019, the Company completed the acquisition of all of the outstanding shares in Lameplast SpA (“Lameplast”), located near Modena, Italy.

Lameplast is a leading Italian manufacturer of plastic single/multi-dose containers for pharmaceutical, diagnostic, medical device, veterinary and cosmetic applications, with an emphasis on ophthalmic, vaccine, vaginal and rectal applications. Lameplast is also known for its injection molding, blow molding and injection blow molding expertise which enables it to produce custom packaging solutions for demanding applications.

The total purchase price for Lameplast was approximately $100,051 and was financed through the issuance of the 2024 Notes and contributions from Parent. The Company incurred professional fees and other acquisition related expenses of $1,289 in connection with the acquisition of Lameplast.

The goodwill recognized in connection with the acquisition of Lameplast is primarily attributable to the growth and synergy potential associated with the expansion of the Company’s product offerings and geographic footprint.

(Dollar amounts in thousands, except share data)

The following is a summary of the allocation of the total purchase consideration to the fair values of the assets and liabilities of Lameplast at the time of the transaction.

	July 1, 2019
Accounts receivable	$ 8,200
Inventories	7,700
Prepaid expenses and other current assets	913
Property, plant and equipment	14,498
Intangible assets	27,724
Goodwill	61,154
Other assets	40
Deferred tax	55
Acquired assets of Lameplast	120,284
Accounts payable	5,423
Accrued liability	1,978
Income tax liability	237
Other current liability	1,394
Deferred tax liability	9,380
Other long-term liability	1,821
Acquired liabilities of Lameplast	20,233
Total purchase consideration	$100,051

Geraldiscos

On July 10, 2019, the Company completed the acquisition of all of the outstanding shares in Geraldiscos Comercio, Industria e Representacoes de Cortica Ltda (“Geraldiscos”), located near São Paulo, Brazil.

Geraldiscos manufactures innovative closure liners and induction seals for a wide variety of container types including PP, PE, HDPE, PVC, PET and glass. Closure solutions are provided for market segments such as food, beverage, personal care, healthcare, agriculture, chemical and others.

The total purchase price for Geraldiscos was approximately $49,662 and was financed through the issuance of the 2024 Notes and contributions from Parent. The Company incurred professional fees and other acquisition related expenses of $729 in connection with the acquisition of Geraldiscos.

The goodwill recognized in connection with the acquisition of Geraldiscos is primarily attributable to the growth and synergy potential associated with the expansion of the Company’s product offerings and geographic footprint.

(Dollar amounts in thousands, except share data)

The following is a summary of the allocation of the total purchase consideration to the fair values of the assets and liabilities of Geraldiscos at the time of the transaction.

	July 10, 2019
Accounts receivable	$ 2,796
Inventories	2,608
Prepaid expenses and other current assets	1,211
Property, plant and equipment	5,723
Intangible assets	30,916
Goodwill	21,631
Other assets	44
Acquired assets of Geraldiscos	64,929
Accounts payable	1,733
Accrued payroll and benefits	679
Current portion of equipment lease	132
Accrued income tax	1,018
Deferred tax liability	11,573
Other long term liability	132
Acquired liabilities of Geraldiscos	15,267
Total purchase consideration	$49,662

MMC

On September 3, 2019, the Company completed the acquisition of all of the outstanding shares in MMC Packaging Equipment Ltd. (“MMC”), located in Laval, in the Montreal metropolitan region, Québec, Canada.

MMC is a leading automation equipment manufacturer including cap lining, slitting/folding, assembling and closing systems. Additionally, the company develops and sells vision systems and custom automation equipment. MMC supports global customers in the food, beverage, personal and homecare, pharmaceutical, chemical and industrial sectors.

The total purchase price for MMC was approximately $32,835 and was financed through the issuance of the 2024 Notes and contributions from Parent. The Company incurred professional fees and other acquisition related expenses of $1,199 in connection with the acquisition of MMC.

The goodwill recognized in connection with the acquisition of MMC is primarily attributable to the growth and synergy potential associated with the expansion of the Company’s product offerings and geographic footprint.

(Dollar amounts in thousands, except share data)

The following is a summary of the allocation of the total purchase consideration to the fair values of the assets and liabilities of MMC at the time of the transaction.

	September 3, 2019
Accounts receivable	$ 1,267
Inventories	973
Prepaid expenses and other current assets	2,824
Property, plant and equipment	477
Intangible assets	22,855
Goodwill	13,112
Acquired assets of MMC	41,508
Accounts payable	502
Accrued payroll and benefits	254
Other current liability	1,343
Deferred tax liability	6,392
Asset retirement obligation	182
Acquired liabilities of MMC	8,673
Total purchase consideration	$32,835

NOTE 5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents changes in the carrying value of goodwill:

Balance at June 30, 2019	$ 900,528
Currency translation	(9,707)
New acquisitions	95,897
Measurement period adjustments	(114,871)
Balance at June 30, 2020	871,847
Currency translation	12,055
Balance at June 30, 2021	$ 883,902

In-process research and development ("IPRD")

The Company recognizes, through purchase accounting, IPRD which has not yet reached commercialization. IPRD has an indefinite useful life. As of June 30, 2021 and June 30, 2020, the Company had $21,658 and $23,799, respectively, of IPRD intangible assets that have not been commercialized, and therefore have not been placed in service.

The Company recognized an impairment charge of $2,189 during fiscal year 2021 related to the write-off of certain IPRD assets that were no longer determined to have a future economic life. The Company did not recognize any impairment charges during fiscal year 2020.

As of June 30, 2021 and June 30, 2020, the Company also had $556 and $637, respectively, of intangible assets, which primarily related to costs incurred in patent development projects which have not been placed in service.

(Dollar amounts in thousands, except share data)

Definite-lived intangible assets

The components of the Company's identifiable intangible assets were as follows:

	June 30, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$542,965	$(104,654)	$438,311
Know how	189,614	(35,418)	154,196
Trade names and trademarks	107,852	(18,875)	88,977
Developed technology and other	27,236	(8,018)	19,218
Total definite-lived intangible assets	$867,667	$(166,965)	$700,702

	June 30, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$535,187	$ (71,408)	$463,779
Know how	185,932	(23,489)	162,443
Trade names and trademarks	106,490	(13,349)	93,141
Developed technology and other	26,799	(5,799)	21,000
Total definite-lived intangible assets	$854,408	$(114,045)	$740,363

Amortization period for the Company's identifiable intangible assets were as follows:

	Amortization Period (years)
Customer relationships	11 – 18
Know how	15 – 18
Trade names and trademarks	10 – 20
Developed technology and other	5 – 13

The estimated amortization expense of definite-lived intangible assets for each of the next five fiscal years and thereafter is as follows:

Fiscal Year Ending	
2022	$ 51,433
2023	51,437
2024	51,382
2025	51,344
2026	51,346
Thereafter	443,760
	$700,702

(Dollar amounts in thousands, except share data)

Amortization expense for intangibles assets was $51,341 and $50,359 during fiscal years 2021 and 2020, respectively.

