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CABB chemical industry solutions

# Monitchem Holdco 3 S.A. and Monitchem Holdco 2 S.A.

*to acquire*

## CABB International GmbH

## €175,000,000 Senior Secured Floating Rate Notes due 2021
## €235,000,000 5.250% Senior Secured Notes due 2021
## €175,000,000 6.875% Senior Notes due 2022

Monitchem Holdco 3 S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg (the "**Senior Secured Notes Issuer**"), issued €175,000,000 aggregate principal amount of its Senior Secured Floating Rate Notes due 2021 (the "**Floating Rate Senior Secured Notes**") and €235,000,000 aggregate principal amount of its 5.250% Senior Secured Notes due 2021 (the "**Fixed Rate Senior Secured Notes**" and, together with the Floating Rate Senior Secured Notes, the "**Senior Secured Notes**") and Monitchem Holdco 2 S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg (the "**Senior Notes Issuer**" and, together with the Senior Secured Notes Issuer, the "**Issuers**"), is offering €175,000,000 aggregate principal amount of its 6.875% Senior Notes due 2022 (the "**Senior Notes**" and, together with the Senior Secured Notes, the "**Notes**"), as part of the financing for the proposed acquisition (the "**Acquisition**") of CABB International GmbH by Kallisto Einhundertste Vermögensverwaltungs-GmbH ("**BidCo**"). The Issuers are entities beneficially owned principally by funds advised by Permira Funds (as defined herein).

The Senior Secured Notes will mature on June 15, 2021. The Senior Secured Notes Issuer will pay interest on the Floating Rate Senior Secured Notes at a per annum rate equal to three-month EURIBOR plus 4.75% per year, reset quarterly. Interest will be paid on the Floating Rate Senior Secured Notes quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2014. Prior to June 15, 2015, the Senior Secured Notes Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Senior Secured Notes by paying a "make-whole" premium. At any time on or after June 15, 2015, the Senior Secured Notes Issuer may redeem all or part of the Floating Rate Senior Secured Notes at the redemption prices set forth in this Offering Memorandum. The Senior Secured Notes Issuer will pay interest on the Fixed Rate Senior Secured Notes semi-annually on each June 15 and December 15, commencing December 15, 2014. Prior to June 15, 2017, the Senior Secured Notes Issuer will be entitled, at its option, to redeem all or a portion of the Fixed Rate Senior Secured Notes by paying the relevant applicable premium. Some or all of the Fixed Rate Senior Secured Notes may also be redeemed at any time on or after June 15, 2017 at the redemption prices set forth in this Offering Memorandum. In addition, prior to June 15, 2017, the Senior Secured Notes Issuer may redeem at its option up to 40% of the aggregate principal amount of the Fixed Rate Senior Secured Notes with the net proceeds from certain equity offerings at the redemption price set forth in the Offering Memorandum, provided that at least 60% of the aggregate principal amount of the Fixed Rate Senior Secured Notes remains outstanding. Prior to June 15, 2017 the Senior Secured Notes Issuer may redeem during each 12 month period commencing with the Issue Date up to 10% of the aggregate principal amount of the Fixed Rate Senior Secured Notes outstanding at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Fixed Rate Senior Secured Notes redeemed, plus accrued and unpaid interest and additional amounts, if any.

The Senior Notes will mature on June 15, 2022. The Senior Notes Issuer will pay interest on the Senior Notes semi-annually on each June 15 and December 15, commencing December 15, 2014. Prior to June 15, 2017, the Senior Notes Issuer will be entitled, at its option, to redeem all or a portion of the Senior Notes by paying the relevant applicable premium. Some or all of the Senior Notes may also be redeemed at any time on or after June 15, 2017 at the redemption prices set forth in this Offering Memorandum. In addition, prior to June 15, 2017, the Senior Notes Issuer may redeem at its option up to 40% of the aggregate principal amount of the Senior Notes with the net proceeds from certain equity offerings at the redemption price set forth in the Offering Memorandum, provided that at least 60% of the aggregate principal amount of the Senior Notes remains outstanding.

Upon the occurrence of certain events constituting a change of control, the relevant Issuer may be required to make an offer to repurchase all of the relevant series of Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. In addition, each Issuer may redeem all, but not less than all, of the relevant series of Notes upon the occurrence of certain changes in applicable tax law.

Pending consummation of the Acquisition, the Initial Purchasers (as defined herein), concurrently with the issuance of the Notes on the Issue Date (as defined herein), deposited the gross proceeds of the offerings of the Senior Secured Notes and the Senior Notes into segregated escrow accounts, each in the name of the relevant Issuer. The Senior Secured Notes escrow accounts are controlled by Deutsche Bank AG, London Branch (the "**Escrow Agent**") and pledged in favor of the Senior Secured Notes Trustee (as defined herein) on behalf of the holders of the relevant Senior Secured Notes. The Senior Notes escrow account are controlled by the Escrow Agent and pledged in favor of the Senior Notes Trustee (as defined herein) on behalf of the holders of the Senior Notes. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions, including the completion of the Acquisition, pursuant to the terms of the Acquisition Agreement (as defined herein) promptly following the escrow release. If the conditions to the release of the escrowed proceeds have not been satisfied on or prior to October 1, 2014, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of each series of Notes will be equal to 100% of the aggregate initial issue price of such series of Notes plus accrued and unpaid interest from the Issue Date to such special mandatory redemption date and additional amounts, if any. See "*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption" and "Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*".

The Senior Secured Notes will be senior secured obligations of the Senior Secured Notes Issuer, will be guaranteed on a senior basis (the "**Senior Secured Notes Guarantees**"), as of the Issue Date, by the Senior Notes Issuer and BidCo and will be guaranteed on a senior basis, within 60 days of the Completion Date (as defined herein), by the Subsidiary Guarantors (as defined herein). As of the Issue Date, each series of the Senior Secured Notes were secured by Senior Secured Notes Issue Date Collateral (as defined herein). On the Completion Date, each series of Senior Secured Notes will be secured, subject to certain agreed security principles, over the Senior Secured Notes Completion Date Collateral (as defined herein). Within 60 days of the Completion Date, subject to agreed security principles, the Senior Secured Notes will also be secured by the Senior Secured Notes Post Completion Date Collateral (as defined herein). Under the terms of the Intercreditor Agreement (as defined herein), in the event of enforcement of the Senior Secured Notes Collateral (as defined herein), holders of the Senior Secured Notes will receive proceeds from the Senior Secured Notes Collateral only after the Super Senior Obligations (as defined herein) and certain amounts owed to the Security Agent, any receiver and certain creditor representatives have been repaid.

The Senior Notes will be senior obligations of the Senior Notes Issuer, will be guaranteed on a senior subordinated basis (the "**Senior Notes Guarantees**" and, together with the Senior Secured Notes Guarantees, the "**Notes Guarantees**"), as of the Issue Date, by the Senior Secured Notes Issuer and BidCo, and will be guaranteed on a senior subordinated basis, within 60 days of the Completion Date, by the Subsidiary Guarantors (as defined herein). As of the Issue Date, the Senior Notes will be secured by the Senior Notes Issue Date Collateral (as defined herein). On the Completion Date, subject to agreed security principles, the Senior Notes will be secured by the Senior Notes Completion Date Collateral (as defined herein). The Notes are fully and unconditionally guaranteed.

We have applied to have the Notes listed on the Official List of the Luxembourg Stock Exchange (the "**LxSE**") and traded on the LxSE's Euro MTF market (the "**Euro MTF Market**"), which is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments. The Offering Memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended.

**On June 27, 2014, the Acquisition was consummated and the other conditions to release of the escrowed proceeds were satisfied. Accordingly, the proceeds from the offering of the Senior Secured Notes and Senior Notes were released from their respective escrow accounts. The information in this Offering Memorandum has not been updated to reflect these events. References to the Completion Date, the Acquisition, the Transactions, the Escrow Accounts and any information mentioned in relation thereto should be understood in the context of this update.**

**Investing in the Notes involves a high degree of risk. See "*Risk Factors*" beginning on page 26.**

**Price for the Floating Rate Senior Secured Notes: 100.000% plus accrued interest, if any, from the Issue Date.**
**Price for the Fixed Rate Senior Secured Notes: 100.000% plus accrued interest, if any, from the Issue Date.**
**Price for the Senior Notes: 100.000% plus accrued interest, if any, from the Issue Date.**

The Notes were delivered in book-entry form through Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream**") on June 10, 2014 (the "**Issue Date**").

**The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act ("Rule 144A") and to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See "*Notice to Prospective Investors*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.**

*Joint Bookrunners*

**Deutsche Bank** **BNP PARIBAS** **Credit Suisse** **IKB Deutsche Industriebank**

**The date of this Offering Memorandum is July 31, 2014.**

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## IMPORTANT INFORMATION

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase any Notes. Neither we nor any of Deutsche Bank AG, London Branch, BNP Paribas, Credit Suisse Securities (Europe) Limited and IKB Deutsche Industriebank AG (together, the "**Initial Purchasers**") are responsible for your compliance with these legal requirements. See also "*Notice to Prospective Investors*," "*Notice to Certain European Investors*" and "*Plan of Distribution*."

You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with different information. In addition, neither we nor the Initial Purchasers nor any of our or their respective representatives are providing you with any legal, business, tax or other advice in this Offering Memorandum. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

This Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference should be made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us.

The Initial Purchasers, the trustees and any other agents acting with respect to the Notes accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Offering Memorandum and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers, the trustees, or any other agents acting with respect to the Notes as to the past or the future.

By receiving this Offering Memorandum, you acknowledge that you have not relied on the Initial Purchasers or their respective directors, affiliates, agents or advisors in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received all additional information that you need from us. No person is authorized in connection with any offering made by this Offering Memorandum to give any information or to make any representation not contained in this Offering Memorandum or any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

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

This Offering Memorandum is a document that we are providing only to prospective purchasers of the Notes. The Issuer has prepared this Offering Memorandum solely for use in connection with the offer of the Notes and the Notes Guarantees to qualified institutional buyers under Rule 144A and to non-U.S. persons (within the meaning of Regulation S) outside the United States. You should read this Offering Memorandum before making a decision whether to purchase any Notes.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions and agree not to use any information herein for any purpose other than considering an investment in the Notes. This Offering Memorandum may only be used for the purpose for which it was published. The information contained under "*Exchange Rate Information*" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rate information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream.

We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book- entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book- entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

Neither the U.S. Securities and Exchange Commission (the "**SEC**"), any state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense. The Issuers have applied to list the Notes on the Official List of the Luxembourg Stock Exchange (the "**LxSE**") for trading on the LxSE's Euro MTF market (the "**Euro MTF Market**"), and will submit this Offering Memorandum to the competent authorities in connection with the listing application.

The Issuer is offering the Notes and the Guarantors are issuing the Notes Guarantees, in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that do not involve a public offering. The Notes are subject to restrictions on transferability and resale, which are described under "*Plan of Distribution*" and "*Transfer Restrictions*." By possessing this Offering Memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this Offering Memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

**Tax Considerations**

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price. See "*Taxation*."

## STABILIZATION

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, LONDON BRANCH (THE "**STABILIZATION MANAGER**") (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER), MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCES THAT THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE UNIFORM SECURITIES ACT WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY**

**WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISION OF THIS PARAGRAPH.**

## NOTICE TO PROSPECTIVE U.S. INVESTORS

The Notes will be sold outside the United States to non-U.S. persons pursuant to Regulation S of the Securities Act and within the United States to QIBs pursuant to Rule 144A. The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the Securities Act. The Notes shall not be offered, sold or delivered (i) as part of an Initial Purchaser's distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the latest closing date, within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to Rule 144A and each dealer to which Notes have been sold during the distribution compliance period will be sent 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. Terms used in this paragraph have the meanings given to them by Regulation S. See "*Notice to Investors*."

## NOTICE TO CERTAIN EUROPEAN INVESTORS

***European Economic Area***

This Offering Memorandum has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the Prospectus Directive, as amended, as implemented in member states of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes which are subject of the offering contemplated in this Offering Memorandum must only do so in circumstances in which no obligation arises for the Issuers, the Guarantors or any of the Initial Purchasers to produce a prospectus for such offer. Neither the Issuers nor the Guarantors nor any Initial Purchaser has authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Memorandum. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC and amendments thereto (including the 2010 PD Amending Directive, in the case of Early Implementing Member States), and includes any relevant implementing measure in the Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonization of transparency requirements in relation to information about Issuers whose securities are admitted to trading on a regulated market.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), including each Relevant Member State that has implemented the 2010 PD Amending Directive, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), no offer has been made and no offer will be made of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of the Notes may be made to the public in that Relevant Member State at any time to:

(a) "qualified investors" as defined in the Prospectus Directive;

(b) fewer than 150 or, in the case of Relevant Member States that have not yet implemented the 2010 PD Amending Directive, 100, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of the Issuers; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall result in a requirement for the publication by the Issuers or any Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as

such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each subscriber for or purchaser of the Notes in the offering located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuers, the Guarantors, our legal advisors and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the offering.

***Germany***

In the Federal Republic of Germany, the Notes may only be offered and sold in accordance with the provisions of the German Securities Prospectus Act (the "**Securities Prospectus Act**," *Wertpapierprospektgesetz*, *WpPG*) and any other applicable German law. No application has been made under German law to offer the Notes to the public in or out of the Federal Republic of Germany. The Notes are not registered or authorized for distribution under the German Securities Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. This Offering Memorandum is strictly for private use and the offer is only being made to recipients to whom this Offering Memorandum is personally addressed and does not constitute an offer or advertisement to the public. In Germany, the Notes will only be available to, and this Offering Memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act or who are subject of another exemption in accordance with Section 3 para. 2 of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

***United Kingdom***

This Offering Memorandum is for distribution only to, and is only directed at, 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 or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are being offered solely to "qualified investors" as defined in the Prospectus Directive and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive.

***Grand Duchy of Luxembourg***

The offering of the Notes should not be considered a public offering of securities in the Grand Duchy of Luxembourg. This Offering Memorandum may not be reproduced or used for any other purpose than the offering of the Notes nor provided to any person other than the recipient thereof. The Notes are offered to a limited number of sophisticated investors in all cases under circumstances designed to preclude a distribution, which would be other than a private placement. All public solicitations are banned and the sale may not be publicly advertised.

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless: (a) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") pursuant to part II of the Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended (the "**Luxembourg Prospectus Law**"), implementing the Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"), as amended through Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010, amending *inter alia* Directive 2003/71/EC, if Luxembourg is the home Member State as defined under the Luxembourg Prospectus Law; or if Luxembourg is not the home Member State, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been drawn up in accordance with the Prospectus Directive and with a copy of the said prospectus; or (c) the offer of the Notes benefits from an exemption from or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg Prospectus Law.

***Finland***

This Offering Memorandum does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. The Notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances that would constitute a public offering of securities under Finnish law. Any offer or sale of the Securities in Finland will be made pursuant to a private placement exemption as defined under Article 3(2) of the Prospectus Directive and the Finnish Securities Markets Act (2012/746, as amended) and any regulation made thereunder, as supplemented and amended from time to time. This Offering Memorandum has not been approved by or dispatched to the Finnish Financial Supervisory Authority.

***Sweden***

This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that are deemed not to be an offer to the public under the Swedish Financial Instruments Trading Act.

***Switzerland***

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes do not constitute an issue prospectus pursuant to article 652a and/or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes will not be listed on the SIX Swiss Exchange Ltd. or on any other exchange or regulated trading facility in Switzerland, and, therefore, the documents relating to the Notes, including, but not limited to, this Offering Memorandum, do not claim to comply with the disclosure standards of the Swiss Code of Obligations and the listing rules of SIX Swiss Exchange Ltd and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange Ltd or the listing rules of any other exchange or regulated trading facility in Switzerland. The Notes are being offered in Switzerland by way of a private placement (*i.e.*, to a limited number of selected investors only), without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without the Issuer's express consent. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

**Internal Revenue Service Circular 230 Disclosure**

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY PROSPECTIVE INVESTORS, FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING BY US OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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

## FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward- looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offering Memorandum, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should," or "will" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, including our 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 Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- the loss of any major customers;
- the impact of the global economy and the global financial markets;
- our ability to pass on increases in raw material prices or retain or replace key suppliers;
- the increase in energy costs or disruptions in energy supplies;
- failure to protect our intellectual property;
- changes in our customers' products;
- risk related to operating in several different countries;
- inability to implement business strategies;
- competition in our markets;
- hazards of our operations;
- reliance on third parties for the performance of transportation and logistical services;
- impact of seasonal fluctuations on our revenue;
- the experience of our senior management and our ability to recruit and retain qualified personnel;
- the maintenance of good relations with our workforce;
- the cost maintaining a suit for infringement of intellectual property and the harm to our business of an unfavourable outcome in any litigation;
- maintaining adequate insurance coverage and the difficulty in obtaining replacement insurance;
- difficulty of consummating further acquisitions;
- failure to realize anticipated benefits from joint ventures;
- our exposure to a data security incident or other technology incident impacting our business;

- possible requirements to increase our pension fund contributions;
- our exposure to changes in our tax laws or future tax audits;
- the risk of foreign exchange rate fluctuations;
- costs associated with compliance with environmental, health and safety laws and regulations applicable to our business;
- costs associated with compliance with regulatory requirements concerning the testing, labeling, registration and safety analysis of our products;
- liability for site remediation or other environmental matters;
- changes in the laws relating to carbon dioxide emission and changes in the price of emission allowances;
- risks related to EEG-Surcharges;
- other risks associated with the transaction, our financial profile, the Notes, our structure and the financing; and
- other factors discussed or referred to in this Offering Memorandum.

The risks described in the "Risk Factors" section of this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition and results of operations. New risks emerge from time to time and it is not possible for us to predict all such risks; nor can we assess the impact of all such risks on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We urge you to read carefully the sections of this Offering Memorandum entitled "*Risk Factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry and Market Data*" and "*Our Business*" for a more detailed discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward- looking events described in this Offering Memorandum may not be accurate or occur at all. Accordingly, prospective investors should not place undue reliance on these forward-looking statements, which speak only as of the date on which the statements were made. In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

We undertake no obligation, and do not intend, to update or revise any forward-looking statement or risk factors, whether as a result of new information, future events or developments or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum.

## CURRENCY PRESENTATION AND DEFINITIONS

In this Offering Memorandum, all references to "**euro**," "**EUR**" or "**€**" are to the single currency of the participating member states of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time and all references to "**U.S. dollars**," "**US$**" and "**$**" are to the lawful currency of the United States of America.

**Definitions**

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

- "Acquisition" means the acquisition by BidCo of all the issued and outstanding share capital of CABB International GmbH pursuant to the terms of the Acquisition Agreement;
- "Acquisition Agreement" means the agreement on the sale and purchase of shares in and the shareholder loan granted to CABB International GmbH dated April 17, 2014 between the Seller and BidCo;
- "BidCo" means Kallisto Einhundertste Vermögensverwaltungs- GmbH;
- "CABB Group" means CABB International GmbH and its subsidiaries from time to time;
- "CAGR" means compound annual growth rate;
- "Collateral" means the Senior Notes Collateral and the Senior Secured Notes Collateral, collectively;
- "Completion Date" means the date on which the Acquisition is consummated;
- "Escrow Agent" means Deutsche Bank AG, London Branch;
- "Escrow Agreements" means the Senior Secured Notes Escrow Agreement and the Senior Notes Escrow Agreement, collectively;
- "Escrow Accounts" means the Senior Secured Notes Escrow Accounts and the Senior Notes Escrow Account;
- "Existing Senior Facilities Agreement" means the senior facilities agreement dated April 10, 2011 among the Seller, CABB International GmbH (as original borrower), Commerzbank Aktiengesellschaft, DZ Bank AG Deutsche ZentralGenossenschaftsbank and Société Générale **(**London Branch), as arrangers, and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as agent and security agent;
- "Group", "we", "us" or "our" refer to the Senior Notes Issuer and its consolidated subsidiaries from time to time, including the CABB Group from the Completion Date;
- "Guarantors" means the Senior Secured Notes Guarantors and the Senior Notes Guarantors, collectively;
- "IFRS" means the International Financial Reporting Standard as adopted by the European Union;
- "Indentures" means the Senior Secured Notes Indenture and the Senior Notes Indenture;
- "Initial Purchasers" means Deutsche Bank AG, London Branch, BNP Paribas, Credit Suisse Securities (Europe) Limited and IKB Deutsche Industriebank AG;
- "Intercreditor Agreement" means the intercreditor agreement to be dated on or about the Issue Date, among, *inter alios*, the Senior Secured Notes Issuer, the Senior Notes Issuer, the lenders under the New Revolving Credit Facility Agreement, each obligor in respect of the New Revolving Credit Facility and the Security Agent, as amended from time to time. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*";
- "Issue Date" means the date on which the Notes offered hereby are issued;
- "Issue Date Collateral" means the Senior Notes Issue Date Collateral and the Senior Secured Notes Issue Date Collateral;

- "Issuers" means the Senior Secured Notes Issuer and the Senior Notes Issuer, collectively;
- "kt" means metric kilotons;
- "New Revolving Credit Facility" means the €100.0 million revolving credit facility made available under the New Revolving Credit Facility Agreement;
- "New Revolving Credit Facility Agreement" means the revolving credit facility agreement to be dated on or about May 27, 2014 among, *inter alios*, BidCo, as borrower, and Deutsche Bank AG, London Branch, BNP Paribas Fortis SA/NV, BNP Paribas, Credit Suisse AG, London Branch and IKB Deutsche Industriebank AG as arrangers, as the same may be further amended from time to time;
- "Permira Funds" has the meaning ascribed to "Permira V Fund" under "*Description of the Senior Secured Notes*";
- "Security Agent" means Wilmington Trust (London) Limited;
- "Seller" means European Chemical Services S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*), registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 148698 and with its registered office at 2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg;
- "Senior Notes Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";
- "Senior Notes Escrow Account" means the escrow account into which the gross proceeds of the offering of the Senior Notes were deposited on the Issue Date;
- "Senior Notes Escrow Agreement" means the escrow agreement dated on or about the Issue Date, among the Senior Notes Issuer, the Senior Notes Trustee and the Escrow Agent;
- "Senior Notes Guarantees" has the meaning ascribed to it under "*Summary—The Offering—Notes Guarantees*";
- "Senior Notes Guarantors" means the Senior Secured Notes Issuer and BidCo, upon their entry into a supplemental indenture within 60 days of the Completion Date, the Subsidiary Guarantors, and, upon its entry into a supplemental indenture within 60 days of its becoming a subsidiary within the CABB Group, Swedish Newco, in each of their capacities as guarantors of the Senior Notes under the Senior Notes Indenture;
- "Senior Notes Indenture" means the indenture to be dated the Issue Date governing the Senior Notes by and among, *inter alios*, the Senior Notes Issuer, the Senior Secured Notes Issuer, BidCo and the Senior Notes Trustee;
- "Senior Notes Issue Date Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";
- "Senior Notes Issuer" means Monitchem Holdco 2 S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg with its registered office at 282, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B187.114 and incorporated on May 9, 2014;
- "Senior Notes Post Completion Date Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";
- "Senior Notes Proceeds Loan" means the loan to be made under the Senior Notes Proceeds Loan Agreement;
- "Senior Notes Proceeds Loan Agreement" means the notes proceeds loan agreement to be entered into on the Completion Date between the Senior Notes Issuer, as lender, and the Senior Secured Notes Issuer, as borrower, pursuant to which the proceeds of the Senior Notes issuance will be advanced to the Senior Secured Notes Issuer in order to allow the Senior Secured Notes Issuer to apply the proceeds of the Notes as described in "*Use of Proceeds*", as amended, accreted or partially repaid from time to time;

- "Senior Notes Trustee" means Deutsche Trustee Company Limited in its capacity as trustee under the Senior Notes Indenture;

- "Senior Secured Notes Escrow Accounts" means the segregated escrow accounts into which the gross proceeds of the offering of the Senior Secured Notes were deposited on the Issue Date;

- "Senior Secured Notes Escrow Agreement" means the escrow agreement dated on or about the Issue Date, among the Senior Secured Notes Issuer, the Senior Secured Notes Trustee and the Escrow Agent;

- "Senior Secured Notes Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";

- "Senior Secured Notes Completion Date Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";

- "Senior Secured Notes Guarantees" has the meaning ascribed to it under "*Summary—The Offering—Notes Guarantees*"

- "Senior Secured Notes Guarantors" means the Senior Notes Issuer and BidCo and, upon their entry into a supplemental indenture within 60 days of the Completion Date, the Subsidiary Guarantors, and upon its entry into a supplemental indenture within 60 days of its becoming a subsidiary within the CABB Group, Swedish Newco, in each of their capacities as guarantors of the Senior Secured Notes under the Senior Secured Notes Indenture;

- "Senior Secured Notes Indenture" means the indenture to be dated the Issue Date governing the Senior Secured Notes by and among, *inter alios*, the Senior Secured Notes Issuer, the Senior Notes Issuer and BidCo, as guarantors, and the Senior Secured Notes Trustee;

- "Senior Secured Notes Issue Date Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";

- "Senior Secured Notes Issuer" means Monitchem Holdco 3 S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg with its registered office at 282, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*, Luxembourg) under number B187.118 and incorporated on May 9, 2014;

- "Senior Secured Notes Post Completion Date Collateral" has the meaning ascribed to it under "*Summary—The Offering—Security*";

- "Senior Secured Notes Trustee" means Deutsche Trustee Company Limited in its capacity as trustee under the Senior Secured Notes Indenture;

- "Shareholder Loan" means the shareholder loan the Seller granted to CABB International GmbH in the amount of EUR 51,436,496 pursuant to a shareholder loan dated April 12, 2011, as amended on that date and amended by two partial repayment agreements dated March 29, 2012 and June 6, 2012 and an amendment agreement dated June 19, 2013; the amount outstanding under the Shareholder Loan as of June 30, 2014 is expected to be €44.7 million;

- "Sponsor" means the Permira Funds;

- "Subsidiary Guarantors" means CABB International GmbH, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy, each of whom will guarantee the Notes within 60 days of the Completion Date;

- "Swedish Newco" means the new holding company expected to be organized under the laws of Sweden as a wholly-owned subsidiary of CABB AG which will own CABB Finland Oy;

- "Transactions" has the meaning ascribed to it under "*Summary—The Transactions*"; and

- "Trustees" means the Senior Secured Notes Trustee and the Senior Notes Trustee, collectively.

Information contained on any website referenced in this Offering Memorandum is not incorporated by reference in this Offering Memorandum and is not part of this Offering Memorandum.