NOTE 6. ACCOUNTS RECEIVABLE AND FACTORING

One of the Company's indirect, wholly- owned Belgian subsidiaries maintains an agreement whereby certain trade receivables generated by the subsidiary are sold to a financial institution. The structure of these transactions provides for a legal "true sale" as defined by GAAP. The financial institution funds an initial purchase price of 90% of approved accounts receivable. The remaining deferred purchase price is settled upon collection of the receivables, less fees and expenses. At each consolidated balance sheet date, the Company removes from accounts receivable the amount of proceeds received from the initial purchase prices as they meet the applicable criteria and continues to recognize the deferred purchase price in the Company's accounts receivable. The receivables are sold on a non- recourse basis. The maximum amount of aggregate receivables that may be sold under this agreement is €15,000 (approximately $17,800 at June 30, 2021).

The Company has an agreement with a third party financial institution to outsource the collection and processing functions of certain non-U.S. accounts receivable for customers that have been pre-approved by the financial institution associated with the Company's Northern Ireland operations. The Northern Ireland agreement allows the Company to seek advances of up to 85% of the receivables that have been accepted by the financial institution for collection and processing. The maximum allowable advances under the agreement is £2,000 (approximately $ 2,773 at June 30, 2021). Collections made by the financial institution are transferred to an account on a daily basis or when requested and the Company is charged an administrative fee as defined in the agreements.

There were no advances under the Northern Ireland agreement as of June 30, 2021 and June 30, 2020, respectively. Net advances and repayments for each fiscal year are classified as components of short-term borrowings and cash overdrafts, net within financing activities in the Company's consolidated statements of cash flows.

The following table summarizes the interest and fees incurred for each of the Company's international agreements:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Northern Ireland	91	112
Belgium	397	431

NOTE 7. INVENTORIES

Inventories, are summarized as follows:

	June 30, 2021	June 30, 2020
Raw materials	$ 95,457	$ 84,457
Work-in-process	25,422	21,953
Finished goods	42,274	40,846
	$163,153	$147,256

(Dollar amounts in thousands, except share data)

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2021	June 30, 2020
Land	$ 28,367	$ 27,449
Building and improvements	80,173	76,157
Buildings under capital lease	28,294	27,217
Leasehold improvements	19,932	16,146
Machinery and equipment	300,827	272,228
Software costs	4,754	4,382
Furniture and fixtures	8,534	7,214
Equipment under capital lease	457	469
Construction in progress	66,185	29,418
	537,523	460,680
Less: accumulated depreciation	(154,453)	(110,908)
	$ 383,070	$ 349,772

The Company leases certain facilities in Costa Rica and Italy with which the Company is deemed to have continuing involvement. The buildings are being depreciated over a 40-year term and the annual lease costs of approximately $1,103 are being recorded as interest expense and other liability.

During fiscal year 2020, the Company sold the real property located in Somerville, NJ and Flemington, NJ, and a portion of the real property in Alliance, OH and received net proceeds of approximately $12,314, $7,666, and $547, respectively.

Impairments

There were no impairments of property, plant or equipment during fiscal year 2021 or 2020.

Depreciation expense and accumulated depreciation

Depreciation expense was $45,137 and $53,818 during fiscal years 2021 and 2020, respectively. Accumulated depreciation on capital lease assets was $5,686 and $3,917 at June 30, 2021 and June 30, 2020, respectively.

Construction in progress

There were no significant amounts of construction in progress for software that had not yet been placed in service as of June 30, 2021 and June 30, 2020.

Collateral

Certain of the Company's PPE has been pledged as collateral under its various credit agreements.

(Dollar amounts in thousands, except share data)

NOTE 9. LONG-TERM DEBT

Long-term debt consists of the following:

	June 30, 2021	June 30, 2020
2024 Notes	$ 345,000	$ 345,000
2025 Notes	260,000	260,000
Term Debt	893,310	885,616
Asset-based financing	—	128
Capital lease obligation	17,832	18,337
Total long-term debt, including current portion	1,516,142	1,509,081
Long-term debt due within one year	(9,922)	(10,222)
Unamortized debt issuance costs	(22,807)	(29,867)
Unamortized debt discount	(2,319)	(3,065)
Long term debt	$1,481,094	$1,465,927

Scheduled payments on the Company's long-term debt over the next five fiscal years and thereafter are as follows:

Fiscal Year Ending	
2022	$ 9,922
2023	10,274
2024	10,156
2025	1,211,407
2026	261,062
Thereafter	13,321
	$1,516,142

Outstanding letters of credit at June 30, 2021 totaled $4,903, which includes $1,240 to secure deductibles of the Company's workers compensation insurance program and $3,400 is to secure a surety bond associated with potential financial obligations associated with potential import duties and taxes.

2024 Notes

The Company issued $345,000 of 9.250% Senior Notes due 2024, pursuant to an Indenture dated as of July 24, 2019, among Trident TPI, the guarantors party thereto and U.S. Bank National Association as Trustee. The 2024 Notes are guaranteed by certain of the Company's domestic subsidiaries. The 2024 Notes bear interest at an annual rate of 9.250%, payable semi- annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2020. The proceeds from the 2024 Notes were used to repay $295,000 of outstanding borrowings under the Bridge Facility, with the remainder of the proceeds retained for acquisitions and general corporate purposes.

2025 Notes

The Company issued $260,000 of 6.625% Senior Notes due 2025, pursuant to an Indenture dated as of October 17, 2017, among Trident TPI, the guarantors party thereto and U.S. Bank National

Association as Trustee. The Senior Notes are guaranteed by certain of the Company's domestic subsidiaries. The Senior Notes bear interest at an annual rate of 6.625%, payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2018.

Senior Secured Term Debt

The Company entered into a Credit Agreement dated as of October 17, 2017 (the "Term Debt") among Intermediate, Trident TPI, the lenders party thereto, Credit Suisse AG, Cayman Islands Branch as Administrative Agent, Collateral Agent and a lender, Credit Suisse Securities (USA) LLC, Jefferies Finance LLC and BMO Capital Markets Corp. as joint lead arrangers and bookrunners. Borrowings under the Company's initial Term Debt included (a) a US Dollar tranche of Tranche B- 1 Term Loans in an aggregate principal amount of $413,000 and (b) a Euro tranche of Tranche B- 2 Term Loans in an aggregate principal amount of €249,000. The Term Loans have a seven-year term and mature in October, 2024. Subsequent to the 2018 Merger, the Company amended the Credit Agreement and incurred an additional principal amount of $216,000 of Tranche B-1 loans to finance the Company's acquisitions in fiscal year 2018.

Principal amortization payments under the Term Debt are due the last business day of each September, December, March and June, beginning March, 2018 and ending with the last such business day prior to the Initial Term Loan Maturity Date, totaling a principal amount in Dollars equal to 0.25% of the aggregate principal amount of all Tranche B-1 Term Loans outstanding on the Closing Date, as adjusted for any incremental borrowings, and a principal amount in Euros equal to 0.25% of the aggregate principal amount of all outstanding Tranche B-2 Term Loans outstanding on the Closing Date, as adjusted for any incremental borrowings.

Amounts outstanding under the Term Debt bear interest at a rate per year equal to the base rate plus an applicable margin of 2.25%, or a LIBOR rate plus an applicable margin of 3.25%, or a EURIBOR rate plus an applicable margin of 3.50%. The applicable margin may be adjusted downward if the First Lien Net Leverage Ratio is equal or below 4:20 to 1:00.

Bridge Facility

The Company entered into a senior unsecured bridge facility (the "Bridge Facility"), pursuant to that certain Bridge Credit Agreement, entered into on June 17, 2019, as amended and supplemented from time to time, with Jefferies LLC and BMO Capital Markets Corp. as lead arrangers and various financial institutions as lenders. During fiscal year 2019, borrowings under the Bridge Facility, were used to acquire certain assets of Amcor Flexibles LLC (the "Amcor Assets). During fiscal year 2020, the Company used a portion of the proceeds from the issuance of the 2024 Notes to repay and retire the Bridge Facility.

ABL Credit Facility

The Company maintains a $100,000, five year, senior secured asset-based revolving credit facility pursuant to that certain ABL Facility Agreement, dated October 17, 2017, as amended, among Intermediate, Trident TPI, the lenders named therein, BMO Harris Bank N.A. as Administrative Agent and Collateral Agent, and BMO Harris Bank N.A., Credit Suisse Securities (USA) LLC and Jefferies Finance LLC as joint lead arrangers and bookrunners. Availability under the ABL Facility was approximately $94,968 and $88,553 as of June 30, 2021 and 2020, respectively. The availability will fluctuate throughout the course of the year based on a variety of factors impacting the Company's borrowing base and outstanding borrowings and other obligations. There were no outstanding borrowings under the ABL Facility as of June 30, 2021 and 2020.

Asset-Based Financing

The Company maintained an agreement with Key Equipment Finance, under which the Company pledged certain equipment as collateral to secure the borrowings. The agreement expired in December 2020. Principal payments were paid off as of June 30, 2021.

Capital Lease Obligations

The Company has capital lease obligations on building and equipment in various locations. The present value of the payments has been recorded as a capital lease obligation and the related asset has been reflected in property, plant and equipment.

Covenants

The Term Debt, Senior Notes and the ABL Facility contain certain covenants that, subject to important exceptions and qualifications, limit the Company's ability and the ability of its restricted subsidiaries to, among other things, pay dividends or distributions, repurchase equity, prepay subordinated debt or make certain investments, incur additional debt or issue certain disqualified stock and preferred stock, incur liens on assets, merge or consolidate with another company or sell all or substantially all assets, enter into transactions with affiliates and allow to exist certain restrictions on the ability of the Guarantors to pay dividends or make other payments.

The ABL Facility provides that upon the commencement and during the continuance of a Covenant Trigger Period, the Company will not permit the Fixed Charge Coverage Ratio (calculated on a Pro Forma Basis as of the last day of the most recently ended Test Period ended prior to the commencement of such Covenant Trigger Period and the last day of each Test Period thereafter during the continuance of a Covenant Trigger Period) to be less than 1.00 to 1.00.

As of June 30, 2021, the Company was in compliance with all of the financial covenants under our outstanding debt instruments.

Events of Default

The Term Debt, Senior Notes and the ABL Facility contain customary events of default, including, but not limited to, payment defaults, covenant defaults, cross-acceleration and payment defaults to certain indebtedness, certain events of bankruptcy, material judgments and failure of guarantees by certain Guarantors to be in full force and effect. If an event of default occurs and is continuing with respect to the Company, the principal amount owed, plus accrued and unpaid interest, if any, may be declared immediately due and payable.

Fair Value

As of June 30, 2021, the estimated fair value of the Company's debt was $1,536,986 based upon recent market prices of the loans under the Term Debt and Senior Notes.

NOTE 10. DEFERRED SALE AND LEASE TRANSACTION

In January 2011, the Company sold a manufacturing facility located in Ridgefield, NJ and received gross proceeds of $17,490. The Company currently has an open Industrial Site Recovery Act ("ISRA") case with the New Jersey Department of Environmental Protection ("NJDEP") which requires that it investigate and remediate certain identified areas of concern. Remediation efforts have been ongoing since we acquired the property in 1998. A deposit of $216 is held in an escrow account for future remediation expenditures covering both the Ridgefield and Piscataway, NJ ISRA cases. The Company is obligated by state law to continue remediating until the Company's Licensed Site Remediation Professional and the NJDEP are satisfied that the appropriate soil and groundwater remediation standards have been met. As of June 30, 2021 and 2020, the deferred sale proceeds for this transaction totaled $20,062 and $19,792, respectively.

(Dollar amounts in thousands, except share data)

Due to the Company's continuing involvement with this facility related to this environmental remediation, the proceeds received have been deemed to be a financing transaction and were recognized as a deferred long-term liability. As of June 30, 2021, the net book value of the property of $15,382 is included in the Company's consolidated balance sheet. Additionally, certain operating costs, including depreciation, related to the ownership and operation of the facility subsequent to the transaction have been, and will continue to be, included in the Company's results of operations until the remediation is complete as determined by the NJDEP.