## GLOSSARY OF SELECTED TERMS

| Term | Definition |
|---|---|
| "**Biofuels**" | Biofuels are liquid fuels derived from biomass. |
| "**CAC**" | Chloroacetyl chloride. |
| "**CAE**" | Chloroacetoacetate. |
| "**Caustic soda**" | A white solid highly caustic metallic substance used as a chemical base in the manufacture of pulp and paper, textiles, drinking water, soaps and detergents. |
| "**Chlorination**" | Any reaction which introduces a chlorine atom into a chemical compound. |
| "**Crop protection chemicals**" | Chemicals used in agriculture to kill parasites, increase yields and improve the longevity of crops. |
| "**Crystallization**" | Crystallization is a chemical solid–liquid separation technique, which occurs in a crystallizer. |
| "**CSA**" | Chlorosulphonic acid. |
| "**De-bottlenecking**" | Projects to increase capacity of an existing production train, realize process improvements and/or increase efficiencies. |
| "**Derivative**" | In chemistry, a derivative is a compound that is derived from a similar compound by some chemical or physical process. |
| "**Electrolysis**" | Electrolysis is a method of using an electric current to drive an otherwise non-spontaneous chemical reaction. |
| "**Esters**" | Esters are chemical compounds derived by replacing the hydrogen of an acid by an alkyl or other organic group. |
| "**Exclusives**" | Active ingredients and advanced intermediates customized for individual customers (one product, one customer) active in the agrochemical, pharmaceutical and specialty chemical industries. |
| "**Hydrochloric acid (HCl)**" | HCl is used in a wide variety of industrial and chemical applications, including as a manufacturing aid in the pharmaceuticals industry, metallurgy, electronics and the food industry. |
| "**Hydrogenation**" | A chemical reaction between molecular hydrogen ($H_2$) and another compound or element, usually in the presence of a catalyst. The process is commonly employed to reduce or saturate organic compounds. Hydrogenation typically constitutes the addition of pairs of hydrogen atoms to a molecule, generally an alkene. |
| "**Intermediates**" | Intermediates are chemical products which are not produced for one specific customer and are sold to a range of customers. They comprise acid chlorides, chemical building blocks such as methylation and sulphonation agents and various base chemicals that are co-products of chemical processes. |
| "**Lithiation**" | Reaction with lithium or an organolithium compound. |
| "**MCA**" | Monochloroacetic acid. |
| "**Methylation**" | Methylation is a chemical manufacturing process. In the chemical sciences, methylation denotes the addition of a methyl group to a substrate or the substitution of an atom or group by a methyl group. |
| "**OCC**" | Octanoyl chloride. |
| "**Silica**" | Silicon dioxide, also known as silica, is a chemical compound that is a dioxide of silicon with the chemical formula $SiO_2$. |
| "**SMCA**" | Sodium monochloroacetate. |
| "**Sulphonation**" | Sulphonation is a chemical manufacturing process. In the chemical sciences, sulphonation denotes any of several methods by which sulfonic acids are prepared. |
| "**Surfactant**" | Surfactants are compounds that lower the surface tension (or interfacial tension) between two liquids or between a liquid and a solid. |
| "**Synthesis**" | The execution of chemical reactions to form a more complex molecule from chemical precursors. |
| "**Turnarounds**" | Temporary shutdown of a production facility for required maintenance. Turnarounds can be scheduled (planned, routine maintenance, inspections and tests to comply with industry regulations) or unscheduled (in response to an unexpected outage or plant failure). |

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Financial Information

The Issuers are holding companies formed for the purpose of facilitating the Acquisition and are not expected to engage in any activities other than those related to their formation, the Acquisition and the financing of the Acquisition. The Issuers' only material assets and liabilities are currently, and are expected in the future to be, their interests in the issued and outstanding shares of their respective subsidiaries and their outstanding indebtedness and inter-company balances incurred in connection with the Acquisition and the other transactions described in the Offering Memorandum. We do not present in this Offering Memorandum any financial information or financial statements of the Issuers. After the Transactions, the Senior Secured Notes Issuer will prepare annual audited consolidated accounts beginning with the fiscal year ended December 31, 2014 and unaudited quarterly financial statements beginning with the quarter ended June 30, 2014. The Senior Notes Issuer will prepare annual audited accounts on a stand-alone basis beginning with the fiscal year ended December 31, 2014 and unaudited quarterly financial statements beginning with the quarter ended June 30, 2014.

All historical financial information included in this Offering Memorandum is that of CABB International GmbH and its consolidated subsidiaries. In particular, this Offering Memorandum includes and presents:

- the unaudited condensed consolidated financial statements of CABB International GmbH as of and for the three-month period ended March 31, 2014 with comparable information for the three-month period ended March 31, 2013, and the notes thereto ("**Unaudited Interim Consolidated Financial Statements**");

- the audited consolidated financial statements of CABB International GmbH as of and for the year ended December 31, 2013 and the notes thereto, which have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft ("**KPMG**"), with comparable information for the year ended December 31, 2012 ("**2013 Audited Consolidated Financial Statements**"); and

- the audited consolidated financial statements of CABB International GmbH as of and for the year ended December 31, 2012, and the notes thereto, which have been audited by KPMG, with comparable information for the year ended December 31, 2011, and the notes thereto ("**2012 Audited Consolidated Financial Statements**").

The Unaudited Interim Consolidated Financial Statements, the 2013 Audited Consolidated Financial Statements and the 2012 Audited Consolidated Financial Statements are together referred to as the "**Consolidated Financial Statements**;" the 2013 Audited Consolidated Financial Statements and the 2012 Audited Consolidated Financial Statements are together referred to as the "**Audited Consolidated Financial Statements**". Unless otherwise indicated, the financial information presented in this Offering Memorandum has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

On April 13, 2011, CABB International GmbH acquired all shares in the holding company CABB Investment GmbH, then the parent company of CABB Group. Effective as of August 11, 2011, Kemfine was acquired by CABB International GmbH and included in the Consolidated Financial Statements. As a result of the business combinations during 2011, the previous year comparison figures shown in the 2012 Audited Consolidated Financial Statements do not reflect a full financial year and the comparability of the consolidated financial information for the years ended December 31, 2011 and 2012 is limited. Effective as of January 1, 2013, CABB International GmbH has applied IAS 19R (revised), relating to employee benefits. Figures for the year ended December 31, 2012 presented as comparable information in the 2013 Audited Consolidated Financial Statements have been adjusted retrospectively in accordance with IAS 8 and are presented accordingly.

The consolidated financial statements included in this Offering Memorandum have not been adjusted to reflect the impact of any changes to the consolidated income statement, the consolidated statement of financial position or the consolidated cash flow statement that may occur as a result of the purchase price allocation ("**PPA**") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying values for existing assets and assets we may add to our consolidated statement of financial position, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. Our consolidated financial statements could be materially different from the consolidated financial statements included in this Offering Memorandum once the PPA adjustments have been made.

The unaudited financial information for the twelve-month period ended March 31, 2014 included elsewhere in this Offering Memorandum is based on the Consolidated Financial Statements of CABB International GmbH and is calculated by taking the results of operations for the three-month period ended March 31, 2014 (as shown in the Unaudited Interim Consolidated Financial Statements) and adding it to the results of operations for the full year ended

December 31, 2013 (as shown in the 2013 Audited Consolidated Financial Statements) and subtracting the results of operations for the three-month period ended March 31, 2013 (as shown in the Unaudited Interim Consolidated Financial Statements). This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

**Non-IFRS Financial Measures**

This Offering Memorandum contains non-IFRS measures and ratios, including EBITDA, Adjusted EBITDA, Adjusted Cost of Sales and Adjusted Gross Profit that are not required by, or presented in accordance with, IFRS. Our non-IFRS measures are defined by us as follows:

We define "**EBITDA**" as net profit (loss) for the year adding back taxes on income, financial results and amortization and depreciation.

We define "**Adjusted EBITDA**" as net profit (loss) for the year adding back taxes on income, financial results, amortization and depreciation and non-recurring items, pension adjustments due to a change in the conversion rate of our Swiss pension scheme and depreciation on inventory (depreciation of the purchase price allocation of palladium).

We define "**Adjusted Cost of Sales**" as cost of sales before amortization and depreciation included in cost of sales, plus non-recurring items.

We define "**Adjusted Gross Profit**" as sales less cost of sales, plus amortization and depreciation included in cost of sales and certain non-recurring items.

We present non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating result as reported under IFRS. Non-IFRS measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to profit for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

***Pro Forma* Non-IFRS Measures**

In consideration of the Transactions, we have also presented the following *pro forma* measures:

"***Pro forma* net senior secured debt**" means the Senior Secured Notes and local indebtedness (primarily at our Chinese and Indian joint ventures) less cash and cash equivalents.

"***Pro forma* net total debt**" means the Senior Secured Notes, the Senior Notes and local indebtedness (primarily at our Chinese and Indian joint ventures) less cash and cash equivalents.

"***Pro forma* cash interest expense**" means the estimated interest expense on the Notes for the twelve-month period ended March 31, 2014 as if the Transactions had occurred on April 1, 2013, based on the coupon of the Notes, assuming, with respect to the Floating Rate Senior Secured Notes, a constant EURIBOR rate for the twelve-month period ended March 31, 2014 based on the current spot three-month EURIBOR rate, plus the commitment fees relating to our New Revolving Credit Facility, which was undrawn on the Issue Date. *Pro forma* cash interest expense excludes charges related to allocated debt issuance costs and hedging costs. *Pro forma* cash interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period or our financial condition at any future date.

We have presented *pro forma* non-IFRS measures to give effect to the Transactions and adjustments related to the described Transactions.

The *pro forma* non-IFRS measures, as identified above, have not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, or other SEC requirements or IFRS standards. Neither the assumptions underlying the *pro forma* adjustments nor the resulting *pro forma* non-IFRS measures have been audited or reviewed in accordance with any generally accepted auditing standards.

These *pro forma* non-IFRS measures are not measures based on any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial position or results or other

indicators of our position or performance based on IFRS measures. The *pro forma* non-IFRS measures, as provided for in this Offering Memorandum, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our *pro forma* non-IFRS measures are calculated. Even though these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our position or results as reported under IFRS.

**Non-Financial Operating Data**

Certain key performance indicators and other non-financial operating data included in this Offering Memorandum are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

**Rounding**

Certain numerical figures set out in this Offering Memorandum, including financial information presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in each of the Consolidated Financial Statements of the Issuer or the tabular presentation of other information (subject to rounding) contained in this Offering Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

## PRESENTATION OF INDUSTRY AND MARKET DATA

In this Offering Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete. Certain economic and industry data, market data and market forecasts set forth in this Offering Memorandum were extracted from market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants. These external sources include Tecnon OrbiChem, David Sherry Consulting and Phillips McDougall, among others.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts, to the extent quoted or referred to herein, are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness. In addition, certain of the information contained in this Offering Memorandum is based on the report prepared for us by Tecnon OrbiChem and David Sherry Consulting. Accordingly, such information may be less objective or reliable than information prepared by an independent third party.

While we accept responsibility for accurately summarizing the information from these external sources, and as far as we are aware and able to ascertain no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information.

Certain information in this Offering Memorandum, including without limitation, statements regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants are based on our internal estimates and analyses and based in part on third-party sources.

We cannot assure you that our estimates or any of the assumptions underlying our estimates are accurate or correctly reflect our position in the industry. None of our internal surveys or information has been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. All of the information set forth in this Offering Memorandum relating to the operations, financial results or market share of our competitors has been obtained from publicly available information or independent research. Neither we nor the Initial Purchasers have independently verified this information and cannot guarantee its accuracy.

Certain market share information and other statements presented herein regarding our position relative to our competitors with respect to the manufacture or distribution of particular products are not based on published statistical data or information obtained from independent third parties, but reflects our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in our industry.

We accept responsibility for the correct reproduction of information referred to in this section. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information referred to in this section with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this section are honestly held and that we are not aware of any other facts, the omission of which would make the information referred to in this section or any statement contained herein misleading in any material respect.

## EXCHANGE RATE INFORMATION

The following table shows, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the Consolidated Financial Statements and other financial information appearing in this Offering Memorandum. Neither we nor the Initial Purchasers represent that the U.S. dollar amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

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

The Bloomberg Composite Rate of the euro at 1:00 p.m. New York time on June 30, 2014 was $1.3690 per €1.00.

| | Period end | Average | High | Low |
|---|---|---|---|---|
| | U.S. dollars per €1.00 | | | |
| **Year** | | | | |
| 2009 | 1.4331 | 1.3944 | 1.5094 | 1.2543 |
| 2010 | 1.3366 | 1.3266 | 1.4510 | 1.1952 |
| 2011 | 1.2960 | 1.3924 | 1.4874 | 1.2925 |
| 2012 | 1.3197 | 1.2859 | 1.3463 | 1.2053 |
| 2013 | 1.3789 | 1.3283 | 1.3804 | 1.2772 |
| **Month** | | | | |
| January 2014 | 1.3505 | 1.3620 | 1.3766 | 1.3505 |
| February 2014 | 1.3808 | 1.3668 | 1.3808 | 1.3517 |
| March 2014 | 1.3772 | 1.3830 | 1.3925 | 1.3733 |
| April 2014 | 1.3859 | 1.3810 | 1.3897 | 1.3705 |
| May 2014 | 1.3641 | 1.3731 | 1.3925 | 1.3592 |
| June 2014 | 1.3690 | 1.3596 | 1.3690 | 1.3531 |

## SUMMARY

This summary highlights selected information about us and the Offering contained in this Offering Memorandum. This summary is not complete and does not contain all the information you should consider before investing in the Notes. The following summary should be read in conjunction with, and the following summary is qualified in its entirety by, the more detailed information included in this Offering Memorandum, including the Audited Consolidated Financial Statements of the Issuer. You should read carefully the entire Offering Memorandum to understand our business, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including the risks discussed under the captions "*Risk Factors*" and "*Forward-Looking Statements*."

**Business Overview**

We are a leading European producer of customized active ingredients, advanced intermediates and diversified specialty chemicals with a strong focus on the agrochemicals industry. Our business operations are organized into two business units, Custom Manufacturing and Acetyls, which accounted for 61.4% and 38.6%, respectively, of our total sales for the year ended December 31, 2013.

Our Custom Manufacturing business unit focuses on the production of exclusives, which are active ingredients and advanced intermediates customized for individual customers operating in the agrochemicals, pharmaceutical and specialty chemical industries. Our exclusives (71% of the business unit's sales in 2013) are primarily used in herbicides, fungicides and insecticides in the agrochemicals industry and range from pilot scale to large-volume commercial operations. Our intermediates (29% of the business unit's sales in 2013) are products manufactured for multiple customers and include acid chlorides, chemical building blocks and various base chemicals. They are to a large extent used in agrochemical applications but also in other diverse end-uses such as vitamins for animal feed and X-ray contrast media.

Our Acetyls business unit is focused on the production of monochloroacetic acid, or MCA, acetyl derivatives and co-products, which are used in a variety of applications in the agrochemicals, food, pharmaceutical and personal care industries. Sales of MCA, the business unit's main product, accounted for 64% of the business unit's sales in 2013. Co-products, such as caustic soda and hydrochloric acid, are by-products from the production of chlorine and MCA and accounted for 23% of the business unit's sales in 2013.

We believe we are among the top three custom manufacturing players in the European agrochemicals market by sales. We are also one of the two principal suppliers of MCA to Western Europe and the Americas. Our key agrochemicals customers are active in a structurally growing global market driven by population growth, improving living standards and changing dietary trends in emerging markets as well as growing demand for biofuels. We believe that we are well-positioned to benefit from the attractive long-term growth trends in the agrochemicals market and are investing in capacity to support the growth of our business.

Headquartered in Germany, we operate production facilities in Germany, Switzerland, Finland, India and, since 2014, China. In Custom Manufacturing, we operate two large production facilities in Pratteln (Switzerland) and Kokkola (Finland). In Acetyls, we operate two technologically-advanced production facilities in Germany (Gersthofen and Knapsack) and one in each of Ahmedabad (India) and Jining, Shandong Province (China) through majority-owned joint ventures. We benefit from the cost advantage of operating large-scale, highly integrated production facilities strategically located near key customers and suppliers as well as transportation networks.

In 2013, we implemented certain operational improvement measures at our Pratteln site (CABB100) primarily aimed at reducing fixed costs and sourcing costs of raw materials and energy. For the year ended December 31, 2013, these measures helped us to achieve cost savings of approximately € 5 million. Following the successful implementation in Pratteln, we are now rolling out similar operational improvement measures at our production facilities in Germany. We are also in the process of expanding our production capacity through a newly installed production unit at Pratteln (FCP3), which commenced operations in February 2014. The new production capacity is almost fully contracted. Assuming full capacity utilization (without production interruption) and related sales as well as timely completion of the remaining construction phases by the end of 2014, we expect FCP3 to contribute an annual run-rate EBITDA of approximately € 10 million.

For the twelve months ended March 31, 2014, we generated total sales of €448.5 million and Adjusted EBITDA of €98.1 million. For the same period, our Custom Manufacturing and Acetyls business units accounted for 62.0% and 38.0% of our total sales, respectively, and 59.6% and 40.4% of our Adjusted Gross Profit, respectively.

**Industry Overview**

The global agrochemicals industry has been one of the main drivers of agricultural productivity increases over the past decades. Industry research firm Phillips McDougall estimates that the global crop protection industry accounted for approximately $54.2 billion in sales in 2013, having grown at a CAGR of 7.1% per annum from 2007 to 2013.

The growth of custom manufacturing is driven by the major global agrochemicals players' use of outsourcing as a source of additional production capacity in order to serve the steadily increasing global demand for agrochemicals. In recent years, agrochemicals companies have allocated a larger share of production to external custom manufacturers, which provide flexible multi-purpose and multi-product capacity. Outsourcing reduces agrochemical companies' asset intensity, limits the risks associated with large, upfront investments and allows them to deploy capital with a stronger focus on their core capabilities, such as research and development as well as marketing and distribution. This trend is supported by new molecules becoming increasingly complex and more active, often based on multi-step synthesis, which requires demanding technical capabilities.

Custom manufacturers typically work in close co-operation and often on an exclusive basis for select products with agrochemicals players in order to set up scalable manufacturing units and efficient production processes. This production know-how, combined with often lengthy product registration, generally results in low customer churn and high contract renewal rates in custom manufacturing.

According to Tecnon OrbiChem, the global MCA market in 2013 was approximately 715kt. Global MCA trade flows are often characterized by regional supply and demand due to the corrosive nature of MCA and relatively high transportation costs. CABB and Akzo Nobel are currently the only large-scale producers of high-purity grade MCA, mostly used in high-end applications and developed markets.

**Our Strengths**

We believe we have a number of competitive strengths that differentiate us from our competitors, including:

***Leading market positions in our core products***

We have leading market positions in the European markets in which we operate. We believe we are among the top three custom manufacturing suppliers in the European agrochemicals market by sales. We serve five of the top six global agrochemicals companies, which accounted for approximately 65% of the global agrochemicals market by sales in 2013, while the three largest, European-based global agrochemical companies regard us as a strategic supplier for their agrochemicals business. Our customized products are highly integrated in our key customers' supply chains (often protected by sole-supplier relationships for major products) and we are closely aligned in demand planning and coordination. We are also one of the two principal suppliers of MCA to customers in Western Europe and the Americas, and our Acetyls business unit supplies all of the largest MCA consumers in Europe. We attribute our strong market positions to the high quality of our products, our long-standing customer relationships and our expertise in chlorination and sulphonation technologies and highly integrated production processes.

***Diverse product and application portfolio for attractive end-markets***

We offer our customers a diverse portfolio of products for use in a wide range of end-market applications. In our Custom Manufacturing business unit, we produce customized active ingredients and advanced intermediates primarily for agrochemical end-uses, such as herbicides, fungicides and insecticides, as well as advanced intermediates for the pharmaceutical and specialty chemical industries. These exclusives are specially manufactured for individual customers (one customer, one product). We also produce intermediates in our Custom Manufacturing business unit for a broad range of customers and end-uses, such as X-ray contrast media, coupling agents for silica-reinforced green tires and vitamin B6 for animal feed.

Our Acetyls business unit is active in the production and sale of MCA (in liquid, flake and molten trade forms), acetyl derivatives and co-products, which are primarily used in herbicides, food additives, personal care and cosmetics products but also in applications as varied as textiles, animal feed, vitamins and drilling muds. Our key customers' end-markets have historically been relatively unaffected by economic downturns and have exhibited limited cyclicality. The agrochemicals industry has benefitted from structural growth driven by global trends in population growth, increasing meat consumption and rising crop demand, while the food, personal care and cosmetics end-markets have historically been relatively resilient to changes in general economic conditions.

***Long-standing customer relationships and high visibility of revenues***

We have long-standing relationships with many of our customers, with a majority of our customer relationships exceeding ten years, and some of which extend to more than 30 years. In our Acetyls business unit, our customer relationships exceed ten years for all of our top 15 customers (54% of the business unit's sales in 2013), many of whom we supply under evergreen contracts.

In Custom Manufacturing, typical customer contracts range in length from three to five years, which provide us with good revenue visibility. For example, more than 70% of the sales of our top 14 agrochemicals exclusives in 2013 were contractually covered for three or more years. Together with the revenue visibility such longer-term contracts provide, our customers' long-term commitments are supported by a track record of co-investments in production facilities through upfront capital expenditure or top-up pricing over the term of the contract.

We are a trusted partner to many leading agrochemicals and pharmaceutical companies who rely on our solutions for their products and applications. In Custom Manufacturing, our top six customers by sales accounted for 77% of the business unit's sales in 2013, in line with concentration of the crop protection market. We are the sole supplier of select active ingredients and advanced intermediates for certain customers. For example, based on sales of our top 14 agrochemicals exclusives, 80% of sales were generated under sole supplier agreements in the year ended December 31, 2013. Our customer base includes five of the top six global agrochemicals companies. Our top three European agrochemicals customers regard us as a strategic supplier, which involves close cooperation with a customer in terms of process development and planning.

***Modern facilities, integrated operations and proprietary technology***

We believe that our efficient and technologically advanced production facilities, combined with our integrated operations, process development expertise and proprietary hydrogenation technology, enable us to maintain leading market positions. In Custom Manufacturing, we operate complementary multi-purpose production facilities in Pratteln (Switzerland) and Kokkola (Finland) with combined batch reactor capacity of approximately 800 cubic meters, large batch volume production capabilities in Kokkola and full scale-up capabilities in Pratteln. We produce on-site many of the raw materials required for production at our Pratteln facility, and the facility's backwards integration enables many by-products to be recycled for internal use, thereby reducing waste and helping us to maintain a competitive cost structure.

Our Acetyls business unit's production facilities in Germany use our proprietary hydrogenation technology for the production of MCA, which provides significant production cost and product quality advantages over the alternative crystallization technology. Our Gersthofen facility uses backward-integrated electrolysis technology for captive chlorine production, while our Knapsack facility sources chlorine on-site via a pipeline from the adjacent chlorine plant of a supplier who repurchases the hydrochloric acid generated through production of MCA. We believe that the high level of capital investment required to develop integrated and efficient production facilities, combined with the technological expertise required for the production processes, are key factors to our operating success and the limited number of new competitors entering our markets.

***Strong financial track record and margin expansion***

We have proven our ability to consistently grow our margins and generate strong cash flow. Our Adjusted EBITDA has grown from €84.2 million for the year ended December 31, 2012 to €98.1 million for the twelve-month period ended March 31, 2014. Over the same period, our Adjusted EBITDA margin has increased from 19.7% for the year ended December 31, 2012 to 21.9% for the twelve-month period ended March 31, 2014. We believe our limited exposure to fluctuations of raw materials prices through backward integration, pass-through clauses in the majority of our customer contracts by sales and direct supply of raw materials by customers under longer-term agreements, as well our high utilization rates and economies of scale, have supported our margins as we seek to grow our production volumes. In addition, our working capital management and relatively low level of maintenance capital expenditure have allowed us to consistently generate strong cash flows. We recently implemented certain operational improvement measures at our production facility in Switzerland (CABB100) to reduce fixed costs and sourcing costs for raw materials and energy. These measures resulted in cost savings of approximately €5 million in the year ended December 31, 2013. We are currently introducing similar measures at our German production facilities.

***Experienced management team***

Our senior management team has an average of over 25 years of experience in the chemicals industry. Our Chief Executive Officer joined the Group in 2010 and has 29 years of experience, including senior management positions at leading global chemical companies. Our Chief Financial Officer, who joined the Group in 2011, has 28 years of experience in the industry. They are supported by our business unit heads and our head of strategic development, each of

whom has extensive experience in our industry or with the Group, as well as our specialized workforce with extensive process development know-how. We believe that the collective industry knowledge and leadership of our senior management team and specialized workforce will enable us to continue to grow our business and execute our strategies.

**Our Strategy**

The following are the key elements of our strategy:

***Continue to strengthen long-standing customer relationships***

We will continue to strengthen our long-standing customer relationships by working closely with our customers to meet their volume and specification needs for their existing and new products. In our Custom Manufacturing business unit, we intend to expand our production capacity to meet the growing demand of our key customers, continue to optimize our production processes to share efficiency gains with them and work closely with them to tailor our production processes to new products. In our Acetyls business unit, we also intend to expand our production capacity to meet market demand for high purity MCA, particularly in China, the largest MCA market by volume which is currently served by a limited number of high-purity local MCA producers. By further strengthening our relationships with multinational customers who have leading market positions in their industries, we seek to grow with them as they expand their businesses.

***Develop new capacity and further expand in growth markets***

In our Custom Manufacturing business unit, we remain focused on targeted capacity expansion to capture growing demand and additional production volumes our customers seek to outsource to us. For example, we invested in a new multi-purpose production unit in Pratteln in 2013, which added approximately 70 cubic meters of reactor capacity and which commenced operations in February 2014. We currently plan to invest in additional production capacity in Kokkola (approximately 75 cubic meters) modeled on the facility expansion in Pratteln, which would require capital expenditure of approximately €30 million based on preliminary estimates and assumptions. If undertaken as currently planned, we expect production at Kokkola to commence in 2016.

In our Acetyls business unit, we remain focused on our expansion in growth markets, such as China. To address the overall growth in demand for MCA in China and the undersupply of high-purity grade MCA in the region, we are building a new facility adjacent to the existing plant in Jining, Shandong Province for which we estimate our share of the investment over the next two years to be approximately €10 million. The new production facility will use our hydrogenation technology and have an initial capacity of 25 kt, with backward integration to our joint venture partner's electrolysis plant to ensure security of chlorine supply at attractive terms. We currently expect production at the new facility to commence by the end of 2015.