The Company is concurrently leasing back the facility with the lease term ending March 2031. Until the sale transaction is completed from an accounting perspective, lease payments will be applied to the liability and interest imputed at approximately 8.5% as the cash lease payments are made. The Company recognized interest expense of $1,691 and increased the liability by $270 during fiscal year 2021. The Company recognized interest expense of $1,672 and increased the liability by $223 during fiscal year 2020. Once the sale is recognized from an accounting perspective, a gain or loss will be recognized and subsequent lease payments will be charged to rent expense as the lease will be treated as an operating lease. No new borrowing has occurred and there is no new obligation to any party.

NOTE 11. OTHER CURRENT AND LONG-TERM LIABILITIES

Other current liabilities consist of:

	June 30, 2021	June 30, 2020
Deferred revenue	$ 9,875	$ 4,715
Accrued professional fees	6,491	667
Customer rebates	5,073	6,321
Accrued freight	3,538	3,063
Other	10,778	9,252
	$35,755	$24,018

Other long-term liabilities consist of:

	June 30, 2021	June 30, 2020
Tax contingencies	$ 3,864	$ 4,638
Deferred liability for leased facilities	11,229	10,906
U.S. and Belgium pension liabilities	3,892	8,458
Workers' compensation self-insurance	2,448	2,016
Asset retirement obligations	9,549	9,394
Italian leaving indemnity	2,518	2,446
Other	1,485	1,528
	$34,985	$39,386

(Dollar amounts in thousands, except share data)

NOTE 12. INCOME TAXES

The provision for income taxes is summarized as follows:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Current:		
Federal	$ —	$ 104
Foreign	19,810	18,391
State and local	98	254
Total current	19,908	18,749
Deferred:		
Federal	(24,098)	(11,100)
Foreign	(2,649)	(3,468)
State and local	(2,002)	507
Total deferred	(28,749)	(14,061)
(Benefit) provision for income taxes	$ (8,841)	$ 4,688

The components of income (loss) before income taxes are as follows:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Domestic	$(76,103)	$(72,935)
Foreign	73,926	26,128
Loss before income taxes	$ (2,177)	$(46,807)

The provision for income taxes differs from the federal statutory rate due to the following:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Benefit from income taxes at federal statutory	$ (457)	$(9,829)
State and local income taxes, net of federal benefits	(1,643)	746
Tax effect of international items	3,623	1,935
Uncertain tax positions	(827)	1,484
Foreign dividends	—	(2)
Tax on unremitted foreign earnings	(9,274)	3,920
Merger related costs	924	296
Permanent differences	(1,187)	509
Valuation allowance	(528)	5,645
Non-US tax law changes	962	—
Other, net	(434)	(16)
Provision (benefit) for income taxes	$(8,841)	$ 4,688

(Dollar amounts in thousands, except share data)

Significant components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2021	June 30, 2020
Deferred tax assets:		
Accrued expenses	$ 7,316	$ 7,186
Net operating loss, disallowed interest carryforwards and credits	101,601	78,730
Inventory	2,196	6,448
Allowance for doubtful accounts	501	507
Accrued pension and post-retirement	880	2,102
Bond discount	778	604
Other expenses	6,520	3,317
Total gross deferred tax assets	119,792	98,894
Less: valuation allowance	(22,883)	(19,916)
Total current deferred tax assets	96,909	78,978
Deferred tax liabilities:		
Tax on unremitted foreign earnings	(911)	(683)
Difference in tax and book basis of fixed assets	(34,870)	(35,054)
Difference in tax and book basis of intangible assets	(148,059)	(153,279)
Net long-term deferred tax liabilities	(183,840)	(189,016)
Net deferred tax liability	$ (86,931)	$(110,038)

Net operating losses, disallowed interest carryforwards and credits

The Company has gross federal net operating loss carry-forwards ("NOLs") of approximately $286,386 and $202,415 as of June 30, 2021 and June 30, 2020, respectively. In addition to the aforementioned NOLs, the Company had NOLs generated from prior taxable periods; however, due to the remote probability that these NOLs could be utilized as an offset to future taxable income, any potential impact of these NOLs has been eliminated from the consolidated financial statements. A portion of the Company's federal NOL carry-forward period expires between 2025 and 2038, while a portion of the federal NOLs may be carried forward indefinitely. The Company has $91,102 of interest limitation disallowance as of June 30, 2021 that can be carried forward indefinitely. In addition to the domestic federal carry-forward balances, the Company has NOL carry-forwards related to its international operations of $12,701 and state apportioned NOLs of $300,587 that expire between 2021 and 2041. Additionally, a portion of the foreign NOLs may be carried forward indefinitely.

Valuation allowance

The Company's realization of federal, state and foreign operating loss carry-forwards through 2041, are contingent upon the Company generating future taxable income of the appropriate character within the appropriate jurisdictions. In general, each deferred tax asset, including carry-forwards, is reviewed for expected utilization, and valuation allowances are established to reduce the deferred tax assets to their net realizable value to the extent it is more likely than not that some portion or all of the deferred tax assets will not be realized based on the character of the carry-forward item, the associated taxing jurisdiction, the relevant history for the particular item, the applicable expiration dates, and identified actions under the control of the Company in realizing such assets. The Company assesses the available positive and negative evidence surrounding the recoverability of the deferred tax assets and applies its judgment in estimating the amount of valuation allowance necessary under the circumstances, if any. The valuation allowance against U.S. Federal, foreign and state deferred tax assets as of June 30, 2021 and June 30, 2020 was $22,883 and $19,916, respectively. The valuation allowances relate primarily to state and foreign deferred tax assets.

(Dollar amounts in thousands, except share data)

Undistributed earnings of foreign subsidiaries

As result of US Tax Reform and changes to Belgium Tax law for foreign distributions during the year-ended June 30, 2018, which now allow 100% participation exemption, the Company has changed its assertion with respect to foreign earnings. We are no longer permanently reinvested in earnings of our foreign subsidiaries for any year. As such, we have recorded a $911 tax liability, as of June 30, 2021 related to state and foreign withholding taxes for any remaining undistributed foreign earnings.

Provision for uncertain income tax positions

A reconciliation of the beginning and ending balances for gross liabilities associated with unrecognized tax benefits is as follows:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Unrecognized tax benefits, beginning of period	$22,040	$21,336
Gross increases (decreases) – prior period tax provisions	(430)	—
Gross increases (decreases) – prior period tax positions	—	1,432
Gross increases – tax positions in current period	364	548
Lapse of statute of limitations	(651)	(741)
Settlement	—	(1,421)
Currency translation adjustment	—	(37)
Other acquisition related adjustments	165	923
Unrecognized tax benefits, end of period	$21,488	$22,040

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. At June 30, 2021 and June 30, 2020, the Company had approximately $1,253 and $1,540 of interest and penalties accrued for unrecognized tax benefits, respectively. The Company recognized $337 and $6 of interest and penalty reductions due to statute expirations during fiscal year 2021 and 2020, respectively.