***Maintain strong reputation for quality and operational excellence***

We believe we have a strong reputation for providing our customers with consistently high-quality products. Our annual independent quality control certification at each production facility is central to maintaining this reputation. We remain focused on operational excellence to maintain high utilization rates, optimize internal processes, increase efficiency and reduce waste. We recently implemented certain operational efficiency measures at our production facility in Pratteln (CABB100) to reduce fixed costs and lower sourcing costs of raw materials and electricity. We are currently in the process of introducing similar measures at our two production facilities in Germany. In India, we are investing in stirring vessel technology to improve MCA quality and enhance profitability through yield improvements and cost savings. To comply with new regulations, we intend to replace our mercury-based electrolysis with membrane technology in Pratteln, the same technology we operate in our Gersthofen facility. The capacity expansion accompanying the transition to membrane technology will allow us to be nearly self-sufficient for our chlorine needs with the exception of only maintenance periods, reduce our energy costs and increase volumes of caustic soda generated as a co-product of chlorine production. We currently estimate the total capital expenditure for the transition to electrolysis membrane technology and chlorine capacity expansion to be approximately €48 million, most of which is budgeted for 2015 and 2016.

***Maintain focus on profitability and cash flows***

We will continue to focus on improving our profitability through costs savings measures, such as the operational efficiency improvements introduced in Pratteln in 2013 (CABB100). We believe that there is continued potential for cost savings, particularly at our two production facilities in Germany, through ongoing optimization of our manufacturing processes, the introduction of flexible shift systems, reorganization of technical departments and optimization of recycling streams. We will also seek to further improve cash flow generation by maximizing the utilization of our production facilities and expanding our production capacity. At the same time, we will remain disciplined in our growth

capital expenditure projects by securing customers' longer-term volume commitments in advance and co-investments in the form of upfront capital expenditure or top-up pricing over the terms of customers' contracts.

***Maintain health, safety and environmental excellence***

We are committed to a strategy of sustainability based on environmentally-friendly manufacturing processes and ensuring the health and safety of our employees. It is our policy to manufacture and distribute our products in a responsible manner that protects our employees, customers, the public and the environment from avoidable risks. Our closed-loop production facilities in Pratteln play a significant role in our effort to conserve energy and resources and reduce emissions and waste. To comply with new regulations that require the phase-out of mercury technology by the end of 2017, we are planning to introduce electrolysis membrane technology in Pratteln to replace our mercury-based technology, reduce our energy costs and minimize safety risks associated with the transport of chlorine necessary for our production processes. We are committed to implementing industry-leading global health, safety and environmental standards at all of our productions sites and for the benefit of all of our employees, irrespective of local regulations and requirements.

**Our History**

Our business has its origins in the chemical production activities of Hoechst AG, which originally commissioned our production facility in Gersthofen, Germany, in 1905 as well as our production facility in Knapsack, Germany, in 1949. In 1997, Hoechst was acquired by Clariant. Several years later, in 2003, CABB was founded as a wholly-owned subsidiary of Clariant before being acquired by Gilde Investment Management in 2005 and then by AXA Private Equity in the following year.

In 2007, we acquired SF Chem, including our production facility in Pratteln (Switzerland), which allowed us to expand into custom manufacturing. In 2008, we acquired a majority stake in Karnavati Rasayan, establishing our presence in India to serve the growing local market for MCA and to use the Ahmedabad facility as a hub to serve the wider Asian market through exports. In 2011, we were acquired by Bridgepoint, the same year we acquired KemFine from 3i and commenced production at our facility in Kokkola, Finland, to further expand our custom manufacturing capabilities.

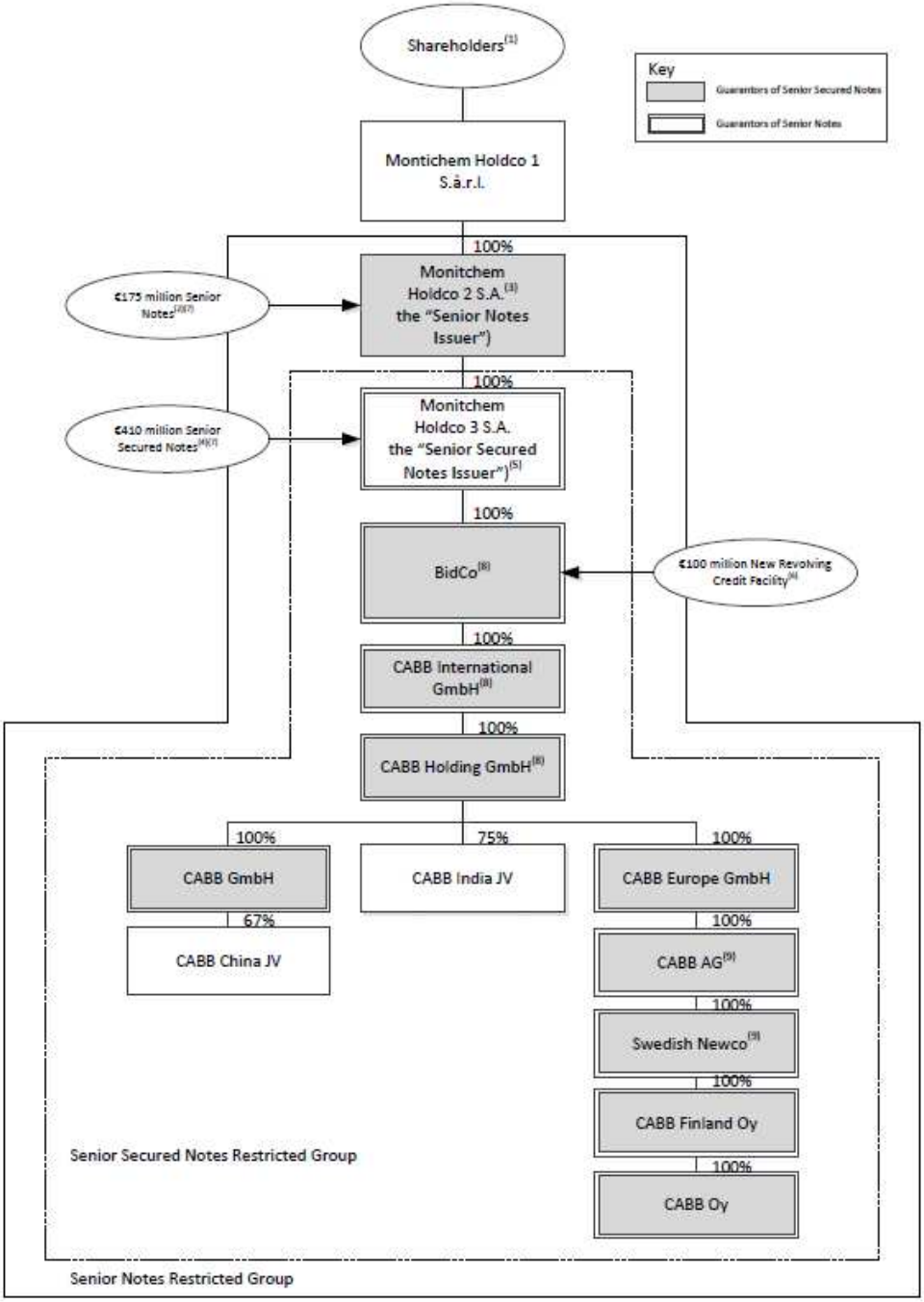
In 2013, we expanded our footprint to Asia through the establishment of a joint venture with Jining Jinwei Gold Power to acquire Jinwei Huasheng Chemicals. We hold a 67% stake in the joint venture entity CABB-Jinwei Specialty Chemicals (Jining) Co., Ltd.

**Principal Shareholders**

Permira Funds is a European private equity firm with a global reach. Permira, as adviser to the Permira Funds, has around 130 professionals in 12 offices worldwide, including Frankfurt, Hong Kong, London, Madrid, Menlo Park, Milan, New York, Paris, Stockholm and Tokyo. Over the last three decades, Permira Funds has completed over 200 transactions, investing in companies across the five key sectors on which they are focused (Consumer, TMT, Industrials, Financial Services and Healthcare).

## CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following chart shows a simplified summary of our corporate and financing structure as of the date of this Offering Memorandum adjusted to give effect to the Transactions and the introduction of Swedish Newco into the CABB Group. The chart does not include all of our subsidiaries or all the debt obligations thereof. For a summary of the debt obligations identified in this diagram, please refer to the sections entitled "*Description of the Senior Secured Notes*," "*Description of the Senior Notes*," "*Description of Certain Financing Arrangements*" and "*Capitalization*."




(1) Following the consummation of the Acquisition, we expect that the Permira Funds will have beneficial ownership, directly or indirectly through intermediate holding companies, of approximately 94% of the share capital of Monitchem Holdco 1, S.à r.l. and certain employees and members of management will directly or indirectly hold approximately 6% of the share capital of Monitchem Holdco 1, S.à r.l through a management equity participation program. See "*Certain Relationships and Related Party Transactions—Management Equity Participation Program*".

(2) On the Issue Date, the Senior Notes were senior obligations of the Senior Notes Issuer, guaranteed on a senior subordinated basis by the Senior Secured Notes Issuer and BidCo, and secured by the Senior Notes Issue Date Collateral. On the Completion Date, the Senior Notes will be secured by the Senior Notes Completion Date Collateral. Within 60 days of the Completion Date, the Senior Notes will also be guaranteed on a senior subordinated basis by the Subsidiary Guarantors. Within 60 days of becoming a subsidiary within the CABB Group, the Senior Notes will also be guaranteed by Swedish Newco. See "*Description of the Senior Notes—Security*". Under the terms of the Intercreditor Agreement the Senior Notes will be subject to payment blockage, standstill and turnover provisions. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

(3) On the Completion Date, the Senior Notes Issuer will lend the proceeds of the Senior Notes to the Senior Secured Notes Issuer, pursuant to the Senior Notes Proceeds Loan Agreement. For a description of the terms of the Senior Notes Proceeds Loan Agreement, see "*Description of Certain Financing Arrangements—Senior Notes Proceeds Loan Agreement*".

(4) On the Issue Date, the Senior Secured Notes were senior obligations of the Senior Secured Notes Issuer, guaranteed on a senior basis by the Senior Notes Issuer and BidCo and secured by the Senior Secured Notes Issue Date Collateral. On the Completion Date, the Senior Secured Notes wil be secured by the Senior Secured Notes Completion Date Collateral. Within 60 days of the Completion Date, the Senior Secured Notes will also be guaranteed on a senior basis by the Subsidiary Guarantors and secured by the Post Completion Date Collateral. See "*Description of the Senior Secured Notes—Security*". Within 60 days of Swedish Newco becoming a subsidiary within the CABB Group, Swedish Newco will also guarantee the Senior Secured Notes and will grant security over the shares of CABB Finland Oy. Under the terms of the Intercreditor Agreement, in the event of the enforcement of the security, the holders of the Senior Secured Notes will receive proceeds from the Collateral and distressed disposals only after obligations under the New Revolving Credit Facility and certain super-senior hedging obligations have been repaid. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

(5) On the Completion Date, the Senior Secured Notes Issuer will lend the proceeds of the Senior Secured Notes and the Senior Notes Proceeds Loan to BidCo, the Target and the subsidiaries of the Target in order to pay the purchase price under the Acquisition Agreement and repay the Existing Senior Facilities.

(6) On May 27, 2014, BidCo, as borrower, the Senior Secured Notes Issuer and the Senior Notes Issuer, as guarantors, will enter into the New Revolving Credit Facility Agreement which provides for the € 100.0 million New Revolving Credit Facility. We expect that the New Revolving Credit Facility will be undrawn on the Completion Date. The New Revolving Credit Facility will be guaranteed on a senior basis by the same entities that guarantee the Senior Secured Notes and will be secured on a first priority basis over the same collateral securing the Senior Secured Notes and certain hedging obligations. See "Description of Certain Financing Arrangements—New Revolving Credit Facility".

(7) For the twelve-month period ended March 31, 2014, the Subsidiary Guarantors represented 94.5% of the consolidated net sales, 97.7% of the consolidated EBITDA and 95.7% of total assets of the CABB Group.

(8) In addition, CABB International GmbH and CABB Holding GmbH are expected to merge into BidCo following the Completion Date with effect as of December 31, 2013.

(9) Following the Completion Date, Swedish Newco is expected to be incorporated as a wholly-owned subsidiary of CABB AG and also become the direct parent of CABB Finland Oy. Within 60 days of Swedish Newco becoming a subsidiary within the CABB Group, Swedish Newco will guarantee the Notes. Any security to be granted by CABB AG over the shares of CABB Finland Oy will be released in accordance with the provisions of the Senior Secured Indenture and, subject to local law limitations, the Senior Secured Notes will be secured by a security interest over the shares of CABB Finland Oy granted by Swedish Newco.

## THE OFFERINGS

*The following summary contains basic information about the Notes. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, including certain definitions of terms used in this summary, see "Description of Certain Financing Arrangements", "Description of the Senior Secured Notes" and "Description of the Senior Notes".*

**Issuers:**

| | |
|---|---|
| Senior Secured Notes ..... | Monitchem Holdco 3 S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg. |
| Senior Notes ..... | Monitchem Holdco 2 S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg. |
| **Notes Offered:** | |
| Floating Rate Senior Secured Notes | €175,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2021. |
| Fixed Rate Senior Secured Notes..... | €235,000,000 aggregate principal amount of 5.250% Senior Secured Notes due 2021. |
| Senior Notes ..... | €175,000,000 aggregate principal amount of 6.875% Senior Notes due 2022. |
| **Issue Date**..... | June 10, 2014. |
| **Issue Price:** | |
| Floating Rate Senior Secured Notes | 100.000%. |
| Fixed Rate Senior Secured Notes..... | 100.000%. |
| Senior Notes ..... | 100.000%. |
| **Maturity Date:** | |
| Floating Rate Senior Secured Notes | June 15, 2021. |
| Fixed Senior Secured Notes ..... | June 15, 2021. |
| Senior Notes ..... | June 15, 2022. |
| **Interest Rate:** | |
| Floating Rate Senior Secured Notes | Three-month EURIBOR plus 4.75% per year, reset quarterly. Interest on the Floating Rate Senior Secured Notes will accrue from the Issue Date. |
| Fixed Rate Senior Secured Notes..... | 5.250% per annum. Interest on the Fixed Rate Senior Secured Notes will accrue from the Issue Date. |
| Senior Notes ..... | 6.875% per annum. Interest on the Senior Notes will accrue from the Issue Date. |
| **Interest Payment Dates:** | |
| Floating Rate Senior Secured Notes | Interest is payable on the Floating Rate Senior Secured Notes quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2014. |
| Fixed Rate Senior Secured Notes..... | Interest is payable on the Fixed Rate Senior Secured Notes semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2014. |
| Senior Notes ..... | Interest is payable on the Senior Notes semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2014. |
| **Form and Denomination:** | |
| Floating Rate Senior Secured Notes | The Senior Secured Notes Issuer issued the Floating Rate Senior Secured Notes on the Issue Date in global registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof maintained in book-entry form. Floating Rate Senior Secured Notes in denominations of less than €100,000 will not be available. |
| Fixed Rate Senior Secured Notes..... | The Senior Secured Notes Issuer issued the Fixed Rate Senior Secured Notes on the Issue Date in global registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof maintained in book-entry form. Fixed Rate Senior Secured Notes in denominations of less than €100,000 will not be available. |
| Senior Notes ..... | The Senior Notes Issuer issued the Senior Notes on the Issue Date in global registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof maintained in book-entry form. Senior Notes in denominations of less than €100,000 will not be available. |
| **Ranking of the Notes:** | |
| Senior Secured Notes ..... | The Senior Secured Notes will:<br>• be general senior obligations of the Senior Secured Notes Issuer;<br>• rank *pari passu* in right of payment with any existing and future indebtedness of the Senior Secured Notes Issuer that is not expressly subordinated in right |

| | |
|---|---|
| | of payment to the Senior Secured Notes, including indebtedness incurred under the New Revolving Credit Facility Agreement and certain hedging obligations;<br>• rank senior in right of payment to any existing and future indebtedness of the Senior Secured Notes Issuer that is expressly subordinated in right of payment to the Senior Secured Notes, including obligations of the Senior Secured Notes Issuer under the Senior Notes Proceeds Loan and the Senior Secured Notes Guarantees;<br>• be effectively subordinated to any existing or future indebtedness or obligation of the Senior Secured Notes Issuer and its subsidiaries that is secured by property and assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such indebtedness; and<br>• be structurally subordinated to any existing or future indebtedness of the Senior Secured Notes Issuer's subsidiaries that do not guarantee the Senior Secured Notes including obligations to trade creditors. |
| Senior Notes ..... | The Senior Notes will:<br>• be general senior obligations of the Senior Notes Issuer;<br>• rank *pari passu* in right of payment with any existing and future indebtedness of the Senior Notes Issuer that is not expressly subordinated in right of payment to the Senior Notes, including the Senior Notes Issuer's guarantee of the Senior Secured Notes and the Senior Notes Issuer's guarantee of the New Revolving Credit Facility and certain hedging obligations;<br>• rank senior in right of payment to any future indebtedness of the Senior Notes Issuer that is expressly subordinated in right of payment to the Senior Notes;<br>• be effectively subordinated to any existing or future Indebtedness or obligation of the Senior Notes Issuer and its Subsidiaries that is secured by property and assets that do not secure the Senior Notes or that is secured on a first-priority basis over property and assets that secure the Senior Notes on a second-priority basis (including the Senior Secured Notes and indebtedness incurred under the New Revolving Credit Facility Agreement and certain hedging obligations), to the extent of the value of the property and assets securing such indebtedness; and<br>• be structurally subordinated to any existing or future indebtedness and obligations of the Senior Notes Issuer's subsidiaries that do not guarantee the Senior Notes, including obligations to trade creditors. |
| **Notes Guarantees:** | |
| Senior Secured Notes ..... | The Senior Secured Notes (i) were guaranteed on a senior basis on the Issue Date, by the Senior Notes Issuer and BidCo, (ii) will be guaranteed within 60 days of the Completion Date, by CABB International GmbH, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy and (iii) within 60 days of becoming a subsidiary within the CABB Group, Swedish Newco (collectively, the "**Senior Secured Notes Guarantees**").<br>The Senior Secured Notes Guarantees will be subject to contractual and legal limitations and may be released under certain circumstances. See "*Certain Limitations on Validity and Enforceability of the Notes Guarantees and the Collateral and Certain Insolvency Law Considerations*". |
| Senior Notes ..... | The Senior Notes (i) were guaranteed on a senior subordinated basis on the Issue Date by the Senior Secured Notes Issuer and BidCo (ii) will be guaranteed within 60 days of the Completion Date, CABB International GmbH, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy and (iii) within 60 days of becoming a subsidiary within the CABB Group, Swedish Newco (collectively, the "**Senior Notes Guarantees**").<br>The Senior Notes Guarantees will be subject to contractual and legal limitations and may be released under certain circumstances. See "*Certain Limitations on Validity and Enforceability of the Notes Guarantees and the Collateral and Certain Insolvency Law Considerations*".<br>For the twelve-month period ended March 31, 2014, the Subsidiary Guarantors represented 94.5% of the consolidated net sales, 97.7% of the consolidated EBITDA and 95.7% of the total assets of the CABB Group. |
| **Ranking of the Notes Guarantees** | |
| Senior Secured Notes ..... | The Senior Secured Notes Guarantee of each Guarantor will:<br>• be a general senior obligation of that Guarantor;<br>• rank *pari passu* in right of payment with any existing and future indebtedness |

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| | of that Guarantor that is not expressly subordinated in right of payment to such Senior Secured Notes Guarantee, including that Guarantor's obligations under the New Revolving Credit Facility Agreement and certain hedging obligations;<br>• rank senior in right of payment to all existing and future indebtedness of that Guarantor that is expressly subordinated in right of payment to such Senior Secured Notes Guarantee, including that Guarantor's guarantee of the Senior Notes;<br>• be effectively subordinated to any existing and future indebtedness or obligation of that Guarantor that is secured by property and assets that do not secure such Senior Secured Notes Guarantee, to the extent of the value of the property and assets securing such other indebtedness; and<br>• be structurally subordinated to any existing or future indebtedness, including obligations to trade creditors, of the subsidiaries of such Guarantor that are not Senior Secured Notes Guarantors.<br>The Senior Secured Notes Guarantees will be subject to the terms of the Intercreditor Agreement and may be subject to release under certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Senior Secured Notes—Notes Guarantees*". |
| Senior Notes ..... | The Senior Notes Guarantee of each Guarantor will:<br>• be a general senior subordinated obligation of that Guarantor;<br>• be subordinated in right of payment to any existing and future senior indebtedness of that Guarantor, including that Guarantor's guarantee of the Senior Secured Notes and indebtedness incurred under the New Revolving Credit Facility;<br>• rank *pari passu* in right of payment with any future senior subordinated indebtedness of that Guarantor;<br>• rank senior in right of payment to all existing and future indebtedness of that Guarantor that is expressly subordinated in right of payment to such Senior Notes Guarantee;<br>• be effectively subordinated to any existing and future indebtedness of that Guarantor that is secured by property and assets that do not secure such Senior Notes Guarantee or that is secured on a first-priority basis over property and assets that secure such Senior Notes Guarantee on a second-priority basis (including that Guarantor's guarantee of the Senior Secured Notes and indebtedness incurred under the New Revolving Credit Facility and certain hedging obligations), to the extent of the value of the property and assets securing such other indebtedness; and<br>• be structurally subordinated to any existing or future indebtedness of the subsidiaries of such Guarantor that are not Senior Notes Guarantors, including obligations to trade creditors.<br>The Senior Notes Guarantees will be subject to the terms of the Intercreditor Agreement, including payment blockage, standstill and turnover provisions, and may be released in certain circumstances. See *"Description of Certain Financing Arrangements—Intercreditor Agreement and Description of the Senior Notes—Notes Guarantees"*. |
| **Security, Enforcement of Security:** | |
| Senior Secured Notes ..... | On the Issue Date, the Senior Secured Notes were secured by a first-ranking security interest in the Senior Secured Escrow Accounts (the "**Senior Secured Notes Issue Date Collateral**").<br>On the Completion Date, the Senior Secured Notes will be secured by first-ranking security interests in:<br>• the share capital of the Senior Secured Notes Issuer, BidCo and CABB International GmbH;<br>• the Senior Notes Issuer's receivables owing from the Senior Secured Notes Issuer, including under the Senior Notes Proceeds Loan;<br>• the Senior Secured Notes Issuer's receivables under the proceeds loan from the Senior Secured Notes Issuer to BidCo and any other receivables of the Senior Secured Notes Issuer under proceeds loans made to members of the CABB Group;<br>• certain bank accounts and receivables of BidCo; and<br>• BidCo's rights under the Acquisition Agreement, including under the |

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| | shareholder loan acquired under the Acquisition Agreement (collectively, the "**Senior Secured Notes Completion Date Collateral**").<br>Within 60 days of the Completion Date, the Senior Secured Notes will be secured by first-ranking security interests in:<br>• the share capital of each of the Senior Secured Notes Guarantors (other than Swedish Newco and CABB International GmbH);<br>• certain bank accounts of CABB International GmbH, CABB Holding GmbH, CABB GmbH, CABB AG and CABB Europe GmbH;<br>• certain receivables of the Senior Secured Notes Guarantors (other than CABB Finland Oy, CABB Oy and Swedish Newco);<br>• certain real estate in Finland and Switzerland owned by CABB Oy and CABB AG, respectively; and<br>• certain other assets of CABB Finland Oy and CABB Oy.<br>(collectively, the "**Senior Secured Notes Post Completion Date Collateral**").<br>Within 60 days of Swedish Newco becoming a subsidiary of the CABB Group, the Senior Secured Notes will also be secured by first-ranking security interests in:<br>• the share capital of Swedish Newco; and<br>• certain bank accounts and receivables of Swedish Newco.<br>(collectively, the "**Swedish Newco Collateral**, and, together with the Senior Secured Notes Issue Date Collateral, the Senior Secured Notes Completion Date Collateral and the Senior Secured Notes Post Completion Date Collateral, the "**Senior Secured Notes Collateral**").<br>The Senior Secured Notes Collateral will also secure on a first-ranking basis the New Revolving Credit Facility and certain hedging obligations (collectively, the "**Super Senior Obligations**") and may also secure certain future indebtedness. The Senior Secured Notes Collateral will be granted subject to the terms of the Intercreditor Agreement, certain agreed security principles and the terms of the security documents.<br>Under the terms of the Intercreditor Agreement, the holders of Senior Secured Notes will only receive proceeds from the enforcement of the Senior Secured Notes Collateral after the lenders under the New Revolving Credit Facility, counterparties to certain super priority hedging obligations, the Security Agent, any receiver and certain creditor representatives have been repaid in full. See "*Certain Financing Arrangements—Intercreditor Agreement*".<br>The security interests in the Senior Secured Notes Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. See "*Description of the Senior Secured Notes—Security*" and "*Certain Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Related to the Notes*."<br>The security interests in the Senior Secured Notes Collateral may be released under certain circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*," and "*Description of the Senior Secured Notes—Security*." |
| Senior Notes ..... | On the Issue Date, the Senior Notes were secured by a first-ranking security interest in the Senior Escrow Account (the "**Senior Notes Issue Date Collateral**").<br>On the Completion Date, the Senior Notes were secured by second-ranking security interests in:<br>• the share capital of the Senior Secured Notes Issuer and BidCo; and<br>• the Senior Notes Issuer's receivables owing from the Senior Secured Notes Issuer, including under the Senior Notes Proceeds Loan.<br>(the "**Senior Notes Completion Date Collateral**", and, together with the Senior Notes Issue Date Collateral, the "**Senior Notes Collateral**"). The Senior Notes Collateral, together with the Senior Secured Notes Collateral, is the "**Collateral**".<br>The Senior Notes Collateral will be granted subject to the terms of the Intercreditor Agreement, certain agreed security principles and the terms of the security documents. In the event of enforcement of the Senior Notes Collateral, the holders of the Senior Notes will receive proceeds from such collateral only after the Security Agent, any receiver, certain creditor representatives, lenders under the New Revolving Credit Facility Agreement and any Credit Facility, counterparties to certain hedging obligations and holders of the Senior Secured Notes and Senior Debt (as defined herein) have been repaid.<br>In certain events of default in respect of the Senior Secured Notes, Senior Debt, the |