As of June 30, 2021, the amount of gross unrecognized tax benefits is $22,741 (including interest and penalties, net of ($805) of currency translation adjustments), of which $3,864 liabilities recorded, if reversed due to expiration of statutes of limitations, favorable resolution of tax audits or court decisions, would favorably affect the Company's effective tax rate. As of June 30, 2020, the amount of gross unrecognized tax benefits is $23,581 (including interest and penalties, net of ($1,020) of currency translation adjustments), of which $4,638 liabilities recorded, if reversed due to expiration of statutes of limitations, favorable resolution of tax audits or court decisions, would favorably affect the Company's effective tax rate. The Company does not expect that its unrecognized tax benefits on existing positions will significantly change during the next 12 months, other than for normal lapses in the statute of limitations.

The Company is subject to U.S. Federal, foreign and state income taxes. The U.S. Federal income taxes have been audited through 2013, while the foreign and state income taxes remain open for examination by the tax authorities generally beginning in 2015.

U.S. Tax Reform

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”) . The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, reducing the top U.S. federal corporate tax rate from 35 percent to 21 percent; requiring companies to pay a one-time transition tax on certain un-repatriated earnings of foreign subsidiaries; generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries; requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations (GILTI); eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; creating the base erosion anti-abuse tax (BEAT), a new minimum tax; the acceleration of expensing for certain business assets; creating a new limitation on deductible interest expense; and changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017.

In July 2020, the U.S. Treasury Department and IRS (collectively “Treasury”) released new regulations related to the tax reform provisions of GILTI and IRC Section 163(j) limitation on deductible interest expense. Upon retroactive adoption of the regulations, the Company recorded a federal tax benefit of $9,274 related to the June 30, 2019 and June 30, 2020 tax periods in the current year as these regulations are considered changes in tax law occurring during June 30, 2021.

Provision Related to Foreign Sourced Earnings

While the U.S. Tax Act provides for a participation exemption, for tax years beginning after January 1, 2018, it includes two new U.S. tax base erosion provisions, the global intangible low-taxed income (“GILTI”) provisions and the base-erosion and anti-abuse tax (“BEAT”) provisions. Both provisions became effective for the Company during yearend June 30, 2019 and continues to current year-end June 30, 2021. The GILTI provisions require the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary’s tangible assets. The Company has made an accounting policy election to treat the taxes due on future US GILTI inclusions in taxable income as a current-period expense when incurred (“period cost method”); therefore, the Company has not recorded any deferred taxes related to GILTI. As result of adopting the aforementioned July 2020 Treasury regulations, the Company recorded zero GILTI tax expense related to foreign earnings during the period June 30, 2021.

NOTE 13. EMPLOYEE BENEFIT PLANS

Savings plans

The Company sponsors a discretionary 401(k) defined contribution savings plan (the “Plan”) covering eligible employees. Beginning January 1, 2019, the Company made matching contributions equal to 100% of each participant’s elective deferrals not exceeding 3% of the participant’s compensation, plus 50% of each participant’s elective deferrals in excess of 3% but not in excess of 5% of the participant’s compensation. Prior to January 1, 2019, the Company determined maximum matching contributions to the plans each year, up to 4% of the employee’s eligible compensation. The Company made matching contributions totaling $3,617 and $3,678 for fiscal years 2021 and 2020, respectively.

Pension plans

The Company sponsors the Tekni-Plex, Inc. Pension Plan (“U.S. Pension Plan”) and the defined benefit plan for the employees of Tekni-Plex Europe, N.V. (“Belgium Pension Plan”). Benefit accruals under the U.S. Pension Plan have been frozen.

(Dollar amounts in thousands, except share data)

U.S. Pension Plan

The current funding policy of the U.S. Pension Plan is to contribute no less frequently than annually an amount at least equal to the minimum contribution required by law. The Company may, at its discretion, contribute amounts in excess of the minimum required contribution. The Company did not make any contributions to the U.S. Pension Plan during fiscal years 2021 or 2020.

The components of net periodic pension (income) cost for the U.S. Pension Plan are as follows:

	Year Ended June 30,	
	2021	2020
Interest cost	$ 618	$ 868
Expected return on plan assets	(878)	(1,184)
Amortization of net (gain) loss	8	—
Effect of settlement	(49)	94
Net periodic pension income	$(301)	$ (222)

Other changes in plan assets and benefit obligations recognized in other comprehensive income or loss for the U.S. Pension Plan are as follows:

	Year Ended June 30,	
	2021	2020
Net (gain) loss	$(4,712)	$2,724
Amortization of net (gain) loss	(8)	—
Amount recognized due to settlement	49	(94)
Total recognized in other comprehensive (income) loss	$(4,671)	$2,630

There is no actuarial income expected to be amortized from accumulated other comprehensive income during fiscal year 2022 related to the U.S. Pension Plan.

Changes in the benefit obligation, plan assets and the funded status of the U.S. Pension Plan are as follows:

	Year Ended June 30,	
	2021	2020
Change in benefit obligation		
Benefit obligation, beginning of period	$27,987	$27,416
Interest cost	618	868
Actuarial loss	77	2,218
Benefits paid	(1,495)	(1,591)
Lump sum settlement	(706)	(924)
Benefit obligation, end of period	26,481	27,987

(Dollar amounts in thousands, except share data)

	Year Ended June 30, 2021	Year Ended June 30, 2020
Change in plan assets		
Fair value of plan assets, beginning of period	23,421	25,258
Actual return on plan assets	5,667	678
Benefits paid	(1,495)	(1,591)
Lump sum settlement	(706)	(924)
Fair value of plan assets, end of period	26,887	23,421
Funded status of the plan, end of period	$ 406	$ (4,566)

The Company's funded status of the U.S. Pension Plan is presented on its consolidated balance sheet in other long-term assets as of June 30, 2021, and other long-term liabilities as of June 30, 2020. The accumulated other comprehensive (income) loss (pre-tax) for the U.S. Pension Plan was ($1,841) and $2,830 as of as of June 30, 2021 and June 30, 2020, respectively, which consists entirely of the actuarial (gain) loss.

The assumptions used in the determination of the benefit obligation and net periodic pension cost (income) of the U.S. Pension Plan were as follows:

	June 30, 2021	June 30, 2020
Discount rate used in determination of benefit obligation	2.40%	2.30%
Expected long-term rate of return on plan assets	5.50%	6.00%
Discount rate used in determination of net periodic pension cost	2.30%	3.30%

The discount rate assumption used to determine the Company's pension obligation reflects the expected future cash flow based on plan provisions and participant data as of the beginning of the plan year. The discount rate was based on a yield curve, which is determined by the plan's actuary. The Company believes the yield curve provides a good match to the timing and amount of expected benefit payments.

The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the plan and the long-term capital market assumptions. The overall return for each asset class was developed by combining a long-term inflation component and the associated expected real rates. The development of the capital market assumptions utilized a variety of methodologies, including, but not limited to, historical analysis, stock valuation models such as dividend discount models and earnings yields' models, expected economic growth outlook, and market yields analysis.

The U.S. Pension Plan's asset allocations at June 30, 2021 and June 30, 2020, based on market values, and the target allocations for fiscal year 2021, are as follows:

Asset Class	Target Allocation 2022	Actual Allocation June 30, 2021	Actual Allocation June 30, 2020
Equity securities	60%	59%	59%
Fixed income securities	40%	41%	41%
	100%	100%	100%

(Dollar amounts in thousands, except share data)

The U.S. Pension Plan investments are held in trust and managed by a large financial institution (the “Trustee”) and are invested in accordance with investment policies and guidelines established by a Company Administrative Committee.

The Company’s investment objective is to obtain a return commensurate with the level of assumed risk. U.S. Pension Plan assets are to be structured to achieve real, inflation-adjusted growth and are to be adequately diversified to provide a degree of stability in order to balance the long- term growth objectives with short-term liquidity requirements. Diversification among asset classes is used to control the variability of aggregate returns while investing in asset classes that may individually have volatile returns.

The U.S. Pension Plan’s investments measured at fair value as of June 30, 2021 and June 30, 2020 were as follows:

	June 30, 2021			
	(Level 1)	(Level 2)	(Level 3)	Total
Equity funds	$ 9,134	$ —	$ —	$ 9,134
Fixed income funds	9,693	—	—	9,693
	$18,827	$ —	$ —	$18,827

	June 30, 2020			
	(Level 1)	(Level 2)	(Level 3)	Total
Equity funds	$ 7,954	$ —	$ —	$ 7,954
Fixed income funds	8,448	—	—	8,448
	$16,402	$ —	$ —	$16,402

- Level 1: Unadjusted quoted prices in active markets for identical assets.
- Level 2: Observable inputs other than those included in Level 1. For example, quoted prices for similar assets in active markets or quoted prices for identical assets in inactive markets.
- Level 3: Unobservable inputs reflecting assumptions about the inputs used in pricing the asset.

As of June 30, 2021 and June 30, 2020, the Company also has $8,060 and $7,018, respectively, of pension investments for which fair value is measured using the net asset value (“NAV”) per share practical expedient, and are not included in the fair value hierarchy table included above.

The benefits expected to be paid from the U.S. Pension Plan for each of the next five fiscal years and in the aggregate for the following five fiscal years are as follows:

Fiscal Year Ending	
2022	$2,230
2023	1,910
2024	1,920
2025	1,910
2026	1,840
Five years ended 2031	8,150

(Dollar amounts in thousands, except share data)

Belgium Pension Plan

The funded status of the Belgium Pension Plan is presented on the Company's consolidated balance sheet in other long-term liabilities.

The components of net periodic pension cost for the Belgium Pension Plan are as follows:

	Year Ended June 30,	
	2021	2020
Service cost	$ 711	$614
Interest cost	162	142
Amortization of net gain/loss	—	—
Expected return on plan assets	(107)	(85)
Net periodic pension cost	$ 766	$671

Changes in the benefit obligation, plan assets and the funded status of the Belgium Pension Plan are as follows:

	Year Ended June 30,	
	2021	2020
Change in benefit obligation		
Benefit obligation, beginning of period	$12,112	$11,813
Service cost	711	614
Interest cost	162	142
Actuarial loss (gain)	(156)	(185)
Plan participants' contributions	97	81
Plan settlements	(1,914)	—
Benefits paid	(104)	(178)
Foreign currency adjustment	758	(175)
Benefit obligation, end of period	11,666	12,112
Change in plan assets		
Fair value of plan assets, beginning of period	8,220	7,367
Actual return on plan assets	105	227
Company contributions	855	825
Plan participants' contributions	97	81
Plan settlements	(1,914)	—
Benefits paid	(104)	(178)
Foreign currency adjustment	515	(102)
Fair value of plan assets, end of period	7,774	8,220
Funded status of the plan, end of period	$ (3,892)	$ (3,892)

(Dollar amounts in thousands, except share data)

The Company's funded status of the Belgium Pension Plan is presented on its consolidated balance sheet in other long-term liabilities. The accumulated other comprehensive loss (pre-tax) for the Belgium Pension Plan was $70 and $306 as of June 30, 2021 and 2020, respectively, which consists entirely of the actuarial loss.

The assumptions used in the determination of the benefit obligation and net periodic pension cost of the Belgium Pension Plan were as follows:

	June 30, 2021	June 30, 2020
Discount rate used in determination of benefit obligation	1.30%	1.30%
Expected long-term rate of return on plan assets	2.00%	1.30%
Discount rate used in determination of net periodic pension cost (income)	1.30%	1.25%

The discount rate assumption used to determine the Company's pension obligation reflects the expected future cash flow based on plan provisions and participant data as of the beginning of the plan year.

The plan assets of the Belgium Pension Plan are invested entirely in a guaranteed group insurance plan. During fiscal year 2022, the Company expects to make contributions of approximately $649 to the Belgium Pension Plan.

The benefits expected to be paid from the Belgium Pension Plan for each of the next five fiscal years and in the aggregate for the following five fiscal years are as follows:

Fiscal Year Ending	
2022	$ 19
2023	777
2024	35
2025	1,646
2026	1,166
Five years ended 2031	4,052

Italian Leaving Indemnity ("TFR")

Liabilities for termination indemnities mainly include post-employment benefits of the Italian companies' employees (hereinafter "TFR"), which totaled $2,518 and $2,446 as of June 30, 2021 and June 30, 2020, respectively.