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| | New Revolving Credit Facility, a Credit Facility or the secured hedging obligations, a creditor representative with respect to such liabilities may serve a stop-payment notice under the Intercreditor Agreement, as a result of which the Senior Notes Guarantors would no longer be allowed to make payments in respect of the Senior Notes without the prior consent of all the creditor representatives with respect to such liabilities. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".<br>The security interests in the Senior Notes Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. See "*Description of the Senior Notes—Security*" and "*Certain Limitations on Validity and Enforceability of the Guarantees and the Collateral and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Related to the Notes*."<br>The security interests securing the Senior Notes may be released under certain circumstances. See "*Description of the Senior Notes—Security*". |
| **Escrow of Proceeds; Special Mandatory Redemption**..... | Pending consummation of the Acquisition, the Initial Purchasers, concurrently with the issuance of the Notes on the Issue Date (as defined herein), deposited the gross proceeds from the offering of the Fixed Rate Senior Secured Notes and the Floating Rate Senior Secured Notes into the relevant Senior Secured Notes Escrow Account, each in the name of the Senior Secured Notes Issuer, and the gross proceeds from the offering of the Senior Notes into the Senior Notes Escrow Account, in the name of the Senior Notes Issuer. Each Senior Secured Notes Escrow Account is controlled by the Escrow Agent and pledged in favor of the Senior Secured Notes Trustee on behalf of the holders of the relevant series of Senior Secured Notes. The Senior Notes Escrow Account is controlled by the Escrow Agent and pledged in favor of the Senior Notes Trustee on behalf of the holders of the Senior Notes. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions, including the completion of the Acquisition pursuant to the terms of the Acquisition Agreement promptly following the escrow release. If the conditions to the release of the escrowed proceeds have not been satisfied on or prior to October 1, 2014 (the "**Escrow Longstop Date**"), the Notes will be subject to a special mandatory redemption. The special mandatory redemption price of each series of Notes will be equal to 100% of the aggregate initial issue price of such series of Notes plus accrued and unpaid interest from the Issue Date to such special mandatory redemption date and additional amounts, if any.<br>In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the respective Issuer, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, (d) Permira Funds cease to beneficially own and control a majority of the issued and outstanding capital stock of the respective Issuer or (e) certain insolvency events of default occur on or prior to the Escrow Longstop Date, the relevant Issuer will redeem all of the applicable series of Notes at a price equal to 100% of the aggregate issue price of such Notes, plus accrued but unpaid interest and additional amounts, if any, from the Issue Date to the special mandatory redemption date.<br>In connection with the foregoing, each of the Escrow Accounts will be pre-funded with an amount (when considered together with the gross proceeds of the offering of the relevant series of Notes) sufficient to pay the special mandatory redemption price in respect of the relevant series of Notes, together with accrued and unpaid interest from the Issue Date to the special mandatory redemption date. |
| **Use of Proceeds** ..... | Upon release from escrow, the gross proceeds from the offering of the Notes will be used, together with the equity contribution from the Permira Funds and cash on hand, to (i) pay the purchase price for the Acquisition under the Acquisition Agreement, (ii) refinance the Existing Senior Facilities Agreement, (iii) pay related fees and expenses and (iv), to the extent any proceeds remain, for general corporate purposes. |
| **Optional Redemption:** | |
| Floating Rate Senior Secured Notes | The Senior Secured Issuer may redeem all or part of the Floating Rate Senior Secured Notes at any time on or after June 15, 2015 at the redemption prices as described under "*Description of the Senior Secured Notes—Optional Redemption*". At any time prior to June 15, 2015, the Senior Secured Notes Issuer may redeem all or part of the Floating Rate Senior Secured Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and |

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| | additional amounts, if any, to the date of redemption plus a "make-whole" premium, as described under "*Description of the Senior Secured Notes—Optional Redemption*". |
| Fixed Rate Senior Secured Notes..... | The Senior Secured Issuer may redeem all or part of the Fixed Rate Senior Secured Notes at any time on or after June 15, 2017 at the redemption prices as described under "*Description of the Senior Secured Notes—Optional Redemption*".<br>At any time prior to June 15, 2017, the Senior Secured Notes Issuer may redeem all or part of the Fixed Rate Senior Secured Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption plus a "make-whole" premium, as described under "*Description of the Senior Secured Notes—Optional Redemption*".<br>At any time prior to June 15, 2017, the Senior Secured Notes Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the Fixed Rate Senior Secured Notes, using the net proceeds from certain equity offerings at a redemption price equal to 105.250% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption; *provided* that at least 60% of the aggregate principal amount of the Senior Secured Notes remains outstanding after the redemption.<br>At any time prior to June 15, 2017 the Senior Secured Notes Issuer may redeem during each 12 month period commencing with the Issue Date up to 10% of the aggregate principal amount of the Fixed Rate Senior Secured Notes outstanding at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Fixed Rate Senior Secured Notes redeemed, plus accrued and unpaid interest and additional amounts, if any. |
| Senior Notes ..... | The Senior Notes Issuer may redeem all or part of the Senior Notes at any time on or after June 15, 2017 at the redemption prices described under "*Description of the Senior Notes—Optional Redemption*".<br>At any time prior to June 15, 2017, the Senior Notes Issuer may redeem all or part of the Senior Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption plus a "make-whole" premium, as described under "*Description of the Senior Notes—Optional Redemption*".<br>At any time prior to June 15, 2017, the Senior Notes Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the Senior Notes, using the net proceeds from certain equity offerings at a redemption price equal to 106.875% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption; *provided* that at least 60% of the original aggregate principal amount of the Senior Notes remains outstanding after the redemption. |
| **Additional Amounts; Tax Redemption** ..... | Any payments made by or on behalf of either Issuer or any Guarantor in respect of the Notes or with respect to any Notes Guarantee will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. Subject to certain exceptions and limitations, if either Issuer, any Guarantor or the paying agent is required by law to withhold or deduct such taxes with respect to a payment on any Note, such Issuer or Guarantor will pay the additional amounts necessary so that the net amount received by each holder after such withholding is not less than the amount that would have been received in the absence of the withholding.<br>If certain changes in the law of any relevant taxing jurisdiction become effective after the issuance of the Notes that would impose withholding taxes or other deductions on the payments on the Senior Secured Notes or the Senior Notes, and would require the relevant Issuer or any Guarantor to pay additional amounts (as defined in "*Description of the Senior Secured Notes—Withholding Taxes*" and "*Description of the Senior Notes—Withholding Taxes*"), the relevant Issuer or any Guarantor may redeem the Senior Secured Notes or the Senior Notes, as applicable, in whole, but not in part, at any time, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. |
| **Change of Control** ..... | Upon certain events defined as constituting a change of control, the Issuers may be required to make an offer to purchase the outstanding Notes at a purchase price equal to 101% of their principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. However, a change of |

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| | control will not be deemed to have occurred on one occasion if a specified consolidated leverage ratio is not exceeded as a result of such event. See "*Description of the Senior Secured Notes"* and "*Description of the Senior Notes*". |
| **Certain Covenants** | The Senior Secured Notes Indenture and the Senior Notes Indenture, among other things, will restrict the ability of the Senior Secured Notes Issuer and the Senior Notes Issuer, respectively, and their respective restricted subsidiaries, to:<br>• incur or guarantee additional indebtedness and issue certain preferred stock;<br>• pay dividends, redeem capital stock and make certain investments;<br>• make certain other restricted payments;<br>• create or permit to exist certain liens;<br>• impose restrictions on the ability of the relevant Issuer's subsidiaries to pay dividends;<br>• transfer or sell certain assets;<br>• merge or consolidate with other entities;<br>• enter into certain transactions with affiliates; and<br>• impair the security interests created for the benefit of the holders of the relevant Notes.<br>Certain of the covenants will be suspended if the relevant Notes obtain and maintain an investment-grade rating.<br>Each of the covenants in the Indentures will be subject to significant exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain Covenants*" and "*Description of the Senior Notes—Certain Covenants"*. |
| **Transfer Restrictions** | The Notes and the Notes Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transferability and resale. See "*Notice to Investors*". We have not agreed to, or otherwise undertaken to, register the Notes under the securities laws in any jurisdiction (including by way of an exchange offer). |
| **No Established Market for the Notes** | The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, there is no assurance that an active trading market will develop for the Notes. |
| **Listing** | Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market in accordance with the rules thereof. |
| **Governing Law** | The Indentures, the Notes and the Notes Guarantees will be governed by the laws of the State of New York. The Intercreditor Agreement and the New Revolving Credit Facility Agreement will be governed by English law. The security documents will be governed by the applicable law of the jurisdiction under which the security interests are granted. |
| **Senior Secured Notes Trustee** | Deutsche Trustee Company Limited. |
| **Senior Notes Trustee** | Deutsche Trustee Company Limited. |
| **Security Agent** | Wilmington Trust (London) Limited. |
| **Principal Agent, Calculation Agent and Escrow Agent** | Deutsche Bank AG, London Branch. |
| **Registrar, Transfer Agent and Listing Agent** | Deutsche Bank Luxembourg S.A. |

**Risk Factors**

Investing in the Notes involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section of this Offering Memorandum before making a decision whether to invest in the Notes.

## SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

*The following tables present the Group's summary financial information and should be read in conjunction with the Audited Consolidated Financial Statements, and the Unaudited Interim Consolidated Financial Statements, which are all reproduced elsewhere in this Offering Memorandum and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Audited Consolidated Financial Statements were prepared in accordance with IFRS and were audited by KPMG which issued an unqualified audit opinion for each year. The Unaudited Interim Consolidated Financial Statements, which were prepared in accordance with IFRS, have not been audited. The information below is not necessarily indicative of the results of future operations.*

*The consolidated financial statements included in this Offering Memorandum have not been adjusted to reflect the impact of any changes to the consolidated income statement, the consolidated statement of financial position or the consolidated cash flow statement that may occur as a result of the purchase price allocation ("**PPA**") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying values for existing assets and assets we may add to our consolidated statement of financial position, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. Our consolidated financial statements could be materially different from the consolidated financial statements included in this Offering Memorandum once the PPA adjustments have been made.*

*The summary unaudited consolidated financial information for the twelve- month period ended March 31, 2014 has been calculated by adding the unaudited consolidated interim financial information for the three-month period ended March 31, 2014, derived from the Unaudited Interim Consolidated Financial Statements, and the historical financial information for the year ended December 31, 2013, derived from the Audited Consolidated Financial Statements, and subtracting the unaudited consolidated financial information for the three-month period ended March 31, 2013, derived from the Unaudited Interim Consolidated Financial Statements. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.*

### Summary Consolidated Income Statement Information

| | Financial Year | | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|---|
| | 2011(1) Restated | 2012(1) Restated | 2013 | 2013 | 2014 | 2014 |
| | in € million | | | (unaudited) | | (unaudited) |
| **Sales** | **269.4** | **427.2** | **438.9** | **122.0** | **131.6** | **448.5** |
| Cost of sales | (221.2) | (315.9) | (326.9) | (88.3) | (92.2) | (330.8) |
| **Gross profit** | **48.2** | **111.3** | **111.9** | **33.7** | **39.4** | **117.7** |
| Research and development expenses | (1.4) | (2.1) | (2.3) | (0.5) | (0.6) | (2.4) |
| Distribution and logistics expenses | (35.6) | (55.1) | (55.5) | (14.8) | (14.4) | (55.2) |
| General and administrative expenses | (19.6) | (14.1) | (14.5) | (3.9) | (5.7) | (16.3) |
| **Earnings before interest and taxes (EBIT)** | **(8.4)** | **39.9** | **39.6** | **14.5** | **18.7** | **43.8** |
| Financial income | 0.1 | 1.2 | 0.5 | 0.2 | 0.5 | 0.8 |
| Financial expenses | (29.3) | (31.3) | (25.8) | (8.6) | (6.5) | (23.7) |
| **Financial result** | **(29.2)** | **(30.1)** | **(25.3)** | **(8.4)** | **(5.9)** | **(22.8)** |
| **Earnings before taxes** | **(37.6)** | **9.9** | **14.2** | **6.1** | **12.7** | **20.9** |
| Taxes on income | 7.0 | (2.0) | (3.4) | (3.1) | (3.0) | (3.3) |
| **Net profit (loss) for the period** | **(30.6)** | **7.8** | **10.8** | **2.9** | **9.7** | **17.6** |
| Attributable to shareholders | (30.5) | 7.6 | 10.6 | 2.9 | 9.7 | 17.4 |
| Attributable to non-controlling interests | 0.0 | 0.2 | 0.2 | 0.1 | 0.0 | 0.2 |

(1) Represents financial information derived from our 2013 and 2012 Audited Consolidated Financial Statements, respectively, which restated certain information from our 2012 and 2011 Audited Consolidated Financial Statements, respectively, due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Financial Statements, included herein.

### Summary Consolidated Statement of Financial Position

| | Financial Year | | | As of March 31, |
|---|---|---|---|---|
| | 2011(1) Restated | 2012(1) Restated | 2013 | 2014 |
| | in € million | | | (unaudited) |
| **Assets** | | | | |
| ***Non-current assets*** | | | | |

| | | | | |
|---|---|---|---|---|
| Goodwill | 86.2 | 86.4 | 85.8 | 91.0 |
| Other intangible assets | 141.0 | 119.9 | 98.3 | 93.1 |
| Property, plant and equipment | 262.4 | 261.2 | 276.4 | 277.4 |
| Deferred tax assets | 12.5 | 12.9 | 6.0 | 6.4 |
| **Non-current assets** | **502.2** | **480.4** | **466.6** | **467.9** |
| ***Current assets*** | | | | |
| Inventories | 52.4 | 52.4 | 53.8 | 53.2 |
| Accounts receivable, trade | 60.0 | 54.2 | 60.0 | 72.1 |
| Other receivables and other assets | 8.0 | 9.7 | 11.3 | 10.6 |
| Income tax receivables | 3.0 | 0.1 | 0.0 | 0.0 |
| Cash and cash equivalents | 33.5 | 51.3 | 49.7 | 47.5 |
| **Total current assets** | **156.9** | **167.6** | **174.9** | **183.3** |
| **Total assets** | **659.1** | **648.1** | **641.5** | **651.2** |
| **Equity and Liabilities** | | | | |
| **Equity** | **40.2** | **44.8** | **64.0** | **70.4** |
| ***Long-term liabilities*** | | | | |
| Provisions for pensions and similar obligations | 38.7 | 40.4 | 26.9 | 32.2 |
| Other provisions | 3.3 | 2.7 | 2.3 | 3.5 |
| Bank loans | 269.3 | 252.8 | 349.9 | 350.2 |
| Shareholder loans | 137.9 | 146.0 | 43.0 | 43.8 |
| Other financial liabilities | 0.0 | 0.0 | 0.0 | 1.7 |
| Deferred tax liabilities | 88.0 | 79.9 | 66.3 | 63.8 |
| **Long-term liabilities** | **537.2** | **521.8** | **488.4** | **495.3** |
| ***Short-term liabilities*** | | | | |
| Other provisions | 9.8 | 7.9 | 7.5 | 10.7 |
| Bank loans | 12.4 | 10.4 | 11.9 | 12.2 |
| Accounts payable, trade | 53.7 | 56.4 | 58.1 | 46.5 |
| Income tax liabilities | 1.9 | 4.1 | 8.2 | 11.9 |
| Other liabilities | 3.9 | 2.7 | 3.3 | 4.2 |
| **Short-term liabilities** | **81.7** | **81.5** | **89.0** | **85.5** |
| **Total equity and liabilities** | **659.1** | **648.1** | **641.5** | **651.2** |

(1) Represents financial information derived from our 2013 and 2012 Audited Consolidated Financial Statements, respectively, which restated certain information from our 2012 and 2011 Audited Consolidated Financial Statements, respectively, due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

**Summary Cash Flow Statement Information**

| | Financial Year | | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 |
| | in € million | | | (unaudited) | | (unaudited) |
| Cash flow from operating activities | 20.2 | 68.3 | 55.5 | 6.7 | 6.1 | 54.9 |
| Cash flow from investing activities | (180.4) | (28.7) | (47.9) | (3.1) | (9.9) | (54.7) |
| Cash flow from financing activities | 193.5 | (21.9) | (9.5) | 0.0 | 1.6 | (7.9) |
| Change in cash and cash equivalents during the period | 33.2 | 17.7 | (1.9) | 3.6 | (2.2) | (7.7) |
| Change due to exchange rate changes | 0.2 | 0.0 | 0.4 | (0.2) | (0.1) | 0.5 |
| Cash and cash equivalents at the end of the period | 33.5 | 51.3 | 49.7 | 54.7 | 47.5 | 47.5 |

**Other Financial and Operating Data**

***Segment Information***

| | Financial Year | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|
| | 2012[1] Restated | 2013 | 2013 | 2014 | 2014 |
| | in € million | | (unaudited) | | (unaudited) |
| **Sales** | | | | | |
| Acetyls | 174.9 | 174.3 | 44.8 | 45.9 | 175.5 |

| | | | | | |
|---|---|---|---|---|---|
| Custom Manufacturing | 262.1 | 277.5 | 80.0 | 89.0 | 286.4 |
| Intercompany eliminations[(2)] | (9.8) | (12.9) | (2.8) | (3.3) | (13.4) |
| **Sales** | **427.2** | **438.9** | **122.0** | **131.6** | **448.5** |
| **Adjusted Cost of Sales** | | | | | |
| Acetyls | 116.2 | 114.5 | 29.5 | 29.5 | 114.5 |
| Custom Manufacturing | 185.1 | 191.9 | 53.7 | 58.1 | 196.3 |
| Intercompany eliminations | (9.9) | (12.9) | (2.9) | (3.4) | 13.4 |
| **Adjusted Cost of Sales[(3)]** | **291.4** | **293.5** | **80.3** | **84.2** | **297.4** |
| **Adjusted Gross Profit** | | | | | |
| Acetyls | 58.7 | 59.8 | 15.3 | 16.5 | 61.0 |
| Custom Manufacturing | 77.0 | 85.6 | 26.4 | 30.9 | 90.1 |
| Intercompany eliminations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Adjusted Gross Profit[(4)]** | **135.7** | **145.4** | **41.7** | **47.4** | **151.0** |

(1) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(2) Represents predominantly sales of MCA from the Acetyls business unit to the Custom Manufacturing business unit.

(3) We define Adjusted Cost of Sales as cost of sales before depreciation and amortization included in cost of sales, plus non-recurring items. The following table is a reconciliation of cost of sales to Adjusted Cost of Sales, as defined by us, for the periods presented:

| | Financial Year | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|
| | 2012[(a)] Restated | 2013 | 2013 | 2014 | 2014 |
| | | | in € million | | |
| | | | (unaudited) | | (unaudited) |
| Cost of sales | (315.9) | (326.9) | (88.3) | (92.2) | (330.8) |
| Amortization and depreciation included in cost of sales | 32.8 | 33.8 | 8.0 | 7.9 | 33.7 |
| **Cost of sales before amortization and depreciation included in cost of sales** | **(283.1)** | **(293.1)** | **(80.3)** | **(84.3)** | **(297.2)** |
| Non-recurring items[(b)] | 0.2 | 0.3 | 0.0 | 0.1 | 0.3 |
| Pension adjustments[(c)] | (8.8) | (1.2) | 0.0 | 0.0 | (1.2) |
| Depreciation on inventory[(d)] | 0.2 | 0.6 | 0.0 | 0.1 | 0.6 |
| **Adjusted Cost of Sales** | **(291.5)** | **(293.5)** | **(80.3)** | **(84.2)** | **(297.4)** |

(a) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(b) Non-recurring items mainly comprise costs related to operational improvements at CABB AG relating to CABB100.

(c) Pension adjustments reflect negative past service costs incurred at CABB AG due to the change of a parameter (conversion rate) in the calculation of pension benefits under the Swiss pension scheme.

(d) Depreciation on inventory reflects the depreciation of the purchase price allocation of palladium, which is the catalyst used in the production of MCA.

(4) We define Adjusted Gross Profit as sales less cost of sales plus amortization and depreciation included in cost of sales and certain non-recurring items. We believe that Adjusted Gross Profit is useful to investors in evaluating our operating performance. Adjusted Gross Profit is not a performance indicator recognized under IFRS. The Adjusted Gross Profit as reported by us is not necessarily comparable to the performance figures published by other companies as adjusted gross profit or the like. You should exercise caution in comparing Adjusted Gross Profit as reported by us to adjusted gross profit of other companies. For more information, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures*." The following table is a reconciliation of sales to Adjusted Gross Profit, as defined by us, for the periods presented:

| | Financial Year | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|
| | 2012[(a)] Restated | 2013 | 2013 | 2014 | 2014 |
| | | | in € million | | |
| | | | (unaudited) | | (unaudited) |
| **Sales** | **427.2** | **438.9** | **122.0** | **131.6** | **448.5** |
| Cost of sales | (315.9) | (326.9) | (88.3) | (92.2) | (330.8) |
| **Gross profit** | **111.3** | **111.9** | **33.7** | **39.4** | **117.6** |

| | | | | | |
|---|---|---|---|---|---|
| Amortization and depreciation included in cost of sales | 32.8 | 33.8 | 8.0 | 7.9 | 33.7 |
| **Gross profit before amortization and depreciation included in cost of sales** | **144.1** | **145.7** | **41.7** | **47.2** | **151.3** |
| Non-recurring items[(b)] | 0.2 | 0.3 | 0.0 | 0.1 | 0.3 |
| Pension adjustments[(c)] | (8.8) | (1.2) | 0.0 | 0.0 | (1.2) |
| Depreciation on inventory[(d)] | 0.2 | 0.6 | 0.0 | 0.1 | 0.6 |
| **Adjusted Gross Profit** | **135.7** | **145.4** | **41.7** | **47.4** | **151.0** |

(a) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(b) Non-recurring items mainly comprise costs related to operational improvements at CABB AG relating to CABB100.

(c) Pension adjustments reflect negative past service costs incurred at CABB AG due to the change of a parameter (conversion rate) in the calculation of pension benefits under the Swiss pension scheme.

(d) Depreciation on inventory reflects the depreciation of the purchase price allocation of palladium, which is the catalyst used in the production of MCA.

### *Other Financial Information*

| | Financial Year | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|
| | 2012[(1)] Restated | 2013 | 2013 | 2014 | 2014 |
| | (unaudited, unless otherwise indicated) | | in € million (unaudited) | | (unaudited) |
| **EBITDA[(2)]** | **92.0** | **90.6** | **27.2** | **31.3** | **94.7** |
| *EBITDA margin (in %)* | *21.5* | *20.6* | *22.3* | *23.8* | *21.1* |
| **Adjusted EBITDA[(2)]** | **84.2** | **92.5** | **27.3** | **32.9** | **98.1** |
| *Adjusted EBITDA margin (in %)* | *19.7* | *21.1* | *22.4* | *25.0* | *21.9* |
| Total capital expenditures[(3)] | 28.7 | 47.9 | 3.1 | 9.9 | 54.7 |
| Change in working capital[(4)] | (5.7) | 8.5 | 17.0 | 24.1 | 15.6 |
| Operating cash flow | 68.3 | 55.5 | 6.7 | 6.1 | 54.9 |
| Total net financial debt[(5)] | 220.4 | 323.4 | 218.4 | 325.5 | 325.5 |

(1) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(2) We define EBITDA as net profit (loss) for the year adding back taxes on income, financial results, amortization and depreciation. We define Adjusted EBITDA as the net profit (loss) for the year adding back taxes on income, financial results, amortization and depreciation and non-recurring items, pension adjustments due to a change in the conversion rate of our Swiss pension scheme and depreciation on inventory (depreciation of the purchase price allocation of palladium). We believe that both EBITDA and Adjusted EBITDA are useful to investors in evaluating our operating performance and our ability to incur and service our indebtedness. EBITDA and Adjusted EBITDA are not a performance indicator recognized under IFRS. The EBITDA and the Adjusted EBITDA reported is not necessarily comparable to the performance figures published by other companies as EBITDA or Adjusted EBITDA or the like. You should exercise caution in comparing EBITDA and Adjusted EBITDA as reported by us to EBITDA or Adjusted EBITDA of other companies. For more information, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures*." The following table is a reconciliation of Net profit (loss) for the year to EBITDA and Adjusted EBITDA, as defined by us, for the periods presented:

| | Financial Year | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|
| | 2012[(a)] Restated | 2013 | 2013 | 2014 | 2014 |
| | | | in € million (unaudited) | | |
| **Net profit (loss) for the year** | **7.8** | **10.8** | **2.9** | **9.7** | **17.6** |
| Taxes on income | (2.0) | (3.4) | (3.1) | (3.0) | (3.3) |
| Financial results | (30.1) | (25.3) | (8.4) | (5.9) | (22.8) |
| **EBIT** | **39.9** | **39.6** | **14.5** | **18.7** | **43.8** |
| Amortization and depreciation | 52.0 | 51.0 | 12.8 | 12.6 | 50.8 |
| **EBITDA** | **92.0** | **90.6** | **27.2** | **31.3** | **94.7** |
| Non-recurring items[(b)] | 0.8 | 2.6 | 0.1 | 1.6 | 4.0 |
| Pension adjustments[(c)] | (8.8) | (1.2) | 0.0 | 0.0 | (1.2) |
| Depreciation on inventory[(d)] | 0.2 | 0.6 | 0.0 | 0.1 | 0.6 |
| **Adjusted EBITDA** | **84.2** | **92.5** | **27.3** | **32.9** | **98.1** |

(a) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(b) Non-recurring items in 2012 mainly relate to expenses incurred in connection with M&A activities regarding our JV in China. Non-recurring items in 2013 mainly relate to M&A projects, payment to departing management and restructuring costs at CABB AG relating to CABB100. Non- recurring items for the three-month period ended March 31, 2014 mainly relate to an increase of jubilee provisions for CABB OY.

(c) Pension adjustments reflect negative past service costs incurred at CABB AG due to the change of a parameter (conversion rate) in the calculation of pension benefits under the Swiss pension scheme.

(d) Depreciation on inventory reflects the depreciation of the purchase price allocation of palladium, which is the catalyst used in the production of MCA.

(3) Capital expenditures consist of payments for investments in tangible and intangible assets as well as payments made in the course of business combinations.

(4) Working capital is defined as inventories, trade receivables and other assets less trade payables and other payables.

(5) Total net financial debt represents bank loans, including financing costs, less cash and cash equivalents.

## Pro Forma Information

| | Twelve-Month Period ended March 31, 2014in € million (unaudited) |
|---|---|
| *Pro forma* net senior secured debt[(1)] | **362.5** |
| *Pro forma* net total debt[(2)] | **537.5** |
| *Pro forma* cash interest expense[(3)] | **34.5** |
| Ratio of *pro forma* net senior secured debt to Adjusted EBITDA | **3.7** |
| Ratio of *pro forma* net total debt to Adjusted EBITDA | **5.5** |
| Ratio of Adjusted EBITDA to *pro forma* cash interest expense | **2.8x** |

(1) *Pro forma* net senior secured debt consists of the Senior Secured Notes and local indebtedness (primarily at our Chinese and Indian joint ventures) less cash and cash equivalents. For purposes of this item, cash and cash equivalents are measured as of the Completion Date as set forth under "*Use of Proceeds*."