Effective January 1, 2007, the TFR system was reformed, and under the new law, contributions under the reformed TFR system are accounted for as a defined contribution plan. The liability accrued until December 31, 2006 continues to be considered a defined benefit plan. Therefore, each year, the Company adjusts its accrual for the impact of inflation.

NOTE 14. STOCKHOLDER'S EQUITY

Stock options

The Board of Directors of the Parent maintains the 2017 Equity Incentive Plan, as amended, (the "2017 Equity Plan"). Under the amended 2017 Equity Plan, 71,645 shares are available for awards to employees, directors, consultants and advisors to the Company and its subsidiaries. Options are granted with an exercise price not less than fair market value on the date of grant. Options are granted in accordance with the terms and conditions of the 2017 Equity Plan and an individual's stock option agreement. The contractual life of the options cannot exceed 10 years. No shares were available for grant under the 2017 Equity Plan as of June 30, 2021.

(Dollar amounts in thousands, except share data)

Certain stock options granted under the 2017 Equity Plan vest on each of the first through fifth anniversaries of the grant date, unless accelerated in connection with a Change of Control (as defined in the 2017 Equity Plan) ("Tranche 1"). As of June 30, 2021, the Company has unrecognized compensation cost of $5,955, which will be recognized over a weighted average period of 3.3 years.

In addition, certain stock options granted under the 2017 Equity Plan will vest only upon the achievement of certain market and performance conditions ("Tranche 2" and "Tranche 3", collectively the "Performance Tranches"). The Company has not recognized any compensation expense related to the Performance Tranche options, since the performance condition on which the options vest is not considered probable.

The following table presents information with respect to stock options granted:

	Tranche 1	Performance Tranches
Fair value	$521.52	$294.47 – 349.70
Dividend yield	0%	0%
Expected volatility	50%	55%
Risk-free interest rate	2.70%	2.44%
Expected term (in years)	6.5	4.0

The following tables present information with respect to stock option activity for fiscal year 2021:

Tranche 1 Options	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)
Options outstanding at June 30, 2020	19,870	$1,083.10	8.02
Granted	4,599	$1,628.33	
Exercised	—		
Forfeited	(513)	$1,436.00	
Options outstanding at June 30, 2021	23,956	$1,180.21	7.52
Options vested and exercisable at June 30, 2021	11,481	$1,070.37	6.98
Options expected to vest at June 30, 2021	12,475	$1,281.30	8.01

(Dollar amounts in thousands, except share data)

Performance Options	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)
Options outstanding at June 30, 2020	38,428	$1,083.13	8.02
Granted	10,255	$1,640.27	
Exercised	—		
Forfeited	(994)	$1,436.00	
Options outstanding at June 30, 2021	47,689	$1,195.58	7.58
Options vested and exercisable at June 30, 2021	—		
Options expected to vest at June 30, 2021	—		

The following tables presents information with respect to nonvested stock option activity for fiscal year 2021:

Tranche 1 Options	Shares
Nonvested options at June 30, 2020	12,260
Granted	4,599
Vested	(3,871)
Forfeited	(513)
Nonvested options at June 30, 2021	12,475

Performance Options	Shares
Nonvested options at June 30, 2020	38,428
Granted	10,255
Vested	—
Forfeited	(994)
Nonvested options at June 30, 2021	47,689

The Company recognized stock compensation expense of $2,060 and $1,698 during fiscal years 2021 and 2020, respectively. There were no stock-based compensation costs capitalized during the fiscal years 2021 or 2020.

(Dollar amounts in thousands, except share data)

Accumulated other comprehensive income (loss)

The following table summarizes the changes in accumulated other comprehensive income (loss) by component:

	Foreign currency translation	Defined benefit pension plans	Total
Balance at June 30, 2019	$(12,383)	$ (631)	$(13,014)
Other comprehensive loss before reclassifications	(10,649)	(2,209)	(12,858)
Amounts reclassified from accumulated other comprehensive income	—	(94)	(94)
Net other comprehensive income (loss) before income tax	(10,649)	(2,303)	(12,952)
Income tax benefit (expense)	—	567	567
Other comprehensive income (loss)	(10,649)	(1,736)	(12,385)
Balance at June 30, 2020	$(23,032)	$(2,367)	$(25,399)
Other comprehensive income (loss) before reclassifications	24,164	4,867	29,031
Amounts reclassified from accumulated other comprehensive income	—	41	41
Net other comprehensive income (loss) before income tax	24,164	4,908	29,072
Income tax benefit (expense)	—	(1,209)	(1,209)
Other comprehensive income (loss)	24,164	3,699	27,863
Balance at June 30, 2021	$ 1,132	$ 1,332	$ 2,464

Amounts reclassified from accumulated other comprehensive income to net income related to the Company's defined benefit pension plans were included in the selling, general and administrative expenses line of the consolidated statements of operations.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Operating lease and service commitments

The Company leases building space and certain equipment under long-term non-cancelable operating leases. Leases for buildings generally have initial terms of 10 years, and most have renewal options for additional periods and expire between 2021 and 2040. Leases for equipment generally have terms of 5 years. Additionally, the Company has a management and services agreement in South America that requires minimum monthly payments.

(Dollar amounts in thousands, except share data)

At June 30, 2021, the Company's future minimum payments under its operating lease agreements are as follows:

Fiscal year ending	
2022	$ 9,386
2023	8,815
2024	8,218
2025	7,630
2026	6,649
Thereafter	29,657
Total lease commitments	$70,355

Rent expense was $11,270 and $11,023 for fiscal years 2021 and 2020, respectively.

Capital lease commitments

The Company leases building space and certain equipment under long-term non-cancelable capital leases that expire between 2021 and 2040.

At June 30, 2021, the Company's future minimum payments under its capital lease agreements are as follows:

Fiscal year ending	
2022	$ 1,340
2023	1,340
2024	1,330
2025	1,267
2026	1,297
Thereafter	14,032
Total lease commitments	20,606
Less: Amount representing interest	(2,775)
Present value of net minimum lease payments	$17,831

The Company leases certain facilities in Costa Rica and Italy with which the Company is deemed to have continuing involvement. The buildings are being depreciated over a 40-year term and the annual lease costs of approximately $1,103 are being recorded as interest expense and other liability.

Contingencies

The Company is presently a party to certain lawsuits arising in the ordinary course of its business. In the opinion of management, none of its current legal proceedings are expected to have a material impact on the Company's business or financial results.

The Company evaluates, on a regular basis, developments in its legal matters. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred, and the amount can be reasonably estimated.