(2) *Pro forma* net total debt consists of the Senior Secured Notes, the Senior Notes and local indebtedness (primarily at our Chinese and Indian joint ventures) less cash and cash equivalents. For purposes of this item, cash and cash equivalents are measured as of the Completion Date as set forth under "*Use of Proceeds*."

(3) *Pro forma* cash interest expense reflects the estimated interest expense on the Notes for the twelve-month period ended March 31, 2014 as if the Transactions had occurred on April 1, 2013, based on the coupon of the Notes, assuming, with respect to the Floating Rate Senior Secured Notes, a constant EURIBOR rate for the twelve-month period ended March 31, 2014 based on the current spot three-month EURIBOR rate, plus the commitment fees relating to our New Revolving Credit Facility, which will be undrawn on the Issue Date. As adjusted total cash interest expense excludes charges related to allocated debt issuance costs and hedging costs. *Pro forma* cash interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period or our financial condition at any future date.

## RISK FACTORS

*An investment in the Notes involves a high degree of risk. In addition to the other information contained in this Offering Memorandum, you should carefully consider the following risk factors before purchasing the Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations. If any of the events described below were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment.*

*This Offering Memorandum also contains "forward-looking" statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum. Please see "Forward-Looking Statements."*

### Risks Related to Our Business and Industry

***We are dependent on a small number of customers for a significant portion of our sales.***

We derive a substantial portion of our sales from several large customers. For the year ended December 31, 2013, our top six customers in our Custom Manufacturing business unit accounted for approximately 77% of the business unit's total sales (of which the top two accounted for approximately 50% of the business unit's total sales) and our top ten customers in our Acetyls business unit accounted for approximately 46% of the total sales of the business unit. Our inability to maintain our customer relationships with key customers or otherwise retain their business at current levels could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may lose customers because of, among other things, industry consolidation, customer dissatisfaction, competition or our customers' products becoming obsolete. Our sales would be adversely affected if customers who currently outsource manufacturing of certain products to us decide to source such products internally or manufacture such products themselves. Since certain of our products are difficult and expensive to transport over long distances, if local or regional customers were no longer to buy such products, we may have difficulty finding replacement buyers, which could lead to a decrease in our sales.

Several of our key customers require us to undergo a manufacturer certification process for new products in connection with the registration they undergo when registering a new product or formulation. This may involve an inspection by the customer's own testing team of the product itself, focusing on quality testing, and of our manufacturing process by conducting plant audits. These manufacturer certifications are essential, because no sales to these customers can occur without such certifications. The testing is rigorous and can be time-consuming. We currently hold many certifications from key customers, but we cannot guarantee that we will not experience difficulty in obtaining new certifications as and when necessary. Failure to obtain such new certifications may result in the loss of such customers.

Any loss of, or significant reduction in demand from, one or more of our significant customers could have a material adverse effect on our business, financial condition and results of operations.

***Economic downturns or worsening global economic conditions may adversely impact our business, financial condition, results of operation and cash flows.***

Our business is affected by changes in the general economic conditions of the industries and market segments in which we sell our products, including, in particular, the agrochemicals, pharmaceutical, food, personal care and cosmetics industries. The agrochemicals industry is driven primarily by global trends, such as population growth resulting in increasing meat consumption, in particular in emerging markets, and requiring higher feed production to feed livestock, as well as the increased use of corn and sugarcane for biofuels. The pharmaceuticals industry is more directly affected by general economic conditions and real GDP. Changes in general economic conditions also directly impact consumer confidence and consumer spending as well as the general business climate and levels of business investment, all of which may directly affect our customers in the food, personal care, cosmetics and PVC industries. A global economic downturn may reduce demand for goods that incorporate our products and, in turn, our customers' demand for our products, which would negatively impact our sales and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***If we are unable to pass on increases in raw materials prices, or to retain or replace our key suppliers, our profitability may be negatively affected.***

Our profitability is to a significant extent a function of the relationship between the prices that we are able to charge for our products and the costs of the materials we require to make these products. Many of our current contracts with customers allow us to pass on much of any increase in the cost of key raw materials, energy and other inputs to those customers as part of the price of the products they purchase, although typically with a time lag of one to three months. When our current contracts with customers expire, we may not be able to negotiate new contracts that allow us to pass the costs of inputs on to our customers and this may have a material adverse effect on our business and results of operations.

We obtain a significant portion of our raw materials in our Acetyls business unit, namely acetic acid, acetic anhydride and chlorine, from a limited number of suppliers. In certain exceptional cases, such as where the supply of raw materials to our production site requires a specific infrastructure such as a pipeline, we may also depend on a single supplier. If any of our suppliers is unable to meet its obligations under present supply agreements, we may be forced to pay higher prices to obtain the necessary raw materials and may not be able to increase prices for our products. Therefore, volatility in raw material prices or interruptions in supply could place increased pressure on our margins and reduce our cash flows.

If we fail to maintain our relationships with our current suppliers, our suppliers offer pricing and other terms that are not satisfactory to us or a supplier fails to supply raw materials that meet our quality, quantity and cost requirements, we may be unable to fill our customers' orders on a timely and cost-effective basis or in the required quantities, which could result in order cancellations, decreased sales or loss of market share and damage to our reputation. Each of these factors could, in turn, have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Increased energy costs or disruptions in energy supplies could have a material adverse effect on our business, financial condition and results of operations.***

Our business is dependent on the steady supply of significant amounts of energy, in particular electricity for our electrolysis production processes. For the year ended December 31, 2013, our energy costs amounted to € 41.2 million, or 9.4% of our sales. Energy costs are affected by various factors, including the availability of supplies of particular sources of energy, energy prices and regulatory decisions. In particular, prices for oil, gas and electricity have been volatile in recent years. Such volatility may increase as a result of current political instability, such as the unrest currently occurring in Russia, the Ukraine, the Middle East and North Africa. In addition, electricity prices for industrial consumers in Germany and Switzerland are generally higher than in several neighbouring countries. Any significant increase in market prices, transportation costs, grid fees or taxes (including by reduction of tax benefits) associated with the supply of energy would increase our operating costs and, thus, may negatively affect our results of operations if we are not able to pass the increased costs on to our customers. Any inability or delay in passing on increases in energy costs to our customers or any interruption or shortage of energy supply may negatively impact our business, financial condition and results of operations.

***Our confidentiality agreements may not protect our proprietary know-how.***

The production process for chemicals is complex and requires significant technical expertise. We rely upon the unpatented proprietary nature of our processes and continuing technological innovation and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our and our customers' intellectual property, there can be no assurances that our confidentiality agreements will not be breached or that they will provide meaningful protection for our trade secrets or proprietary know-how, or that adequate remedies will be available in the event of an unauthorized use or disclosure of these trade secrets and know-how. Moreover, there can be no assurance that others will not obtain knowledge of these trade secrets and know-how through independent development or other access by legal means, which could adversely affect our business and results of operation.

***Changes in our customers' products can reduce the demand for our products.***

Our customers use our products for a broad range of applications. Changes in our customers' products or processes may result in our customers reducing the volume of products they outsource to us or otherwise purchase from us, or even make our products unnecessary. Customers may also find alternative chemicals or processes that no longer require our products. For example, should a customer decide to use a different active ingredient or intermediate due to price, performance or other considerations, we may not be able to supply a product that meets the customer's new requirements. We are often a sole supplier to our customers with respect to select key products. Consequently, the success of our products depends, to a significant extent, on the success of our customers' own products in the relevant

end-market. For example, if genetically modified organisms reduced or replaced the need for insecticides or other agrochemicals products, this could reduce demand for our customers' end-products and, in turn, demand for our active ingredients and other products. We are also dependent on our customers' continuous development of new products and need for our production and technical expertise. If our customers were to fail to develop new products for which they outsource the manufacturing to us or otherwise do not require our production facilities or production facility capacity, this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Our results of operations may be affected by our inability to meet our customers' requirements in terms of product quality or specifications.***

Our products may fail to meet our customers' expectations in terms of quality, performance or otherwise, which may result in reputational harm, customers reducing the volume of orders they place with us or having to replace products at our expense. As many of our products are critical to, or enhance the performance of, our customers' applications and products, our customers rely on us for providing them with products that meet the their specifications and quality requirements. Our quality control systems and in-process production controls provide for regular inspection of our products. However, there can be no assurance that our products will meet agreed specifications or quality requirements, will not contain impurities or be mistakenly co-mingled with other products (for example, due to mislabeling). If we fail to detect such quality deficiencies or otherwise deliver products which do not meet our customers' requirements, we may be required to deliver replacement products at our expense. Such failures could also result in reputational harm and customers' placing orders for lower volumes with us, which could also have an adverse effect on our business, financial condition, results of operations and cash flows.

***We are exposed to risks related to conducting operations in several different countries.***

We currently have manufacturing facilities located in Germany, Switzerland, Finland, India and China. Our operations in these countries, particularly in India and China, may be subject to the following risks: changes in the rate of economic growth; unsettled political or economic conditions; expropriation or other governmental actions; social unrest, war, terrorist activities or other armed conflict; bribery and corruption; national and regional labor strikes; confiscatory taxation or other adverse tax policies; deprivation of contract rights; trade regulations affecting production, pricing and marketing of products; reduced protection of intellectual property rights; restrictions on the repatriation of income or capital; exchange controls; inflation; currency fluctuations and devaluation; the effect of global environmental, health and safety issues on economic conditions, market opportunities and operating restrictions; and changes in financial policy and availability of credit. These factors could adversely affect our business, financial condition, results of operations and cash flows.

***We may be unable to implement our business strategies.***

Our future financial performance and success depend on our ability to implement our business strategies successfully. We continue to focus on cost reduction initiatives to optimize our asset base, improve operating efficiencies and generate cost savings. We cannot assure you that we will be able to successfully implement our business strategies or that implementing these strategies will sustain or improve, and not harm, our results of operations. In particular, we may not be able to increase our manufacturing efficiency or asset utilization or achieve other cost savings, such as the operational efficiency measures we are currently implementing in our German production facilities. In addition, the costs involved in implementing our strategies may be significantly greater than we currently anticipate. For example, our ability to complete capacity expansions in our production facilities in Europe and our construction of a new facility in China may be delayed or interrupted by the need to obtain environmental and other regulatory approvals, the availability of labor and materials, unforeseen hazards, such as weather conditions, and other risks customarily associated with construction projects. Moreover, the capital expenditure that we estimate for use in such capacity expansion projects may be insufficient to the cover the actual cost. We may experience cost overruns, and the cost of capacity expansion projects could have a negative impact on our financial results until capacity utilization is sufficiently high to absorb the incremental costs associated with the expansion.

Our business strategies, in particular our production capacity expansion plans, are based on assumptions about future demand for our products and on our ability to optimize utilization of our existing and future production facilities. We cannot guarantee that we will be able to implement our strategy of optimizing utilization of assets in accordance with our plans or at all. For example, the frequency and length of facility maintenance and turnarounds (scheduled outages of a production facility in order to perform necessary inspections, tests to comply with industry regulations and any maintenance activities that may be necessary) and unplanned outages have had, and may in the future have, an impact on our operating results, even if such outages are covered by insurance. Any failure to develop, revise or implement our business strategies in a timely and effective manner may adversely affect our business, financial condition, results of operations and cash flows.

***Competition in our markets may adversely affect our market share, margins and overall profitability.***

Our industry is competitive, and we face significant competition from large international producers as well as smaller regional competitors. We also face competition from potential new entrants in our markets, such as PCC Rokita in Poland, which has announced its intention to enter the European MCA market and operate production capacity of 42 kt by 2015 and which could lead to increased supply in the market and downward pressure on prices if PCC Rokita is able to meet its expected capacity levels by such date. Competition is based on several key criteria, including technology and technological capabilities, product quality and performance, price, geography and security of supply and responsiveness to product development in cooperation with customers. Some of our competitors are larger than we are, may have greater financial resources and may also be able to maintain significantly greater operating and financial flexibility than we do. As a result, these competitors may be better able to withstand changes in conditions within our industry, fluctuations in the prices of raw materials and energy and changes in general economic conditions. Additionally, competitors' pricing decisions could compel us to lower our prices, which could adversely affect our sales, margins and profitability. Our ability to maintain or increase our profitability is, and will continue to be, dependent upon our ability to offset decreases in the prices and margins of our products by improving production efficiency and volume, focusing on higher margin chemical products and improving efficiency of operations through innovation. If we are unable to do so or to otherwise maintain our competitive position, we could lose market share to our competitors.

***Our operations are subject to hazards which could result in significant disruptions and liability to us.***

The hazards and risks of disruption associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes exist in our operations and the operations of other occupants with whom we share manufacturing sites, including suppliers. These potential risks of disruption include, but are not necessarily limited to:

- pipeline and storage tank leaks and ruptures;
- explosions and fires;
- inclement weather and natural disasters;
- terrorist attacks;
- failure of mechanical, process safety and pollution control equipment;
- chemical spills and other discharges or releases of toxic or hazardous substances or gases; and
- exposure to toxic chemicals.

These hazards could expose employees, customers, the community and others to toxic chemicals and other hazards, contaminate the environment, damage property, result in personal injury or death, lead to an interruption or suspension of operations, damage our reputation and adversely affect the productivity and profitability of a particular manufacturing facility or our business operations as a whole, and result in the need for remediation, governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties. Legal claims and regulatory actions could subject us to both civil and criminal penalties, which could affect our product sales, reputation and profitability. We have comprehensive environmental, health and safety compliance and management systems to prevent potential risks and emergency response and crisis management plans in place to mitigate potential risks.

If disruptions occur, alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take significant time to start production. Each of these scenarios could materially adversely affect our business and financial performance. If any of our production facilities is unable to manufacture our products for an extended period of time, our sales may decline due to the disruption and we may not be able to manufacture sufficient volumes of products to meet our customers' needs, which could cause them to seek other suppliers. Furthermore, to the extent a disruption occurs at a production facility that has been operating at or near full capacity, the resulting shortage of our product could be particularly harmful because production at the facility may not be able to reach levels achieved prior to the disruption.

***We rely on third parties for the performance of transportation and logistical services.***

We rely on third party service providers for certain aspects of our business, particularly the transport and distribution of our products to our customers. Our ability to provide our products to our customers depends on our ability

to negotiate reasonable terms with carriers, including railroad, trucking and shipping companies. To the extent that our third party carriers increase their rates, including to reflect higher fuel, maintenance, labor or other costs due to increased regulation, taxation or otherwise, we may not be able to pass on such increases to our customers in a timely manner or at all. Any material increases in our transport and distribution costs that we are unable to pass on to customers could have an adverse effect on our business, financial condition or results of operation.

***Seasonal fluctuations may impact our sales and cash flows.***

Our results of operations for the first and fourth quarters of the year are generally stronger than our results of operation for the second and third quarters of the year, primarily due to seasonal factors in demand from our agrochemicals customers. We typically experience an increase in product orders and production levels in the third quarter of the year in order to meet the stronger demand in the fourth quarter of the year and first quarter of the following year in line with increased demand for agrochemicals products in the Northern Hemisphere each spring prior to the growing season. In addition, we and other chemical companies, including certain of our suppliers and customers, generally schedule repairs of machinery and production facility turnarounds (scheduled shutdowns of production units or facilities for maintenance) in the summer months, which may result in lower sales in the second and third quarters relative to the first and fourth quarters of a given year.

***Our competitive position and future prospects depend on our senior management's experience and expertise and our ability to recruit and retain qualified personnel.***

The unanticipated departure of any key member of our senior management team could have an adverse effect on our business. In addition, because of the specialized and technical nature of our business, our future performance is dependent on the continued service of, and on our ability to attract and retain, qualified management, scientific, technical, marketing and support personnel. Competition for such personnel is intense, and we may be unable to continue to attract or retain such personnel. If we are unable to retain key personnel or attract new skilled personnel, it could have an adverse effect on our business.

***We depend on good relations with our workforce, and any significant disruption could adversely affect us.***

As of March 31, 2014, we employed 1,112 employees in our operations around the world. The countries in which we operate provide various protections and collective bargaining or other rights to employees. These protections and rights may require us to expend greater time and costs in altering or amending employees' terms of employment or making headcount reductions. For example, certain employees in Germany and Finland are represented by trade unions and works councils which generally must approve changes in conditions of employment, including salaries and benefits. A labor disturbance or work stoppage at any of our facilities as a result of any changes to our employment terms and conditions or for any other reason could have a material adverse effect on that facility's operations and, potentially, on our business, financial condition and results of operations.

***If we are sued for infringing intellectual property rights of third parties, it may be costly and time consuming, and an unfavorable outcome in any litigation could harm our business.***

We cannot assure you that our activities will not, unintentionally or otherwise, infringe on the patents or other intellectual property rights owned by others. We may spend significant time and effort and incur significant litigation costs if we are required to defend ourselves against intellectual property rights claims brought against us, regardless of whether the claims have merit, and such claims and defense may require significant management time and attention that would otherwise be devoted to our business operations. If we are found to have infringed on the patents or other intellectual property rights of others, we may be subject to substantial claims for damages, which could materially adversely affect our business, financial condition and results of operations. We may also be required to cease development, use or sale of the relevant products or processes, or we may be required to obtain a license on the disputed rights, which may not be available on commercially reasonable terms, if at all.

***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and it may be difficult to obtain replacement insurance on acceptable terms or at all.***

Due to the nature of the chemicals industry, chemical companies and their operations are generally difficult and expensive to insure. Our production facilities, equipment and other assets are insured for property damage and business interruption risks. We believe these insurance policies are generally in accordance with customary industry practices, including with respect to deductibles and limits of cover, but we cannot be fully insured against all potential hazards incident to our business, including losses resulting from global conflicts or terrorist acts, certain natural catastrophes, environmental risks or other potential losses. Furthermore, there can be no assurance that any claim under our insurance policies will be honored fully or timely, our insurance coverage will be sufficient in any respect or our insurance premiums will not increase substantially. If we were to incur a significant liability for which we were not fully insured, or

if premiums for certain insurance policies were to increase substantially as a result of any incidents for which we are insured, our business, financial condition and results of operations could be materially adversely affected.

***Future acquisitions may prove difficult for us to consummate.***

We have a history of making and integrating acquisitions, such as our operations in Switzerland in 2007, India in 2008 and Finland in 2011, and in the future we may acquire companies or assets engaged in similar or complementary businesses to our own. Restrictions in the New Revolving Credit Facility Agreement and the Indentures may preclude us from or limit our ability to make certain acquisitions. Further, we may use debt financing for any permitted acquisitions, which would increase our debt service requirements. If making acquisitions or integrating any acquired business diverts too much management attention from the existing operations, this could adversely affect our business and results of operations. Any acquisition that we make could be subject to a number of risks, including problems with effective integration of operations; the inability to maintain key pre-acquisition business relationships; increased operating costs; costs related to achieving or maintaining compliance with laws, rules or regulations; costs related to post-closing asset impairment charges and expenses associated with eliminating duplicate facilities; the loss of key employees of the acquired company; exposure to unanticipated liabilities and unidentified loss contingencies; and difficulties in realizing projected efficiencies, synergies and cost savings.

We cannot assure you that any acquisition we consummate will ultimately provide the benefits we originally anticipate. Furthermore, we may not succeed in identifying attractive acquisition candidates or financing and completing potential acquisitions on favorable terms.

***We may fail to realize anticipated benefits from joint ventures.***

We have made, and may continue to make, investments and enter into joint ventures. For example, we recently established a joint venture with Jining Jinwei Gold Power, a state-owned enterprise, to serve the market in northern China and serve as a platform for further growth in China. We have a 67% interest in the joint venture with Jining Jinwei Gold Power. The success of joint ventures or arrangements with third parties is not always predictable, and we may not realize our anticipated objectives or benefits. Such arrangements may require significant initial expenditures as well as ongoing expenditures for modernization and expansion. Furthermore, the ability to receive dividends, royalties and other payments from joint ventures depends not only on the joint venture's cash flows and profits, but also upon the terms of the joint venture agreement with our partner. Conflicts with joint venture partners may lead to deadlock and may result in our inability to pursue our desired strategy or exit the joint venture on advantageous terms. In addition, sales or transfers of our interests in joint ventures may be subject to the written approval of the joint venture partner, rights of first offer and, in the case of our joint venture with Jining Jinwei Gold Power, to the approval of certain Chinese regulatory authorities. Furthermore, the bankruptcy, insolvency or severe financial distress of a joint venture partner could adversely affect the joint venture.

***We may be subject to information technology systems failures, network disruptions and breaches of data security.***

Our information technology systems are an important element for effectively operating our business. Information technology systems failures, including risks associated with upgrading our systems, network disruptions and breaches of data security could disrupt our operations by impeding our processing of transactions, our ability to protect customer or company information and our financial reporting, leading to increased costs. It is possible that future technological developments could adversely affect the functionality of our computer systems and require further action, which could require us to spend substantial funds to prevent or repair computer malfunctions. Our computer systems, including our back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods and/or errors by our employees. Although we have taken steps to address these concerns by implementing network security, back-up systems and internal control measures, there can be no assurance that a system failure or data security breach will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We may be required to increase our pension fund contributions.***

We have pension commitments to our existing and some of our former employees. These commitments are partially covered by a pension scheme, by pension funds, special purpose funds and insurance policies. The amount of obligations is based on certain actuarial assumptions, including discount factors, life expectancy, pension trends and future salary development as well as expected interest rates applicable to the applicable plan, scheme or fund assets. If the actual results deviate from these assumptions, this could result in a considerable increase of the pension commitments and thus to higher allocations to pension reserves in future years and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Our tax burden could increase as a result of future tax audits and potential changes in applicable tax laws and regulations.***

We are subject to routine tax audits by local tax authorities in the countries in which we operate. Future tax audits may result in additional tax and interest payments, which would negatively affect our financial condition and results of operation. Changes in fiscal regulations or the interpretation of tax laws by the courts or the tax authorities in the foreign jurisdictions in which we conduct our business may also have negative consequences. In addition, tax authorities may, to some extent, not accept the deductibility of interest payments, claiming among other aspects, that limitation under interest ceiling rules or transfer pricing rules apply. In such event, we may face additional tax payments becoming due in tax audits or in the process of tax assessments. Any additional tax payments could have a material adverse effect on our business, financial condition and results of operations.

***We are exposed to currency fluctuation risks in several different countries that could adversely affect our profitability.***

Our results of operations may be affected by transaction effects and translation effects of foreign currency exchange rate fluctuations. We are exposed to transaction effects when one of our subsidiaries incurs costs or generates sales in a currency different from its functional currency. Fluctuations in exchange rates may also affect the relative competitive position of our production facilities, as well as our ability to market our products successfully in other markets. We are exposed to currency fluctuations when we convert currencies that we may receive for our products into currencies required to pay our debt, or into currencies in which we purchase raw materials, meet our fixed costs or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. Certain of our sales are invoiced in currencies other than the euro, namely Swiss francs and U.S. dollars, while our consolidated sales are reported in euro. If the value of the euro declines against currencies in which our obligations are denominated or increases against currencies in which our sales are denominated, our results of operations and financial condition could be adversely affected.

**Risks Related to the Industry in Which We Operate**

***We are subject to stringent environmental, health and safety laws and regulations across multiple jurisdictions. We are highly regulated and may incur significant costs to maintain compliance with, or address liabilities under, environmental, health and safety laws and regulations applicable to our business.***

Like other chemical producers, we are subject to increasingly stringent environmental laws and regulations in all of the jurisdictions in which we operate, including those governing licenses and permits, air emissions, energy efficiency, water discharge, the use, management, storage, treatment, transportation and disposal of waste and other materials, the protection and restoration of plants, wildlife, natural resources and public health and safety, the investigation and remediation of contaminated land, and worker and product related health and safety, as well as numerous related reporting and record keeping requirements. See "*Regulation, Environmental, Health and Safety Matters*".

In addition, we are required to comply with environmental, health and safety laws and regulations in relation to our production and distribution processes, and the relevant regulatory authorities carry out regular inspections to ascertain our compliance with applicable laws, regulations and permits. The demands of compliance may require us to incur substantial costs, including capital requirements, cleanup costs, fines or penalties, and/or may restrict our ability to conduct our operations or to do so profitably, and, therefore, could have a material adverse effect on our business and results of operations. Failure to comply with applicable laws and regulations may also lead to public reprimand, fines or other sanctions, loss of sales and damage to our goodwill and reputation.

Further, such laws and regulations are subject to change, often become stricter with time, and may result in substantial additional future compliance costs. We cannot assure you that our costs of complying with current and future environmental health and safety laws, and our liabilities arising from past or future releases of, or exposure to, hazardous substances will not materially adversely affect our business, results of operations or financial condition.

For example, in January 2011, the European Directive No. 2010/75/EC on industrial emissions ("***IED Directive***") came into force which sets out rules on the prevention and control of pollution from industrial activities and includes rules aimed at reducing emissions into air, water and land, as well as preventing the generation of waste in order to achieve a high level of overall environmental protection. Although the IED Directive and its implementation provide transitional provisions, once a new industry standard becomes binding, existing permits, which are not in compliance with such standard will usually become invalid. We have in the past incurred, and will in the future incur, significant cost for capital and operating expenditures to obtain and maintain necessary permits. However, we cannot ensure that we will also in the future be able to obtain and finance all permits which we require for our business operations. Any such failure or any violation of the terms and conditions of such permits or revocation of existing permits could have a material adverse effect on our business, financial condition and results of operations.

***Compliance with increasing regulatory requirements concerning the testing, labeling, registration and safety analysis of our products may result in significant additional costs for us or may reduce or eliminate the availability and/or marketability of some of the raw materials we use or of our products. Our inability to maintain our existing classification registration in member states of the European Union under the REACH legislation or in other countries that introduce comparable legislation may affect our ability to manufacture and sell certain products.***

To operate a chemical manufacturing business and to sale and distribute chemical products involves safety health and environmental risks. As part of our business, we store, handle, transport and use certain substances or components that may be considered toxic or hazardous. If operational risks, such as fires, leaks, releases and explosions, materialize, they could result in injury or loss of life, damage to the environment or loss of production. This may in turn make it difficult to meet customer needs and, therefore, may have material adverse effect on our business, financial condition, results of operations and cash flows.

We must comply with a broad range of regulations related to the testing, manufacturing, registration, labeling and safety analysis of our products or the products of our suppliers. In some countries, including the Member States of the European Union, these types of regulatory controls and restrictions have become increasingly demanding and we expect this trend to continue.

For example, our products and raw materials produced or imported into the European Union are subject to extensive environmental and industrial hygiene regulations governing the registration and safety analysis of the substances contained in them. The European Union Regulation on the Registration, Evaluation and Authorization of Chemicals (Regulation (EC) No. 1907/2006), ("**REACH**"), imposes significant obligations on the chemicals industry as a whole with respect to the testing, evaluation, assessment and registration of basic chemicals and chemical intermediates. The processes of registration are expensive and time consuming and lead to increased production costs and reduced operating margins for chemical products.

We also cannot exclude with certainty that the European Chemicals Agency ("**ECHA**") may not designate some of our other products as "substances of very high concern" and thereby require authorization and a strict safety evaluation for them under the REACH regulation.

Moreover, under the Biocidal Products Regulation (EU) No. 528/2012 we have to apply for approval of active substances at ECHA and for product authorization before placing a biocidal product on the market. In connection with the EU's REACH regulation or the new EU Classification, Labeling and Packaging Regulation (Regulation (EC) No. 1272/2008), some key raw materials, chemical or substance, including our products, could be reclassified as having a toxicological or health-related impact on the environment, on users of our products, or on our employees.

Any such laws or regulations that have been adopted or may be adopted in future could negatively affect the availability or marketability of the raw materials or products we use, result in a restriction or ban on their purchase or sale, or require us to incur increased costs to comply with notification labelling or handling requirements. Because some of these regulations have only recently been enacted or proposed, we are not in a position to predict with certainty their expected cost impact with specificity. In addition, as some of our products are sold into markets in which the correct classification is of the essence for the legal regime applicable to those substances, we cannot exclude that competent authorities or third parties could question or contest our classification. Any of these factors could materially adversely affect our business, financial condition and results of operations.

***We may be liable for site remediation or other environmental matters.***

Some of our production sites have a long history of industrial chemical processing, storage and related activities. Although we are not aware of any material outstanding site remediation or environmental cleanup obligations for CABB, we could incur significant additional monitoring and/or cleanup costs as a result of additional contamination discovered in the future. Moreover, CABB may also be liable for damages caused by one or more of its legal predecessors or related to assets acquired by it or them. Such discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate soil or groundwater contamination, at our facilities could result in substantial unanticipated cost to us.

***The emission of carbon dioxide is subject to a constantly developing body of laws and regulatory requirements addressing the challenges of global climate change by reducing emissions, promoting higher efficiency in the use of energy from conventional sources and increasing the use of energy from renewable sources. Changes in the law or the price of emission allowances may affect our business.***

In the European Union, regulations attempt to both reduce greenhouse gas emissions and to establish a mechanism for trading in carbon dioxide emission allowances. For the carbon dioxide emission allowances trading period which commenced in 2013, the quantity of emission allowances allocated each year under the EU Emission

Trading System ("**ETS**") was reduced annually as compared to the average annual total quantity of emission allowances issued in the European Union in previous years. In addition, since January 2013, a full auctioning of emission allowances has been gradually introduced for the manufacturing sector by reducing the allocation of emission allowances free of charge from 80% in 2013 to 30% in 2020 and to 0% in 2027.

Although we have not been required to date to acquire emission allowances for our covered operations, as the amount of our emissions does not exceed the thresholds that cause the applicability of the ETS, we cannot predict with certainty whether those thresholds may not be decreased and/or what applicable thresholds in the future may be. If we were required in the future to purchase emission allowances in the amount required for our production purposes, it could have material adverse effect on our business, financial condition and results of operations.

***Risks related to EEG-Surcharges***

The German Renewable Energies Act (*Erneuerbare-Energiengesetz,* "**EEG**") grants a feed-in-tariff, which is an above-market payment to the producers of energy generated from renewable sources. These payments are balanced by a levy that is imposed on the consumers of energy ("**EEG-levy**").

As we qualify as energy intensive industry under the EEG, our German sites currently benefit from exemptions from the EEG-levy. Although we expect to continue to benefit from this exemption also after entering into force of the proposed amendment to the EEG later in 2014, the detailed difference to the current system is not known at present. Therefore, it remains uncertain whether we may have to pay the full EEG-levy in the future. This would lead to additional expenses which would adversely affect our business, results of operations and cash flows.

***Changes in the agricultural and certain other policies of governments and international organizations may adversely impact the agrochemicals industry and prove unfavorable to us.***

The policies of governments and international organizations affect the income available to growers to purchase products used in agricultural production, including agrochemicals products. In subsidized markets such as the United States, the European Union and certain markets in Asia including Japan, reduction of subsidies to growers may inhibit the growth of markets for products used in agriculture. In each of these areas there are various pressures to reduce subsidies. In addition, changes in governmental policies that impact agriculture, for example, the US government policy on renewable fuels, may similarly inhibit the growth of markets for products used in agriculture. Should such changes occur, we may experience decreased demand for our products, which would adversely affect our results of operations.

**Risks Related to the Transaction**

***The Acquisition is subject to uncertainties and risks.***

On April 17, 2014, BidCo entered into the Acquisition Agreement with the Seller to acquire all of the shares in, and the Shareholder Loan granted to, CABB International GmbH. Under German law, it is generally not possible to confirm title to shares in a limited liability company (*Gesellschaft mit beschränkter Haftung*) such as CABB International GmbH with absolute certainty. Except in limited circumstances, there is no bona fide transfer of title to shares in a limited liability company. Therefore, if the Seller does not hold valid title in the shares in CABB International GmbH, BidCo does not acquire title. While the Acquisition Agreement contains customary representations of the Seller as to its title to the shares and title to the shares of CABB International GmbH's subsidiaries, we cannot assure you that the Seller holds unrestricted title to the shares sold under the Acquisition Agreement and CABB International GmbH (directly or indirectly) holds unrestricted title to the shares in all of its subsidiaries. Given the Acquisition Agreement does not provide for any material security for claims of BidCo against the Seller, we may not be able to recover damages from the Seller in case of a defect of title. There can be no assurances regarding the financial condition of the Seller in the future, in particular given the Seller is a holding company which may be liquidated following the consummation of the Acquisition.

The completion of the Acquisition, pursuant to the terms of the Acquisition Agreement promptly following the escrow release, is one of the conditions to release of the proceeds from the Offerings of the Notes from escrow and the completion of the Acquisition pursuant to the Acquisition Agreement is itself subject to the satisfaction of certain conditions precedent relating to the receipt of approvals from the applicable regulatory authorities of the European Union and Switzerland. We will not consummate the Acquisition until the completion of the merger clearance process. While we expect this to occur in June 2014, it may, in exceptional circumstances, occur significantly later. If the Acquisition is not completed for any reason on or prior to October 1, 2014 and, as a result, the proceeds from the sale of the Notes to be held in escrow are not released, each of the Issuers will be required to redeem the Notes pursuant to the terms of the special mandatory redemption provided under the relevant Indenture, and you may not obtain the investment return you expect on the Notes. See "Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption" and "Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption".

Furthermore, we currently expect to take certain steps to amend our group structure following the Completion Date, including the merger of CABB International GmbH and CABB Holding GmbH into BidCo as well as the formation of Swedish Newco. See "*Summary—Summary Corporate and Financing Structure*". However, we have no obligation to pursue such restructuring steps under the Indentures. Following the consummation of the Acquisition, we may decide not to take these actions, or we may decide to make other changes to our group structure which are permitted under the terms of the Indentures, the New Revolving Credit Facility Agreement and the Intercreditor Agreement.

***The Issuers do not currently control the CABB Group and will not control the CABB Group until completion of the Acquisition.***

The CABB Group is currently controlled by the Seller. The Issuers will not obtain control of the CABB Group until completion of the Acquisition. We cannot assure you that the Seller will operate the business during the interim period in the same way that the Issuers would and we cannot assure you that, following the Completion Date, the Issuers will operate the business in the same way that the Seller has operated the business in the past. The historical and forward looking information relating to CABB in this Offering Memorandum, has been provided to the Issuers by the CABB Group's management, and the Issuers have relied on such information in its preparation. Further, the Transactions themselves have required, and will likely continue to require, substantial amounts of management's time and focus, which could adversely affect their ability to operate the business. Likewise, other employees may be uncomfortable with the Transactions or feel otherwise affected by it, which could have an impact on work quality and retention.

In addition, prior to the Completion Date, the CABB Group will not be subject to the covenants described in "Description of the Senior Secured Notes" and "Description of the Senior Notes", which are to be included in the respective Indentures. As such, we cannot assure you that, prior to such date, the CABB Group will not take an action that would otherwise have been prohibited by the Senior Secured Notes Indenture and/or the Senior Notes Indenture had those covenants been applicable to those entities.

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

The gross proceeds from the Offering of the Notes will be held in segregated escrow accounts pending the satisfaction of certain conditions, some of which are outside of our control. If the consummation of the Acquisition does not occur on or before October 1, 2014, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption as described in "Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption" and "Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption" and you may not obtain the return you expect to receive on the Notes.

Your decision to invest in the Notes is made at the time of purchase. Changes in our business or financial condition, or the terms of the Acquisition or the financing thereof, between the closing of this offering and the Completion Date, will have no effect on your rights as a purchaser of the Notes.

***We may not be able to enforce claims with respect to the representations and warranties that the Seller has provided to us under the Acquisition Agreement.***

In connection with the Acquisition, the Seller has given certain customary representations and warranties related to their shares, the CABB Group and the business of the CABB Group under the Acquisition Agreement. There can be no assurance that we will be able to enforce any claims against the Seller relating to breaches of such representations and warranties. The Seller's liability with respect to breaches of its representations and warranties under the Acquisition Agreement is limited. Moreover, even if we ultimately succeed in recovering any amounts from the Seller or our insurance provider, we may temporarily be required to bear these losses ourselves.

***The CABB Group may have liabilities that are not known to us.***

The CABB Group will be acquired with certain liabilities, including certain pension liabilities and certain tax liabilities. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the CABB Group. Any such undiscovered liabilities of the CABB Group, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. In addition, such liabilities may not be recoverable against the representations and warranties given by the Seller under the Acquisition Agreement. As we integrate the CABB Group, we may learn additional information about the CABB Group that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws.

**Risks Related to Our Financial Profile**

***Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Notes Guarantees.***

After the issuance of the Notes, we will be highly leveraged. As of March 31, 2014, on a *pro forma* basis after giving effect to the Transactions and the application of the proceeds therefrom, we would have total financial indebtedness of €587.5 million. See "*Capitalization*".

The degree to which we will be leveraged following the issuance of the Notes could have important consequences to Holders of the Notes offered hereby, including, but not limited to:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- making us vulnerable to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

***Despite our substantial leverage, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our business.***

The terms of the Senior Secured Notes Indenture and the Senior Notes Indenture will permit the Senior Notes Issuer and its restricted subsidiaries to incur substantial indebtedness, including in respect of committed borrowings of up to €100.0 million under the New Revolving Credit Facility. We may incur substantial additional debt in the future, some of which may rank pari passu with the Notes and the Notes Guarantees, be structurally senior to the Notes and the Notes Guarantees, or be secured by assets that do not form part of the Collateral for the Notes and the Notes Guarantees. Any such additional indebtedness could also mature prior to the Notes. We may also enter into a qualified receivables financing program which will allow us to pledge our receivables and release any security interests in respect of such receivables. Although the New Revolving Credit Facility Agreement and the Indentures will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, the New Revolving Credit Facility Agreement and the Indentures will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Furthermore, if we are able to designate some of our restricted subsidiaries under the Indenture as unrestricted subsidiaries, those unrestricted subsidiaries would be permitted to borrow beyond the limitations specified in the Indentures and engage in other activities in which Restricted Subsidiaries may not engage. See "*Description of the Senior Secured Notes*", "*Description of the Senior Notes*" and "*Description of Certain Financing Arrangements—New Revolving Credit Facility Agreement*". If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase.

***We are subject to restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities.***

Each of the Senior Secured Notes Indenture and the Senior Notes Indenture will restrict, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;

- make certain payments, including dividends or other distributions, with respect to the shares of such entity;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to such entity;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities; and
- impair the security interest for the benefit of the holders of the relevant Notes.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain Covenants*" and "*Description of the Senior Notes—Certain Covenants*". Despite these exceptions and qualifications, the covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, we will be subject to the affirmative and negative covenants contained in the New Revolving Credit Facility Agreement. A breach of any of those covenants or the occurrence of certain specified events will, subject to applicable cure periods and other limitations, result in an event of default under the New Revolving Credit Facility Agreement. Upon the occurrence of any event of default under the New Revolving Credit Facility Agreement, the Majority Lenders (being, subject to certain limitations, lenders under the New Revolving Credit Facility Agreement whose commitments thereunder aggregate at least $66^{2}/_{3}$% of the total commitments thereunder) could, while such event of default remains unremedied or unwaived, cancel the availability of the New Revolving Credit Facility Agreement and elect to declare all amounts outstanding under the New Revolving Credit Facility Agreement, together with accrued interest, immediately due and payable. In addition, a default or event of default under the New Revolving Credit Facility Agreement could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Senior Secured Notes Indenture and the Senior Notes Indenture. If our creditors, including the creditors under the New Revolving Credit Facility Agreement, accelerate the payment of amounts owing to them under such other debt instruments, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Senior Secured Notes or the Senior Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any security interests granted to them to secure repayment of those amounts.

***We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to meet our obligations under our indebtedness, which may not be successful.***

We are highly leveraged and have significant debt service obligations. Our ability to make principal or interest payments when due on our indebtedness, including the New Revolving Credit Facility and our obligations under the Senior Secured Notes and the Senior Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors, many of which are beyond our control. See "*Risk Factors*." Our New Revolving Credit Facility will mature in 2020. The Senior Secured Notes will mature in 2021 and the Senior Notes will mature in 2022. See "*Description of Certain Financing Arrangements*," "*Description of the Senior Secured Notes*" and "*Description of the Senior Notes*." At the maturity of loans outstanding under the Revolving Credit Facility, the Senior Secured Notes, the Senior Notes and any other debt which we incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, or we are otherwise restricted from doing so due to corporate, tax or contractual limitations, we may be required to refinance our indebtedness. If we are unable to refinance all or a portion of our indebtedness or obtain such refinancing on terms acceptable to us, we may be forced to reduce or delay our business obligations, activities or capital expenditures, sell assets, raise additional debt or equity financing in amounts that could be substantial, or restructure or refinance all or a portion of our debt, including the Notes, on or before maturity. We cannot guarantee that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all, or that those actions would secure sufficient funds to meet our obligations under our indebtedness.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time as well as on many factors outside of our control, including then prevailing conditions in the international

credit and capital markets. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants. The terms of existing or future debt instruments and the Indentures and the New Revolving Credit Facility Agreement may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

In the absence of operating results and resources sufficient to service our indebtedness we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our indebtedness, including the terms of the Indenture and the New Revolving Credit Facility Agreement, restrict our ability to transfer or sell assets and the use of proceeds from any such disposal. We may not be able to carry out certain disposals or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our debt service obligations.

***The Floating Rate Senior Secured Notes and drawings under the New Revolving Credit Facility Agreement will bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.***

The Floating Rate Senior Secured Notes and drawings under the New Revolving Credit Facility Agreement will bear interest at floating rates of interest *per annum* equal to LIBOR (or in relation to advances in euro, EURIBOR), *as adjusted* periodically, plus a spread. These interest rates could rise significantly in the future. Although we may enter into certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. To the extent that interest rates or any drawings were to increase significantly, our interest expense would correspondingly increase, reducing our cash flow.

**Risks Related to the Notes**

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

The Senior Secured Notes and the Senior Secured Notes Guarantees will be secured initially on a first-priority basis by the same Collateral securing the obligations under the New Revolving Credit Facility Agreement, any Credit Facility and certain hedging liabilities, and with respect to certain Collateral, the Senior Notes (on a second-priority basis). In addition, under the terms of the Indentures, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral on a *pari passu* or on a super priority basis.

Pursuant to the Intercreditor Agreement, lenders under the New Revolving Credit Facility Agreement, providers of certain additional indebtedness, certain hedging obligations, the Security Agent, any receiver and certain creditor representatives are entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale in priority to the Senior Secured Notes. As such, in the event of a foreclosure of the Collateral, you may not be able to recover on the Collateral if the aggregate of the then outstanding claims under super senior indebtedness are greater than or equal to the proceeds realized. Any proceeds from an enforcement sale of the Collateral by any creditor will, after all obligations under super senior indebtedness have been discharged from such recoveries, be applied *pro rata* in repayment of the Senior Secured Notes, any other obligations secured by the Collateral which are permitted to rank *pari passu* with the Senior Secured Notes and certain hedging obligations that do not rank on a "super-senior" basis.

The Intercreditor Agreement provides that a common Security Agent, who will also serve as the security agent for the lenders under the New Revolving Credit Facility Agreement, the hedging obligations which are permitted by the Senior Secured Notes Indenture to be secured on the Collateral, and any additional debt secured by the Collateral permitted to be incurred by the Senior Secured Notes Indenture, will act only as provided for in the Intercreditor Agreement. The Intercreditor Agreement regulates the ability of the Trustee or the holders of the Senior Secured Notes to instruct the Security Agent to take enforcement action. The Security Agent is not required to take enforcement action unless instructed to do so by an Instructing Group (as defined below under—"*Description of Certain Financing Arrangements—Intercreditor Agreement*") that comprises (i) creditors holding in aggregate more than $66^2/_3\%$ of the aggregate commitments under the New Revolving Credit Facility, the aggregate commitments under any super senior Credit Facility and the aggregate of hedging exposures under certain priority hedging obligations (the "**Majority Super Senior Creditors**") and (ii) creditors holding in aggregate more than 50% of the outstanding principal amount of the Senior Secured Notes and the outstanding principal amount of any indebtedness ranking *pari passu* with the Senior Secured Notes (the "**Majority Senior Secured Creditors**") (in each case acting through their respective creditor representative). If, however, before the discharge of all super senior obligations, the Security Agent has received conflicting enforcement instructions from the creditor representatives (and for these purposes, silence is deemed to be a conflicting instruction) then, to the extent the instructions from the Majority Senior Secured Creditors (to the extent given) comply with the initial consultation requirements and the security enforcement principles set forth in the Intercreditor Agreement (one of which states that the primary and overriding objective of an enforcement of security over

the Collateral is the maximization, so far as is consistent with prompt and expeditious realization of value, of recoveries by the Super Senior Creditors and the Senior Secured Creditors (each as defined below under—"*Description of Certain Financing Arrangements—Intercreditor Agreement*")), the Security Agent will comply with the instructions from the Majority Senior Secured Creditors, provided that if the super senior liabilities have not been fully discharged within six months, or no enforcement action has occurred within three months of the date on which the first such enforcement instructions were first issued, then the instructions of the Majority Super Senior Creditors will prevail. To the extent we incur additional indebtedness that is secured on a *pari passu* basis with the Senior Secured Notes, your voting interest in an instructing group will be diluted commensurately with the amount of indebtedness we incur.

The lenders under our super senior indebtedness may have interests that are different from the interests of holders of the Senior Secured Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies in respect of the Collateral at a time when it would be disadvantageous for the holders of the Senior Secured Notes to do so.

In addition, if the Security Agent sells Collateral comprising the shares of the Senior Secured Notes Issuer or any of its holding companies or subsidiaries as a result of an enforcement action or other distressed disposal in accordance with the Intercreditor Agreement, claims under the Senior Secured Notes Guarantees against, and the liens over any other assets of, such entities and any subsidiaries of such entity securing the Senior Secured Notes and the Senior Secured Notes Guarantees may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Senior Secured Notes—Security—Release of Liens*".

***Certain collateral will not initially secure the Notes.***

As of the Issue Date, the Notes and the Issue Date Guarantees will be secured by the Issue Date Collateral. In connection with the release of the proceeds of the Notes from escrow on the Completion Date and pursuant to the terms of the Indentures, we will be required to take such necessary actions so that, consistent with the New Revolving Credit Facility Agreement, on the Completion Date (or, in any case, no later than 60 days after the Completion Date, or 60 days after becoming a subdivision of the CABB Group, in the case of Swedish Newco), the Notes and the Notes Guarantees are secured, to the extent not already so secured, by the applicable Collateral, which will also secure the New Revolving Credit Facility. There can, however, be no assurance that we will be successful in procuring such liens within the time period specified.

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

The Notes and the Notes Guarantees will be secured by security interests in the Collateral described in this Offering Memorandum, which Collateral also secures the obligations under the New Revolving Credit Facility Agreement, certain additional indebtedness and certain hedging obligations and, with respect to certain Collateral, the Senior Notes (on a second-priority basis). Upon a refinancing of the New Revolving Credit Facility Agreement, or if the lenders under the New Revolving Credit Facility Agreement consent to an increase of the commitments under the New Revolving Credit Facility Agreement, the amount that will benefit from first ranking security interest in the Collateral may be increased up to the amount provided under the Senior Secured Notes Indenture and the Senior Notes Indenture. The Collateral may also secure additional debt ranking *pari passu* with the Senior Secured Notes or the Senior Notes to the extent permitted by the terms of the Senior Secured Notes Indenture, the Senior Notes Indenture and the Intercreditor Agreement. The rights of the holders of the Notes to the Collateral may therefore be diluted by any increase in the super-priority debt secured by the Collateral or a reduction of the Collateral securing the Senior Secured Notes.

The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which operations are located and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation. In addition, the share pledges over the shares of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The Collateral is located in Germany, Switzerland, Sweden, Luxembourg and Finland, and the multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable value of the Collateral. For example, the bankruptcy, insolvency, administrative and other laws of the various jurisdictions may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of the proceedings.

***The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening periods, i.e., the periods of time following the granting of security interests during which such security interests may be challenged in accordance with the laws applicable in certain jurisdictions.***

The granting of security interests to secure the Notes and the Notes Guarantees may create hardening periods for such security interests in certain jurisdictions. The granting of shared security interests to secure future indebtedness permitted to be secured on the Collateral may restart or reopen such hardening periods in particular, as the relevant Indenture permits the release and retaking of security granted in favor of the Notes in certain circumstances, including in connection with the incurrence of future indebtedness and the implementation of certain corporate reorganizations. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. Please see "*Limitations on Validity and Enforceability of the Notes Guarantees and Security Interests*".

The same rights also apply following the issuance of the relevant Notes in connection with the accession of further subsidiaries as additional Guarantors and the granting of security interest over their relevant assets and equity interests for the benefit of noteholders. Please see "*Description of the Senior Secured Notes—Security*" and "*Description of the Senior Notes—Security*".

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

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

The security interests granted in favor of the Security Agent will be subject to practical problems generally associated with the realization of security interests in Collateral. For example, under Luxembourg law, the enforcement of share pledges, whether by means of a sale or an appropriation, is subject to certain specific requirements. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such contents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a sale of, or foreclosure on, such assets. Accordingly, the Security Agent may not have the ability to sell or foreclose upon those assets, and the value of the Collateral may significantly decrease.

Furthermore, under Swedish law, a pledgee of a security interest in any asset is, when exercising its rights as a secured party or liquidating a secured asset, under a fiduciary duty to protect the interest of the pledgor. This duty includes an obligation to notify the pledgor of any liquidation or sale of the Collateral, to account for the proceeds of such liquidation or sale, and to pay to the pledgor that portion of the proceeds of such liquidation or sale which exceeds the debt secured by such asset. There are provisions in the Swedish Contracts Act which prohibit an enforcing party from foreclosing a secured asset by assuming ownership of the secured asset without accounting for the value thereof.

In addition, the Issuer and the Guarantors will have control over certain of the Collateral, and the operation of the business or the sale of particular assets could reduce the pool of assets securing the Notes.

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

The security interests in the Collateral that will secure our obligations under the Notes and the obligations of the Guarantors under the Notes Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Senior Secured Notes Indenture and the Senior Notes Indenture will each provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Senior Secured Notes Trustee or Senior Notes Trustee, who will (subject to the provisions of the Senior Secured Notes Indenture or the Senior Notes Indenture) provide instructions to the Security Agent in respect of the Collateral.

The granting of security interests in favor of a foreign security agent (acting for and on behalf of third-party beneficiaries) will be recognized under Luxembourg law, (i) to the extent that the designation of such security agent is valid under the law governing its appointment and (ii) subject to possible restrictions depending on the type of the security interests granted. Generally, according to article 2(4) of the Luxembourg Act dated August 5, 2005, as amended, concerning financial collateral arrangements (the "**Financial Collateral Law 2005**"), a security interest which constitute financial collateral (in accordance with the provisions of the Financial Collateral Law 2005) may be provided in favor of a person acting for and on behalf of the beneficiary(ies) of such security interest(s), a fiduciary or a trustee in order to secure the claims of third party beneficiaries, whether present or future, provided that these third party beneficiaries are determined or may be determined. Without prejudice to their obligations vis-à-vis third party beneficiaries of the security, persons acting on behalf of beneficiaries of the security interest(s), the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security interest(s) provided under the Financial Collateral Law 2005.

***The rights to enforce remedies with respect to certain Collateral securing the Senior Notes and the Senior Notes Guarantees are limited as long as any super senior or senior secured debt is outstanding.***

The security interests in certain of the Collateral securing the Senior Notes will rank behind the first-priority security interests in such Collateral in favor of creditors in respect of the New Revolving Credit Facility, certain other indebtedness, the Senior Secured Notes, any indebtedness which is permitted under the New Revolving Credit Facility Agreement and the Senior Secured Notes Indenture to be incurred and secured by the Collateral and which is permitted to rank *pari passu* with the Senior Secured Notes ("**Senior Debt**") and any indebtedness in favor of institutions with whom we enter into certain hedging arrangements (the liabilities owing to such creditors being "**Senior Secured Liabilities**"). The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for the secured parties under the New Revolving Credit Facility, certain other indebtedness, the Senior Secured Notes, any Senior Debt, certain hedging arrangements and the Senior Notes and will (subject to certain limited exceptions) act with respect to such Collateral only at the direction of the relevant Instructing Group until amounts outstanding in respect of the New Revolving Credit Facility, any Credit Facility, the Senior Secured Notes, the Senior Debt and certain hedging arrangements are paid in full and discharged. The creditors under the New Revolving Credit Facility, certain other indebtedness, the Senior Secured Notes, any Senior Debt and institutions who are counterparties to certain of our hedging arrangements will have (subject to certain exceptions) the exclusive right to make all decisions with respect to the enforcement of remedies relating to such Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

As a result, the holders of the Senior Notes will not be able to independently pursue the remedies of a secured creditor under the security documents in respect of the Collateral or force a sale of the Collateral unless permitted to do so under certain exceptions set out in the Intercreditor Agreement. In addition, in the circumstances in which the holders of the Senior Notes would be entitled to issue enforcement instructions to the Security Agent with respect to the Senior Notes Guarantees or the Senior Notes Collateral, (1) creditors in respect of indebtedness which ranks senior to the Senior Notes have the right to issue enforcement instructions in lieu of the enforcement instructions issued by the holders of the Senior Notes prior to or following the issuance of such instructions (if such creditors are permitted to issue such instructions but have not done so) and (2) no such enforcement action with respect to the Senior Notes Guarantees or the Senior Notes Collateral may be taken if the Security Agent, acting in accordance with the instructions of an Instructing Group, is taking steps for enforcement and such enforcement action in relation to the Senior Notes Guarantees or the Senior Notes Collateral might reasonably be likely to adversely affect such enforcement by the Security Agent or the amount of the proceeds derived therefrom.