With respect to any current legal proceedings or claims pending against the Company for which it has not made an accrual, but for which it is reasonably possible that a loss may occur, the Company is unable to estimate a range of loss due to various reasons, including, among others: (1) that the proceedings are in early stages, (2) that there is uncertainty as to the outcome of pending appeals, motions, or settlements, (3) that there are significant factual issues to be resolved, and (4) that there are novel legal issues presented. Such legal matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond the Company's control. Based on current knowledge, the Company believes that the final outcome of the matters discussed above will not, individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of operations, or cash flows. While the Company intends to vigorously defend these matters, in light of the uncertainties involved in such matters, there exists the possibility of adverse outcomes, and the final outcome of a particular matter could have a material adverse effect on results of operations or cash flows in a particular period.

(Dollar amounts in thousands, except share data)

The Company is subject to environmental laws requiring the investigation and cleanup of environmental contamination. In addition to remediation being undertaken by third parties at a limited number of its locations, the Company is investigating and remediating existing environmental conditions resulting from past industrial activity at several of the Company's facilities, including several of the Company's New Jersey facilities pursuant to the requirements of New Jersey's Industrial Site Recovery Act ("ISRA"). If any other events were to occur in the future that would be deemed to have affected a "change of control" or shutdown of any of the Company's New Jersey facilities as defined under ISRA, the Company would be required to take additional actions to comply with that statute, possibly resulting in additional investigations and remediation costs.

Self-Insured Claims

The Company is primarily self-insured for its workers' compensation claims and employee group health claims for the Company's domestic operations, which the Company limits through stop-loss insurance coverage. The Company's workers' compensation claims are limited for individual claims in excess of $500 per occurrence, subject to annual adjustments based on loss experience. Additionally, the Company's employee group health claims are limited for individual claims in excess of $225 per occurrence. The Company expenses claims into operations when reported and includes estimated expenses of claims incurred but not reported.

	Year Ended June 30, 2021	Year Ended June 30, 2020
Domestic workers' compensation expense	$ 2,346	$ (84)
Domestic group health care expense	19,887	18,052

Employee group health care liabilities for domestic locations of $1,155 and $1,921 are reflected in accrued payroll and benefits at June 30, 2021 and June 30, 2020, respectively.

As of June 30, 2021, workers' compensation claim liabilities of $1,191 and $2,448 are reflected in other current liabilities and other long-term liabilities, respectively. As of June 30, 2020, workers' compensation claim liabilities of $1,201 and $2,016 are reflected in other current liabilities and other long-term liabilities, respectively. Although the Company continually reviews and updates claims and expenses, it is reasonably possible liabilities for self-insured claims may need to be revised in the near term.

NOTE 16. CONCENTRATIONS

Cash

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash deposits. The Company maintains demand deposits at several major banks throughout the United States, Canada, Europe and Asia. As part of its cash management process, the Company periodically reviews the credit standing of these banks. In the United States, the Company maintains cash in bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250 per account. The Company has not experienced any losses in any of its bank accounts.

Customers

The Company's five largest customers accounted for approximately 15% of its net sales for fiscal years 2021 and 2020, with its largest customer accounting for approximately 5% of net sales and the Company's top 10 customers collectively accounting for approximately 24% of its total net sales for fiscal years 2021 and 2020. The loss or reduction in orders from any of these customers could have a material adverse effect on the Company's business and its financial results, as could customer disputes regarding shipments, fees, brand use and positioning, merchandise condition or related matters. Furthermore, a bankruptcy or a significant deterioration in the financial condition of any of the Company's significant customers could have a material adverse effect on its sales, profitability and cash flow. Any of the foregoing could result in a reduction in customer purchases, a longer collection cycle or an inability to collect amounts receivable.

Labor

As of June 30, 2021, approximately 4% of the Company's employees in the U.S. are represented by labor unions, as are many of its employees in Europe and China. Although the Company considers the current relations with these unions to be generally good, if the Company does not maintain these good relations, or cannot negotiate the collective bargaining on favorable terms, or if a major work disruption event were to occur, it could harm the Company's business.

Suppliers

The Company relies on third-party suppliers for all of its raw materials. The Company's food packaging business is heavily dependent on the supply of polystyrene. The Company is heavily dependent on the supply of PVC for its Healthcare businesses. In some cases, such as PCTFE used to make laminates for blister packaging, or DuPont Tyvek® for medical packaging, the Company currently depends on a single supplier for all, or substantially all, of its requirements. The Company has a supply agreement with such suppliers. An inability to obtain these materials would significantly curtail our sales of laminates for blister packaging or medical packaging products. The Company purchases a variety of other materials for which there may be a sole or limited source of supply, and its inability to obtain any such materials could have an adverse impact on its financial condition. Additionally, current governmental trade initiatives, including the imposition of tariffs or duties, could have an effect on the cost and sourcing of foils and other commodities we typically purchase.

(Dollar amounts in thousands, except share data)

NOTE 17. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	Year Ended June 30, 2021	Year Ended June 30, 2020
Cash paid for:		
Interest	$87,858	$78,190
Income taxes	21,414	18,001
Non-cash investing activities:		
Capital expenditures included in current liabilities	2,662	1,339

NOTE 18. RELATED PARTY TRANSACTIONS

Affiliates of Genstar Capital ("Genstar") currently own approximately 96.1% and 96.2% of the outstanding common stock of Parent as of June 30 2021 and 2020, respectively. The Company is a wholly-owned subsidiary of Parent.

NOTE 19. FIRE LOSS

On March 21, 2020, the Company experienced a fire at its facility in Gallarate, Italy resulting in a temporary disruption in production and losses related to the destroyed property, plant and equipment. The Gallarate facility was substantially operational at the end of fiscal year 2021.

NOTE 20. SUBSEQUENT EVENT

Tekni- Plex has signed a definitive purchase agreement to acquire Grupo Phoenix in a deal that will bolster Tekni-Plex's ability to deliver market-focused, customer-driven packaging solutions, especially in food and beverage markets. The closing of the acquisition, which is expected in first quarter of fiscal year 2022, is conditioned upon regulatory approval. The purchase price of approximately $700,000 will be financed through additional term debt.

TEKNIPLEX

Materials Science Solutions

$620,000,000

12.750% Senior Notes due December 31, 2028

Trident TPI Holdings, Inc.

OFFERING CIRCULAR

Joint Book-Running Managers

Goldman Sachs & Co. LLC **Jefferies** **BMO Capital Markets** **Credit Suisse**