The creditors in respect of the New Revolving Credit Facility, certain other indebtedness, any Senior Debt, the institutions who are counterparties to our secured hedging arrangements and the holders of the Senior Secured Notes may have interests that are different from the interests of holders of the Senior Notes, and they may elect to pursue their remedies in respect of the Collateral at a time when it would be disadvantageous for the holders of the Senior Notes to do so. This may affect the ability of holders of the Senior Notes to recover under the Collateral if the proceeds from the Collateral, after having satisfied obligations owed to the Security Agent, any receiver, certain creditor representatives and under the New Revolving Credit Facility Agreement, certain other indebtedness, any Senior Debt, certain of our hedging arrangements and the Senior Secured Notes, are less than the aggregate amount outstanding under the Senior Notes.

In addition, if the creditors in respect of the New Revolving Credit Facility, certain other indebtedness, certain hedging arrangements, any Senior Debt and/or the holders of the Senior Secured Notes direct the sale of the shares of the Senior Secured Notes Issuer or the shares of another Group company through an enforcement of their first-priority security interest or at a time when the Security interests in the Collateral has become enforceable in accordance with the terms of the Intercreditor Agreement, the Senior Notes Guarantees and the liens over any other assets securing the Senior Notes and each Senior Notes Guarantee may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Senior Notes—Security—Release of Liens*".

We may also issue further indebtedness which will be entitled to rank *pari passu* with or senior to the Senior Notes in right and priority of payment and which will be entitled to share in the Collateral with the Senior Notes on a *pari passu* or senior-ranking basis. In the event that any such debt is issued, your creditor voting rights will be diluted proportionately to the amount of debt incurred.

***The Senior Notes Guarantees will be subordinated to our existing and future super senior debt and senior secured debt.***

The Senior Notes Guarantees will be the senior subordinated obligations of the Senior Secured Notes Issuer and the other Guarantors (other than the Senior Notes Issuer) and:

- will rank *pari passu* in right of payment with any existing and future senior subordinated indebtedness of such Guarantors;
- will be subordinated in right of payment to all existing and future indebtedness or obligation of such Guarantor ranking senior to the Senior Notes, including each such Guarantor's obligations under, or guarantee of obligations under, the New Revolving Credit Facility Agreement, certain hedging obligations and the Senior Secured Notes;
- will be subordinated in relation to the proceeds of any enforcement of any Collateral shared with any indebtedness ranking senior to the Senior Notes to the extent of the value of the assets securing such indebtedness or other obligations; and
- will be effectively subordinated to any secured indebtedness and other secured obligations of each Guarantor to the extent of the value of the assets securing such indebtedness or other obligations if such assets secure the Senior Notes on a junior basis or do not secure the Senior Notes.

In addition, no enforcement action with respect to the Senior Notes Guarantees (or any future guarantee of the Senior Notes, if any) may be taken until an event of default on the Senior Notes remains outstanding, a notice of the occurrence of such event of default (a "**Default Notice**") has been served on the creditor representatives with respect to the Senior Secured Liabilities and the lapse of a standstill period beginning on the date on which such Default Notice is served and ending on the earlier of (subject to certain limited exceptions): (i) any enforcement action being taken with respect to debt of a member of the Group ranking senior to the Senior Notes (provided the Senior Notes Trustee and holders of the Senior Notes will be limited to taking the same action against the same member of the Group in relation to the Senior Notes Guarantees); (ii) the occurrence of an insolvency event with respect to any Senior Notes Guarantor; (iii) after the expiry of a period of 179 days from the date the Default Notice is served; or (iv) the expiry of any other standstill period that was outstanding as at the date the relevant Default Notice was served (other than as a result of a cure, waiver or other permitted remedy). See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Upon any distribution to the creditors of a Senior Notes Guarantor in a liquidation, administration, bankruptcy, moratorium of payments, dissolution or other winding-up of such Senior Notes Guarantor, the holders of indebtedness of such Senior Notes Guarantor ranking senior to the Senior Notes will be entitled to be paid in full before any payment may be made with respect to the Senior Notes Guarantor's Senior Notes Guarantee. As a result, holders of the Senior Notes may receive less, ratably, than the holders of debt of the Senior Notes Guarantors ranking senior to the Senior Notes, including the lenders under the New Revolving Credit Facility Agreement, any Credit Facility and holders of the Senior Secured Notes and other indebtedness that is allowed to rank *pari passu* with them. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

***The Intercreditor Agreement provides that in certain circumstances payments in respect of the Senior Notes may be blocked.***

Prior to the discharge of all Senior Secured Liabilities, no member of the Group may make payments in respect of the Senior Notes without the consent of the creditor representatives in respect of the Senior Secured Liabilities except as permitted under the Intercreditor Agreement. The payments which are permitted under the Intercreditor Agreement without such consent are summarized under the caption "*Intercreditor Agreement—Payments and Prepayments; Subordination of the Senior Notes*" below (each such payment a "**Permitted Payment**").

If we default on our payments under or in respect of:

- the New Revolving Credit Facility Agreement;
- a Credit Facility;

- the Senior Secured Notes Indenture; and/or
- any Senior Debt,

(each a "**Senior Secured Debt Payment Default**") the Group's ability to make Permitted Payments (other than payments by the Senior Notes Issuer of liabilities in respect of the Senior Notes) will be automatically suspended.

In addition, if an event of default (other than a Senior Secured Debt Payment Default) has occurred and is continuing under the finance documents in respect of the Senior Secured Liabilities, creditor representatives in respect of the Senior Secured Liabilities may deliver a notice to us, the Security Agent and the Senior Notes Trustee (and the creditor representative of any other indebtedness that is allowed to rank pari-passu with the Senior Notes under the terms of those finance documents) suspending the Group's ability to make Permitted Payments (other than payments by the Senior Notes Issuer of liabilities in respect of the Senior Notes) for a period of up to 179 days (such notice a "**Payment Blockage Notice**").

If a Senior Secured Debt Payment Default occurs and for so long as a Payment Blockage Notice is outstanding the Group's ability to make payments in respect of the Senior Notes will be limited to payments by the Senior Notes Issuer of liabilities in respect of the Senior Notes and any other payments to which the creditor representatives in respect of the Senior Secured Liabilities give their prior consent. In such circumstances we cannot assure you that we will be able to obtain such consent or, in the absence of such consent, be able to meet our payment obligations in respect of the Senior Notes. For more detail please see the caption "*Intercreditor Agreement—Payments and Prepayments; Subordination of the Senior Notes*".

***Claims of our super senior and senior secured creditors will have priority with respect to their security over the claims of Senior Note holders, to the extent of the value of the assets securing such indebtedness.***

Claims of our super senior and senior secured creditors will have priority with respect to the assets securing their indebtedness over the claims of holders of the Senior Notes. As such, each Senior Notes Guarantee will be effectively subordinated to any secured indebtedness ranking senior to the Senior Notes (including obligations with respect to the Senior Secured Liabilities) to the extent of the value of the assets securing such indebtedness. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any Senior Notes Guarantor that has secured obligations, holders of super senior and senior secured indebtedness will have prior claims to the assets of the relevant Senior Notes Guarantor that constitute their Collateral. Subject to the limitations referred to under the caption "*Risks Related to Our Structure and the Financing*", each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability and the holders of the Senior Notes will participate ratably with all holders of the unsecured indebtedness of the relevant Guarantor (other than indebtedness to which the Senior Notes Guarantees have been expressly subordinated) to the extent that the Senior Notes are not repaid in full from the proceeds of an enforcement of the Senior Notes Collateral, and potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the relevant Guarantor. In the event that any of the super senior or senior secured indebtedness of the relevant Guarantor becomes due or the creditors in respect thereof commence enforcement proceedings against Collateral that secures such indebtedness, the Senior Notes Collateral remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the relevant Senior Notes Guarantee. As a result, holders of Senior Notes may receive less, ratably, than holders of super senior and senior secured indebtedness of the relevant Guarantor.

As of March 31, 2014, on a *pro forma* basis to reflect the Transactions, we had an aggregate principal amount of €410.0 million of secured financial liabilities (excluding local facilities) outstanding secured by liens on assets that do not secure the Senior Notes and liens which rank in priority to the liens securing the Senior Notes, and up to €100.0 million was available for additional borrowings under the committed New Revolving Credit Facility. We may also issue further indebtedness which will be entitled to rank *pari passu* with or senior to the Senior Notes in right and priority of payment and which will be entitled to share in the Collateral with the Senior Notes on a *pari passu* or senior-ranking basis. In the event that any such debt is further issued, your creditor voting rights will be diluted proportionately to the amount of indebtedness incurred which will be entitled to rank *pari passu* with the Senior Notes.

***The ability of holders of Senior Notes to recover under the pledge of the shares of the Senior Secured Notes Issuer and other security interests may be limited.***

The obligations under the Senior Notes and the Senior Notes Guarantees will be secured by security interests granted on a second-priority basis over the Senior Notes Collateral. First-priority security interests over the Senior Notes Collateral will be granted for the benefit of creditors in respect of Senior Secured Liabilities. Holders of the Senior Notes may not be able to recover on the shares and other Senior Notes Collateral that are also pledged or assigned as security for the Senior Secured Liabilities because the creditors in respect thereof will have a prior claim on all proceeds realized

from any enforcement of such pledges and other Senior Notes Collateral and any distressed disposal with respect to such Collateral, and the Senior Notes will need to share any remaining proceeds from such enforcement with any other secured creditor ranking *pari passu* with the Senior Notes. If the proceeds realized from the enforcement of such pledges or such sale or sales exceed the Senior Secured Liabilities, any excess amount of such proceeds will be paid to the Senior Notes Trustee on behalf of itself and the holders of the Senior Notes and any other secured creditor ranking pari passu with the Senior Notes, *pro rata*. If there are no excess proceeds, or if the amount of such excess proceeds is less than the aggregate amount of the obligations under the Senior Notes, the holders of Senior Notes will not fully recover (if at all) under such Collateral.

In addition, the Collateral may not be liquid, and its value to other parties may be less than its value to us. Likewise, we cannot assure you that there will be a market for the pledged shares or other Collateral or that, if such market does exist, there will not be substantial delays in their liquidation. The shares of the Senior Secured Notes Issuer or BidCo may also have limited value in the event of a bankruptcy, insolvency or other similar proceeding in relation to the Senior Secured Notes Issuer or BidCo because all of the obligations of the Senior Secured Notes Issuer or BidCo (subject to the release mechanism in the Intercreditor Agreement) (including the Senior Notes Guarantees) must be satisfied prior to distribution to the Senior Secured Notes Issuer's or BidCo's equity holders. As a result, the holders of the Senior Notes may not recover anything of value in the case of an enforcement sale of shares pledged in the Senior Secured Notes Issuer or BidCo. In addition, the value of this Collateral may fluctuate over time.

Pursuant to the Intercreditor Agreement, the Senior Notes Trustee and holders of the Senior Notes will (subject to certain limited exceptions) not be able to force a sale of the Collateral securing the Senior Notes or otherwise independently pursue the remedies of a secured creditor under the Security Documents relating to such Collateral for so long as any Senior Secured Liabilities remain outstanding and, if the creditors in respect of the Senior Secured Liabilities enforce their security, they will have priority over the holders of the Senior Notes with respect to the proceeds from this Collateral. See "*Risk Factors—The rights to enforce remedies with respect to the Collateral securing the Senior Notes and the Senior Notes Guarantees are limited as long as any senior debt is outstanding*." As such, holders of the Senior Notes may not be able to recover on the Collateral if the claims of the creditors in respect of the Senior Secured Liabilities are greater than the proceeds realized from any enforcement of the Collateral. In addition, if the creditors or the agent or the Senior Secured Notes Trustee under the New Revolving Credit Facility Agreement, any Credit Facility, certain hedging obligations, any Senior Debt, or the Senior Secured Notes (as applicable) direct the sale of the Senior Secured Notes Issuer's shares through an enforcement of their first-priority security interest in accordance with the Intercreditor Agreement, the second- priority security interest over such shares securing the Senior Notes and the Senior Notes Guarantees may (subject to certain conditions) be automatically released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Senior Notes—Security—Release of Liens*".

***The interests of our principal shareholder may conflict with the interests of the holders of Notes.***

The interests of our principal shareholder may, in certain circumstances, conflict with your interests as a holder of Notes. Permira V G.P. Limited and its affiliates indirectly control the Issuers. As a result, it has, and will continue to have, indirectly the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve other changes to our operations. Our principal shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, will enhance their equity investments, although such transactions might involve risks to you as a holder of Notes. For example, our principal shareholder could vote to cause us to incur additional indebtedness, to sell certain material assets or pay dividends, in each case so long as the Indenture so permits. The incurrence of additional indebtedness would increase our debt service obligations and the sale of certain assets could reduce our ability to generate sales, each of which could adversely affect you as a holder of Notes. In addition, our principal shareholder may, in the future, own businesses that directly compete with ours or do business with us.

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

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

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

The Notes and the Notes Guarantees have not been registered under, and we are not obliged to register the Notes or the Notes Guarantees under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "*Notice to Investors*". We have not agreed to or

otherwise undertaken to register any of the Senior Secured Notes, the Senior Notes or the Notes Guarantees, and do not have any intention to do so.

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

Unless and until Notes in definitive registered form, or definitive registered notes are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will not be considered owners or holders of Notes. The common depository (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the global notes. Payments of principal, interest and other amounts owing on or in respect of the relevant global notes representing the Notes will be made to Deutsche Bank AG, London Branch, as paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the relevant Notes, you must rely on the procedures of Euroclear and Clearstream and if you are not a participant in Euroclear and/or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the relevant Notes under the relevant Indenture.

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

Similarly, upon the occurrence of an event of default under an Indenture, unless and until the relevant definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. We cannot assure you that the procedures to be implemented through Euroclear and Clearstream will be adequate to ensure the timely exercise of rights under the Notes.

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

We cannot assure you as to:

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

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

Although an application has been made for each of the Senior Secured Notes and the Senior Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market, we cannot assure you that either the Senior Secured Notes or the Senior Notes will remain listed. Although no assurance is made as to the liquidity of either the Senior Secured Notes or the Senior Notes as a result of the admission to trading on the Euro MTF Market, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the relevant Notes, as applicable, from the Luxembourg Stock Exchange may have a material effect on a holder's ability to resell the relevant Notes, as applicable, in the secondary market.

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

**Risks Related to Our Structure and the Financing**

***Each of the Issuers is a holding company dependent upon cash flow from subsidiaries to meet its obligations on the Notes and the Notes Guarantees.***

Each of the Issuers is a holding company with no independent business operations or significant assets other than investments in their subsidiaries. Each of these holding companies depends upon the receipt of sufficient funds from its subsidiaries to meet its obligations. We intend to provide funds to the Issuers in order to meet the obligations on the Notes through a combination of dividends and interest payments on intercompany loans. The obligations under intercompany loans will be junior obligations and will be subordinated in right of payment to all existing and future senior and senior subordinated indebtedness of the Senior Secured Notes Issuer, including obligations under, or guarantees of obligations under, the New Revolving Credit Facility, the Senior Secured Notes and the Senior Notes.

The amounts of dividends and distributions available to the Issuers will depend on the profitability and cash flow of its subsidiaries and the ability of those subsidiaries to issue dividends under applicable law. The subsidiaries of the Issuers, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the applicable Issuer to make payments in respect of their indebtedness, including the Notes and the Notes Guarantees. Various agreements governing our debt may restrict, and in some cases, may actually prevent the ability of the subsidiaries to move cash within their restricted group. Such restrictions include those created by the New Revolving Credit Facility Agreement and the Intercreditor Agreement, which limits payments of principal on the Notes prior to their stated maturity. See "*Description of Certain Financing Arrangements—New Revolving Credit Facility Agreement*" and "*—Intercreditor Agreement*." Applicable tax laws may also subject such payments to further taxation. Applicable law may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments.

The inability to transfer cash among entities within their respective consolidated groups may mean that, even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted to make the necessary transfers from one entity in their restricted group to another entity in their restricted group in order to make payments to the entity owing the obligations.

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

Under various circumstances, the Collateral securing the Notes and the Notes Guarantees will be released automatically, including sales to third parties in connection with the establishment of a qualified receivables financing. See "*Description of the Senior Secured Notes—Security—Release of Liens*" and "*Description of the Senior Notes—Security—Release of Liens*".

Even though the holders of the Senior Secured Notes share in the Collateral securing the Senior Secured Notes ratably with the lenders under the New Revolving Credit Facility, under certain circumstances, the creditors under the New Revolving Credit Facility Agreement and certain of our hedging arrangements will control enforcement actions with respect to the Collateral through the Security Agent, whether or not the holders of the Senior Secured Notes agree or disagree with those actions. See "*Description of the Senior Secured Notes—Security—Enforcement of Security Interests*".

Under various circumstances, the Notes Guarantees will be released automatically, including sales to third parties and in connection with certain corporate reorganizations. See "*Description of the Senior Secured Notes—The Notes Guarantees—Notes Guarantee Releases*" and "*Description of the Senior Notes—The Notes Guarantees—Notes Guarantees Releases*".

In addition, the Notes Guarantees and security interests will be subject to release upon a distressed disposal as contemplated under the Intercreditor Agreement. However, unless consented to, the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the claims of the Senior Notes holders against the Senior Notes Issuer and security over the shares of the Senior Secured Notes Issuer or BidCo or assets of any person that has provided a Notes Guarantee in respect of the Senior Notes unless the relevant sale or disposal is made:

- with the prior consent of the Senior Notes Trustee (acting on the instructions of the Senior Notes holders in accordance with the Senior Notes Indenture or the holders of at least a majority of the principal amount of the then outstanding Senior Notes) and the creditor representative of any other indebtedness that is allowed to rank *pari passu* under the Senior Notes (acting on the instructions of the required percentage of creditors in respect of which it is the credit representative); or

- for consideration all or substantially all of which is in the form of cash;

- concurrently with the unconditional discharge or release of the indebtedness of the disposed entities to certain other creditors, including the creditors under the New Revolving Credit Facility Agreement and holders of the Senior Secured Notes; and

- pursuant to a public auction, or (if not by way of public auction) following the issue of a fairness opinion with respect to the amount received in connection with such sale from an internationally recognized accounting firm or internationally recognized investment bank or accounting firm selected by the Security Agent.

See "*Description of Certain Financing Arrangements—Intercreditor Agreement*"; "*Description of the Senior Secured Notes*" and "*Description of the Senior Notes*".

***The Senior Secured Notes, the Senior Notes and each of the Notes Guarantees will each be structurally subordinated to the liabilities and preference shares (if any) of our non-guarantor subsidiaries.***

Generally, claims of creditors of a non-guarantor subsidiary, including trade creditors, and claims of preference shareholders (if any) of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims by holders of the Notes under the Notes Guarantees. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. As such, the Senior Secured Notes, the Senior Notes and each Notes Guarantee will each be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of our non-guarantor subsidiaries.

As of and for the twelve-month period ended March 31, 2014, the Subsidiary Guarantors represented 94.5% of the consolidated net sales, 97.7% of the consolidated EBITDA and 95.7% of total assets of the CABB Group.

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

Under certain applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The security interests in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these security interests. In addition, certain applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified. Absent perfection, the Security Agent, on behalf of the holders of the Notes, may have difficulty enforcing or be entirely unable to enforce rights in the Collateral in competition with third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral.

Under Swedish law, a security interest over an asset can only be validly perfected if the grantor is deprived of its right to control and deal with the asset. For example, under the security over the bank account, the security grantor will be allowed to deal with the account and receive or retain the funds standing to the credit of such account until the occurrence of a triggering event, and therefore security over the account will not be perfected until the triggering event has occurred and a perfection notice has been given to and acknowledged by the relevant account bank and the security grantor no longer can dispose of the account. To the extent security granted by a Swedish company is granted and/or perfected later than on the date of the issuance of the Notes, the holders of the Notes will face a greater risk that such security would be subject to clawback in the event of the bankruptcy of the Swedish security provider. See "*Limitations on Validity and Enforceability of the Notes Guarantees and the Collateral and Certain Insolvency Law Considerations—Sweden"*.

***Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.***

Each Notes Guarantee will provide the relevant holders of the Notes with a direct claim against the relevant Guarantor. In addition, the Senior Notes Issuer, the Senior Secured Notes Issuer and the other Guarantors will secure the payment of the Notes by granting security under the relevant Security Documents. However, each security interest granted under a Security Document will be limited in scope to the value of the relevant assets expressed to be subject to that security interest and each Indenture will provide that each Notes Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor, without rendering the relevant Notes Guarantee/security interest

voidable or otherwise ineffective under German, Luxembourg, Finnish, Swiss, Swedish or other applicable law or without resulting in a breach of any applicable law, and enforcement of each Notes Guarantee/Security Document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, guarantees and security interests can be challenged (by the bankruptcy receiver or trustee, in case of bankruptcy of the relevant Guarantor, or by any of the creditors of such Guarantor outside bankruptcy), and a court could declare unenforceable against third parties (including the beneficiaries thereof) and/or void, any legal act performed by a Guarantor (including, without limitation, the granting by it of the Notes Guarantees or the security interests granted under the Security Documents see "*Certain Limitations on Validity and Enforceability of the Notes Guarantees and the Collateral and Certain Insolvency Law Considerations*") and, if payment had already been made under a Notes Guarantee or enforcement proceeds applied under a Security Document, require that the recipient (and possibly, subsequent transferees thereof) return the payment to the relevant Guarantor, if the court found, *inter alia*, that:

- the amount paid or payable under the relevant Notes Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;

- the relevant Notes Guarantee or security interest under a Security Document was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor was insolvent when it granted the relevant Notes Guarantee or security interest;

- under Luxembourg law, the relevant act was performed (*e.g.* the Notes Guarantees and/or the security interests under the Security Documents were granted) with the intention to defraud the creditors of, and prejudice their means of recovery against, the Guarantor, and where the recipient/beneficiary and the Guarantor were aware or should have been aware (at the time of performance of the legal act in question) that the granting by the Guarantor of the relevant Notes Guarantee or security interests would prejudice the means of recovery of one or more (present or future) creditors of the Guarantor, unless the act was entered into without any consideration, in which case knowledge by the counterparty is not necessary for a challenge on grounds of fraudulent conveyance;

- the Guarantor did not receive fair consideration or reasonably equivalent value for granting the relevant Notes Guarantee/security interests and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant Notes Guarantee/security interest; (ii) undercapitalized or became undercapitalized because of the relevant Notes Guarantee/Security Document; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; and/or

- the relevant Notes Guarantees/Security Documents were held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor or security provider.

The payment of dividends to the Senior Secured Notes Issuer and the Senior Notes Issuer will reduce the distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and Security Documents. There can be no assurances that we will have distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and Security Documents, whether or not we make dividends. In addition, the payment under the Notes Guarantees and the enforcement of security interests under the relevant Security Documents may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions. See "*Limitations on Validity and Enforceability of the Notes Guarantees and Security Interests*".

***Enforcement of the collateral across multiple jurisdictions may be difficult.***

The Collateral will be governed by the laws of multiple jurisdictions. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions. The rights under the Collateral will thus be subject to the laws of the respective jurisdiction, and it may be difficult to effectively enforce such rights in multiple bankruptcies, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to enforce the security and to realize any recovery under the Notes and the Notes Guarantees. A summary description of certain aspects of the insolvency laws of Luxembourg, Germany, Switzerland, Finland, Sweden and certain jurisdictions where the providers of collateral are organized or have their

center of main activities are set out in "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and Security Interests*."

***The insolvency laws of Germany, Finland, Luxembourg, Sweden and Switzerland and other jurisdictions may not be as favorable to you as the US bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.***

The Issuers are incorporated under the laws of Luxembourg and the Guarantors (other than the Issuers) are incorporated under the laws of Germany, Finland, Sweden and Switzerland. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Germany, Finland, Luxembourg, Sweden or Switzerland or other relevant jurisdiction. The bankruptcy, insolvency, administrative and other laws of the Issuers' and the Guarantors' jurisdictions of organization or incorporation may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes and the Notes Guarantees in those jurisdictions or limit any amounts that you may receive. See "*Limitations on Validity and Enforceability of the Notes Guarantees and Security Interests*" with respect to the jurisdictions mentioned above.

***We may not have the ability to raise the funds necessary to finance an offer to repurchase the Senior Secured Notes and the Senior Notes upon the occurrence of certain events constituting a change of control as required by each Indenture.***

Upon the occurrence of certain events constituting a "change of control", the Senior Secured Notes Issuer would be required to offer to repurchase all outstanding Senior Secured Notes and the Senior Notes Issuer will be required to offer to repurchase all outstanding Senior Notes, in each case, at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the relevant Issuer to pay the purchase price of the outstanding Senior Secured Notes or the Senior Notes or that the restrictions in the New Revolving Credit Facility Agreement, the Senior Secured Notes Indenture, the Senior Notes Indenture, the Intercreditor Agreement or our other existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, acceleration of, or an obligation to mandatorily prepay the New Revolving Credit Facility Agreement and other indebtedness. The repurchase of the Senior Secured Notes and the Senior Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of either the Senior Notes Issuer and the Senior Secured Notes Issuer to receive cash from its subsidiaries to allow them to pay cash to the holders of the Senior Notes or the Senior Secured Notes, respectively, following the occurrence of a change of control, may be limited by our then existing financial resources. If an event constituting a change of control occurs at a time when we are prohibited from providing funds to any of the Issuers for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuers will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Senior Secured Notes and the Senior Notes, upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure by the relevant Issuer to offer to purchase the Senior Secured Notes or the Senior Notes, as applicable, would constitute a default under each of the Senior Secured Notes Indenture and the Senior Notes Indenture, respectively, which would, in turn, constitute a default under the New Revolving Credit Facility Agreement and certain other indebtedness. See "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Notes—Change of Control*".

***In certain circumstances, a Change of Control Offer will not be required to be made.***

The change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the relevant Indenture. In addition, the occurrence of certain events that might otherwise constitute a change of control under the Indentures will be deemed not to be a change of control if a specified consolidated leverage ratio is not exceeded immediately prior to and after giving pro forma effect to such event. Except as described under "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Notes—Change of Control*", each Indenture will not contain provisions that would require the relevant Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

Furthermore, the sale, lease, transfer, conveyance or other disposition of our Acetyls business unit (or any part thereof) will not constitute a Change of Control subject to the satisfaction of certain conditions set out in the Indentures. See "*Description of the Senior Secured Notes—Change of Control*", "*Description of the Senior Notes—Change of Control*", "*Description of the Senior Secured Notes—Certain Definitions—Change of Control*" and "*Description of the Senior Secured Notes—Certain Definitions—Change of Control*".

The definition of "Change of Control" in each Indenture will include a disposition of all or substantially all of the assets of the applicable Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the applicable Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuers are required to make an offer to repurchase the relevant Notes.

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

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

***You may not be able to recover in civil proceedings for US securities law violations.***

Each of the Issuers and the Guarantors and their respective subsidiaries are organized outside the United States, and our business is conducted entirely outside the United States. Following the Completion Date, we expect the directors, managers and/or executive officers of the Issuers and the Guarantors to be non-residents of the United States, and substantially all of their assets will be located outside the United States. Although we and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under US securities laws, you may be unable to effect service of process within the United States on these directors, managers and executive officers. In addition, as the majority of the assets of the Issuers and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the US courts against them. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuers and the Guarantors may not be subject to the provisions of the federal securities laws of the United States. The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Germany, Finland, Luxembourg, Sweden and Switzerland. There is, therefore, doubt as to the enforceability in Germany, Finland, Luxembourg, Sweden and Switzerland of US securities laws in an action to enforce a US judgment in such jurisdictions. In addition, the enforcement in Germany, Finland, Luxembourg, Sweden and Switzerland of any judgment obtained in a US court, whether or not predicated solely upon US federal securities laws, will be subject to certain conditions. There is also doubt that a court in Germany, Finland, Luxembourg, Sweden or Switzerland would have the requisite power or authority to grant remedies sought in an original action brought in such jurisdictions on the basis of US securities laws violations. See "*Service of Process and Enforcement of Foreign Judgments*".

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

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

## THE TRANSACTIONS

### The Acquisition of CABB International GmbH

On April 17, 2014, Kallisto Einhundertste Vermögensverwaltungs- GmbH, as purchaser ("**BidCo**"), and European Chemical Services S.à r.l., as seller (the "**Seller**"), entered into the Acquisition Agreement regarding the acquisition of all the shares of CABB International GmbH (the "**Acquisition**"). Under the terms of the Acquisition Agreement, BidCo will acquire all of the issued and outstanding capital stock of CABB International GmbH and the Shareholder Loan as of the consummation of the Acquisition (the "**Completion Date**"). The consummation of the Acquisition pursuant to the Acquisition Agreement will be subject to the clearance of (i) the European Commission and (ii) the Swiss Competition Commission (*Wettbewerbskommission*) (together, the "**Acquisition Conditions**"). If the Acquisition is not consummated by October 1, 2014, the Acquisition Agreement may be terminated by either party. In connection with obtaining the approvals of the applicable competition authorities, we may agree to divest certain of our assets or operations. We currently do not expect that we will be required to divest assets or operations that generate a significant portion of our revenues. See "*Risk Factors—Risks Related to the Transaction*".

Pursuant to the Acquisition Agreement, BidCo will acquire all of the issued and outstanding capital stock of CABB International GmbH and the Shareholder Loan for €410.0 million (the "**Purchase Price**") subject to certain purchase price adjustments. For purposes of this Offering Memorandum, we have estimated the Purchase Price to be € 410.0 million. In the event the Completion Date occurs after June 30, 2014, other than if the Seller is predominantly responsible (*überwiegendes Verschulden*) for the delay of the Acquisition beyond June 30, 2014, the Purchase Price will bear interest at a rate of 8% per annum as from and including July 1, 2014 until but excluding the Completion Date. The interest shall be calculated on the basis of a calendar year with 360 days and 30 days per month and the actual number of days elapsed. In addition, the Purchase Price will be reduced by the amount of any dividends or similar payment, asset transfers or certain other transfers of value from the CABB Group to the Seller that occur prior to the Completion Date that are not permitted under the Acquisition Agreement, any repayment of the Shareholder Loan by CABB International GmbH to the Seller or its affiliates and certain payments to employees or directors or finding fee arrangements triggered as a result of the Acquisition.

On the Completion Date, €6.4 million of the Purchase Price will be deposited into an escrow account (the "**Escrowed Amounts**"). The portion of the Escrowed Amounts payable to the Seller is subject to the outcome of a tax dispute involving CABB Finland Oy. An appeal regarding the tax dispute was submitted by the Finnish tax authorities on July 3, 2012 to the Helsinki Administrative Court which has not yet rendered its decision. The eventual decision of the Helsinki Administrative Court can further be appealed to the Finnish Supreme Administrative Court in which case the tax dispute may last several more years.

The Acquisition Agreement includes customary restrictions on the activities of CABB International GmbH prior to the Completion Date, including restrictions on the incurrence of additional indebtedness, as well as limited representations, warranties and covenants that are subject to limitations and exclusions.

### The Financing of the Acquisition

We plan to finance the Acquisition, refinance the Existing Senior Facilities Agreement and pay related fees and expenses by using the proceeds from the offering of the Notes, together with cash on hand and an equity contribution from the Permira Funds. See "*Use of Proceeds*." CABB Group had €374.7 million of outstanding third-party indebtedness under credit facilities or other loans as of March 31, 2014, including €372.2 million under the Existing Senior Facilities Agreement. We expect to repay all of the indebtedness outstanding under the Existing Senior Facilities Agreement on or shortly after the Completion Date.

#### *The Notes*

The Senior Secured Notes Issuer is offering €410 million in aggregate principal amount of the Senior Secured Notes and the Senior Notes Issuer is offering €175 million in aggregate principal amount of the Senior Notes.

The gross proceeds from this offering will be deposited into the Escrow Accounts pending the consummation of the Acquisition and the satisfaction of certain other conditions and will be controlled by, and pledged on a first-priority basis in favor of, the relevant Trustee for the benefit of the relevant holders of the Notes. If the Acquisition is not consummated and such other conditions are not satisfied on or prior to October 1, 2014, we will be required to redeem the Notes at a special mandatory redemption price equal to the issue price of the Notes, together with any accrued and unpaid interest and additional amounts, if any, from the Issue Date to the special mandatory redemption date. See "*Description of the Senior Secured Notes—Secured Proceeds Accounts; Mandatory Redemption—Special Mandatory Redemption*" and "*Description of the Senior Notes—Secured Proceeds Accounts; Mandatory Redemption—Special Mandatory Redemption.*"

***The New Revolving Credit Facility***

On May 27, 2014, we will enter into our new senior secured revolving credit facility in the amount of €100.0 million which is not expected to be utilized at the Completion Date. See "*Description of Certain Financing Arrangements*."

We refer to the Acquisition, the financing of the Acquisition and the repayment of the Existing Senior Facilities, together as the "Transactions." Please see "*Use of Proceeds*," "*Description of Certain Financing Arrangements*", "*Description of the Senior Secured Notes*" and "*Description of the Senior Notes*".

## USE OF PROCEEDS

The gross proceeds of the offering of the Notes are €585.0 million. The proceeds of the offering net of estimated transaction fees and expenses are €547.3 million. Pending the consummation of the Acquisition, the gross proceeds will be deposited into one or more escrow accounts in the name of the relevant Issuer but controlled by the Escrow Agent and pledged in favor of, the relevant Trustee on behalf of the relevant holders of the Notes. We will use the proceeds from the Offerings, the equity contribution from the Permira Funds and cash on hand to fund the Acquisition, to repay the amounts outstanding under the Existing Senior Facilities Agreement and pay fees and expenses related to the Transactions.

Upon satisfaction of the conditions to the release of the amounts deposited in the Escrow Accounts, the gross proceeds from the offering of the Notes will be used, together with the equity contribution from the Permira Funds and cash on hand, to (i) pay the purchase price for the Acquisition under the Acquisition Agreement, (ii) refinance the Existing Senior Facilities Agreement, (iii) pay related fees and expenses and (iv), to the extent any proceeds remain, for general corporate purposes.

The following table illustrates the estimated sources and uses of funds relating to the Transactions if the Acquisition were to close on June 30, 2014. The actual amounts set forth in the table and in the accompanying footnotes are subject to adjustment and may differ at the time of the consummation of the offering of the Notes and the consummation of the Acquisition, depending on several factors, including differences from our estimate of fees.

| Sources | (€ in millions) | Uses | (€ in millions) |
|---|---|---|---|
| Senior Secured Notes offered hereby | 410.0 | Purchase price[2] | 410.0 |
| Senior Notes offered hereby | 175.0 | Repayment of Existing Senior Facilities Agreement[3] | 365.2 |
| Equity | 233.9 | Cash on balance sheet | 50.0 |
| Cash on balance sheet[1] | 44.0 | Estimated transaction fees and expenses[4] | 37.7 |
| **Total sources** | **862.9** | **Total uses** | **862.9** |

(1) Represents a portion of the expected cash on hand at the CABB Group as of June 30, 2014, the assumed Completion Date, for the purposes of this table. The cash balance of the CABB Group as of April 30, 2014 was €56.8 million.

(2) See "*The Transactions—The Acquisition Agreement*" for a description of the Purchase Price for the Acquisition that includes the Shareholder Loan and potential adjustments thereto.

(3) Represents the full repayment of amounts due under the Existing Senior Facilities Agreement as of the Completion Date, including accrued and unpaid interest. As of April 30, 2014, borrowings in an aggregate principal amount of €372.2 million were outstanding under the Existing Senior Facilities Agreement. We expect to make a scheduled installment payment on the Existing Senior Facilities in June 2014.

(4) Estimated fees and expenses associated with the Acquisition and the offering of the Notes include underwriting fees and commissions, financial advisory fees and other transaction costs (including breakage costs in respect of the Existing Senior Facilities) and professional fees.

## CAPITALIZATION

The following table sets forth, in each case, the cash and cash equivalents and the capitalization as of March 31, 2014 (i) of the CABB Group, on a historical consolidated basis and (ii) of the Senior Notes Issuer and its subsidiaries, as adjusted on a *pro forma* basis to give effect to the Transactions, including the Offerings of the Senior Secured Notes and the Senior Notes and the application of the proceeds from the Offerings.

This table should be read in conjunction with "*Use of Proceeds*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Description of Certain Financing Arrangements*" and the Consolidated Financial Statements and the accompanying notes included elsewhere in this Offering Memorandum. Except as set forth below, there have been no other material changes to our capitalization since March 31, 2014.

| | As of March 31, 2014 | | |
|---|---|---|---|
| | Historical | Adjustments | As Adjusted |
| | | in € million (unaudited) | |
| **Cash and cash equivalents**[(1)] | **47.5** | **(1.0)** | **46.5** |
| Existing Senior Facilities[(2)] | 372.2 | (372.2) | — |
| Senior Secured Notes offered hereby | — | 410.0 | 410.0 |
| Senior Notes offered hereby | — | 175.0 | 175.0 |
| New Revolving Credit Facility[(3)] | — | — | — |
| Other financial debt[(4)] | 2.5 | — | 2.5 |
| **Total external debt** | **374.7** | **212.8** | **587.5** |
| Shareholder Loan[(5)] | 43.8 | (43.8) | — |
| **Total indebtedness** | **418.5** | **169.0** | **587.5** |
| Equity (existing) | 70.4 | (70.4) | — |
| New equity[(6)] | — | 233.9 | 233.9 |
| **Total capitalization** | **488.9** | **332.5** | **821.4** |

(1) Cash and cash equivalents at the time of the Offering may be different because of, among other reasons, current payments or indebtedness. Upon completion of the Acquisition, we expect this amount to be €43 million.

(2) Amounts shown in this table do not include the €7.0 million installment payment on the Existing Senior Facilities which we expect to make in June 2014.

(3) Represents the €100.0 million senior secured revolving credit facility established under the New Revolving Credit Facility Agreement. See "*Description of Certain Financing Arrangements—New Revolving Credit Facility Agreement*".

(4) Represents the aggregate of the amounts outstanding as of March 31, 2014 under local facilities in China, India and Finland. We expect this debt to remain outstanding following the Transactions.

(5) Represents the shareholder loan between the prior shareholder and CABB International GmbH, which will be assumed by BidCo as described in "*The Transactions*".

(6) Does not reflect estimated transaction fees and expenses of € 37.7 million.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

*The Audited Consolidated Financial Statements were prepared in accordance with IFRS and were audited by KPMG which issued an unqualified audit opinion for the financial years 2013 and 2012. The Unaudited Interim Consolidated Financial Statements, which were prepared in accordance with IFRS, have not been audited. The information below is not necessarily indicative of the results of future operations.*

*The consolidated financial statements included in this Offering Memorandum have not been adjusted to reflect the impact of any changes to the consolidated income statement, the consolidated statement of financial position or the consolidated cash flow statement that may occur as a result of the purchase price allocation ("**PPA**") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying values for existing assets and assets we may add to our consolidated statement of financial position, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. Our consolidated financial statements could be materially different from the consolidated financial statements included in this Offering Memorandum once the PPA adjustments have been made. The following tables present the Group's summary financial information and should be read in conjunction with "Presentation of Financial and Other Information", "Summary Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Description of Certain Financing Arrangements" and the Consolidated Financial Statements and the accompanying notes included elsewhere in this Offering Memorandum.*

### Selected Consolidated Income Statement Information

| | Financial Year | | | Three-Month Period ended March 31, | | Twelve-Month period ended March 31, |
|---|---|---|---|---|---|---|
| | 2011[(1)] Restated | 2012[(1)] Restated | 2013 | 2013 | 2014 | 2014 |
| | in € million | | | (unaudited) | | (unaudited) |
| **Sales** | **269.4** | **427.2** | **438.9** | **122.0** | **131.6** | **448.5** |
| Cost of sales | (221.2) | (315.9) | (326.9) | (88.3) | (92.2) | (330.8) |
| **Gross profit** | **48.2** | **111.3** | **111.9** | **33.7** | **39.4** | **117.7** |
| Research and development expenses | (1.4) | (2.1) | (2.3) | (0.5) | (0.6) | (2.4) |
| Distribution and logistics expenses | (35.6) | (55.1) | (55.5) | (14.8) | (14.4) | (55.2) |
| General and administrative expenses | (19.6) | (14.1) | (14.5) | (3.9) | (5.7) | (16.3) |
| **Earnings before interest and taxes (EBIT)** | **(8.4)** | **39.9** | **39.6** | **14.5** | **18.7** | **43.8** |
| Financial income | 0.1 | 1.2 | 0.5 | 0.2 | 0.5 | 0.8 |
| Financial expenses | (29.3) | (31.3) | (25.8) | (8.6) | (6.5) | (23.7) |
| **Financial result** | **(29.2)** | **(30.1)** | **(25.3)** | **(8.4)** | **(5.9)** | **(22.8)** |
| **Earnings before taxes** | **(37.6)** | **9.9** | **14.2** | **6.1** | **12.7** | **20.9** |
| Taxes on income | 7.0 | (2.0) | (3.4) | (3.1) | (3.0) | (3.3) |
| **Net profit (loss) for the year** | **(30.6)** | **7.8** | **10.8** | **2.9** | **9.7** | **17.6** |
| Attributable to shareholders | (30.5) | 7.6 | 10.6 | 2.9 | 9.7 | 17.4 |
| Attributable to non-controlling interests | 0.0 | 0.2 | 0.2 | 0.1 | 0.0 | 0.2 |

(1) Represents financial information derived from our 2013 and 2012 Audited Consolidated Financial Statements, respectively, which restated certain information from our 2012 and 2011 Audited Consolidated Financial Statements, respectively, due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

**Selected Consolidated Statement of Financial Position**

| | Financial Year | | | As of March 31, |
|---|---|---|---|---|
| | 2011[(1)] Restated | 2012[(1)] Restated | 2013 | 2014 |
| | | in € million | | (unaudited) |
| **Assets** | | | | |
| ***Non-current assets*** | | | | |
| Goodwill | 86.2 | 86.4 | 85.8 | 91.0 |
| Other intangible assets | 141.0 | 119.9 | 98.3 | 93.1 |
| Property, plant and equipment | 262.4 | 261.2 | 276.4 | 277.4 |
| Deferred tax assets | 12.5 | 12.9 | 6.0 | 6.4 |
| **Non-current assets** | **502.2** | **480.4** | **466.6** | **467.9** |
| ***Current assets*** | | | | |
| Inventories | 52.4 | 52.4 | 53.8 | 53.2 |
| Accounts receivable, trade | 60.0 | 54.2 | 60.0 | 72.1 |
| Other receivables and other assets | 8.0 | 9.7 | 11.3 | 10.6 |
| Income tax receivables | 3.0 | 0.1 | 0.0 | 0.0 |
| Cash and cash equivalents | 33.5 | 51.3 | 49.7 | 47.5 |
| **Total current assets** | **156.9** | **167.6** | **174.9** | **183.3** |
| **Total assets** | **659.1** | **648.1** | **641.5** | **651.2** |
| **Equity and Liabilities** | | | | |
| **Equity** | **40.2** | **44.8** | **64.0** | **70.4** |
| ***Long-term liabilities*** | | | | |
| Provisions for pensions and similar obligations | 38.7 | 40.4 | 26.9 | 32.2 |
| Other provisions | 3.3 | 2.7 | 2.3 | 3.5 |
| Bank loans | 269.3 | 252.8 | 349.9 | 350.2 |
| Shareholder loans | 137.9 | 146.0 | 43.0 | 43.8 |
| Other financial liabilities | 0.0 | 0.0 | 0.0 | 1.7 |
| Deferred tax liabilities | 88.0 | 79.9 | 66.3 | 63.8 |
| **Long-term liabilities** | **537.2** | **521.8** | **488.4** | **495.3** |
| ***Short-term liabilities*** | | | | |
| Other provisions | 9.8 | 7.9 | 7.5 | 10.7 |
| Bank loans | 12.4 | 10.4 | 11.9 | 12.2 |
| Accounts payable, trade | 53.7 | 56.4 | 58.1 | 46.5 |
| Income tax liabilities | 1.9 | 4.1 | 8.2 | 11.9 |
| Other liabilities | 3.9 | 2.7 | 3.3 | 4.2 |
| **Short-term liabilities** | **81.7** | **81.5** | **89.0** | **85.5** |
| **Total equity and liabilities** | **659.1** | **648.1** | **641.5** | **651.2** |

(1) Represents financial information derived from our 2013 and 2012 Audited Consolidated Financial Statements, respectively, which restated certain information from our 2012 and 2011 Audited Consolidated Financial Statements, respectively, due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

**Selected Cash Flow Statement Information**

| | Financial Year | | | Three-Month Period ended March 31, | |
|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2013 | 2014 |
| | in € million | | | | |
| | | | | (unaudited) | |
| Cash flow from operating activities | 20.2 | 68.3 | 55.5 | 6.7 | 6.1 |
| Cash flow from investing activities | (180.4) | (28.7) | (47.9) | (3.1) | (9.9) |
| Cash flow from financing activities | 193.5 | (21.9) | (9.5) | 0.0 | 1.6 |
| Change in cash and cash equivalents during the period | 33.2 | 17.7 | (1.9) | 3.6 | (2.2) |
| Change due to exchange rate changes | 0.2 | 0.0 | 0.4 | (0.2) | (0.1) |
| Cash and cash equivalents at the end of the period | 33.5 | 51.3 | 49.7 | 54.7 | 47.5 |

***Segment Information***

| | Financial Year | | Three-Month Period ended March 31, | | Twelve-Month Period ended March 31, |
|---|---|---|---|---|---|
| | 2012[1] Restated | 2013 | 2013 | 2014 | 2014 |
| | | | in € million (unaudited) | | (unaudited) |
| **Sales** | | | | | |
| Acetyls | 174.9 | 174.3 | 44.8 | 45.9 | 175.5 |
| Custom Manufacturing | 262.1 | 277.5 | 80.0 | 89.0 | 286.4 |
| Intercompany eliminations[2] | (9.8) | (12.9) | (2.8) | (3.3) | (13.4) |
| **Sales** | **427.2** | **438.9** | **122.0** | **131.6** | **448.5** |
| **Adjusted Cost of Sales** | | | | | |
| Acetyls | 116.2 | 114.5 | 29.5 | 29.5 | 114.5 |
| Custom Manufacturing | 185.1 | 191.9 | 53.7 | 58.1 | 196.3 |
| Intercompany eliminations | (9.9) | (12.9) | (2.9) | (3.4) | 13.4 |
| **Adjusted Cost of Sales[3]** | **291.4** | **293.5** | **80.3** | **84.2** | **297.4** |
| **Adjusted Gross Profit** | | | | | |
| Acetyls | 58.7 | 59.8 | 15.3 | 16.5 | 61.0 |
| Custom Manufacturing | 77.0 | 85.6 | 26.4 | 30.9 | 90.1 |
| Eliminations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Adjusted Gross Profit[4]** | **135.7** | **145.4** | **41.7** | **47.4** | **151.0** |

(1) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(2) Represents predominantly sales of MCA from the Acetyls business unit to the Custom Manufacturing business unit.

(3) We define Adjusted Cost of Sales as cost of sales before amortization and depreciation included in cost of sales, plus non-recurring items. The following table is a reconciliation of cost of sales to Adjusted Cost of Sales, as defined by us, for the periods presented:

| | Financial Year | | Three-Month Period ended March 31, | |
|---|---|---|---|---|
| | 2012[a] Restated | 2013 | 2013 | 2014 |
| | in € million | | | |
| | | | (unaudited) | |
| Cost of sales | (315.9) | (326.9) | (88.3) | (92.2) |
| Amortization and depreciation included in cost of sales | 32.8 | 33.8 | 8.0 | 7.9 |
| **Cost of sales before amortization and depreciation included in cost of sales** | **(283.1)** | **(293.1)** | **(80.3)** | **(84.3)** |
| Non-recurring items[b] | 0.2 | 0.3 | 0.0 | 0.1 |
| Pension adjustments[c] | (8.8) | (1.2) | 0.0 | 0.0 |
| Depreciation on inventory[d] | 0.2 | 0.6 | 0.0 | 0.1 |
| **Adjusted Cost of Sales** | **(291.5)** | **(293.5)** | **(80.3)** | **(84.2)** |

(a) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(b) Non-recurring items mainly comprise costs related to operational improvements at CABB AG relating to CABB100.

(c) Pension adjustments reflect negative past service costs incurred at CABB AG due to the change of a parameter (conversion rate) in the calculation of pension benefits under the Swiss pension scheme.

(d) Depreciation on inventory reflects the depreciation of the purchase price allocation of palladium, which is the catalyst used in the production of MCA.

(4) We define Adjusted Gross Profit as sales less cost of sales plus amortization and depreciation included in cost of sales and certain non-recurring items. We believe that Adjusted Gross Profit is useful to investors in evaluating our operating performance. Adjusted Gross Profit is not a performance indicator recognized under IFRS. The Adjusted Gross Profit is reported is not necessarily comparable to the performance figures published by other companies as adjusted gross profit or the like. You should exercise caution in comparing Adjusted Gross Profit as reported by us to adjusted gross profit of other companies. For more information, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures*." The following table is a reconciliation of sales to Adjusted Gross Profit, as defined by us, for the periods presented:

| | Financial Year | | Three-Month Period ended March 31, | |
|---|---|---|---|---|
| | 2012[(a)] Restated | 2013 | 2013 | 2014 |
| | in € million | | | |
| | | | (unaudited) | |
| **Sales** | **427.2** | **438.9** | **122.0** | **131.6** |
| Cost of sales | (315.9) | (326.9) | (88.3) | (92.2) |
| **Gross profit** | **111.3** | **111.9** | **33.7** | **39.4** |
| Amortization and depreciation included in cost of sales | 32.8 | 33.8 | 8.0 | 7.9 |
| **Gross profit before amortization and depreciation included in costs of sales** | **144.1** | **145.7** | **41.7** | **47.2** |
| Non-recurring items[(b)] | 0.2 | 0.3 | 0.0 | 0.1 |
| Pension adjustments[(c)] | (8.8) | (1.2) | 0.0 | 0.0 |
| Depreciation on inventory[(d)] | 0.2 | 0.6 | 0.0 | 0.1 |
| **Adjusted Gross Profit** | **135.7** | **145.4** | **41.7** | **47.4** |

(a) Represents financial information derived from our 2013 Audited Consolidated Financial Statements, which restated certain information from our 2012 Audited Consolidated Financial Statements due to the retrospective application of IAS 19R. See "*Presentation of Financial and Other Information*" and note 2 to our 2013 Audited Consolidated Financial Statements, included herein.

(b) Non-recurring items mainly comprise costs related to operational improvements at CABB AG relating to CABB100.

(c) Pension adjustments reflect negative past service costs incurred at CABB AG due to the change of a parameter (conversion rate) in the calculation of pension benefits under the Swiss pension scheme.

(d) Depreciation on inventory reflects the depreciation of the purchase price allocation of palladium, which is the catalyst used in the production of MCA.

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

*The following discussion and analysis of financial condition and results of operations are based on the 2013 Audited Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements, which are reproduced elsewhere in this Offering Memorandum, as well as from the accounting records and from the internal accounting systems of CABB International GmbH, and should be read in conjunction with the information presented below.*

*The 2013 Audited Consolidated Financial Statements were prepared in accordance with IFRS. The 2013 Audited Consolidated Financial Statements were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, which issued an unqualified audit opinion. The Unaudited Interim Consolidated Financial Statements, which were prepared in accordance with IFRS, have not been audited. These interim results are not necessarily indicative of results to be expected for the full year.*

*The consolidated financial statements included in this Offering Memorandum have not been adjusted to reflect the impact of any changes to the consolidated income statement, the consolidated statement of financial position or the consolidated cash flow statement that may occur as a result of the purchase price allocation ("**PPA**") to be applied as a result of the Acquisition. The application of PPA adjustments could result in different carrying values for existing assets and assets we may add to our consolidated statement of financial position, which may include intangible assets such as goodwill, and different amortization and depreciation expenses. Our consolidated financial statements could be materially different from the consolidated financial statements included in this Offering Memorandum once the PPA adjustments have been made.*

*Some of the statements contained below relate to future sales, costs, capital expenditures and financial condition and include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. A discussion of such uncertainties can be found under "Forward-Looking Statements". In addition, investing in the Notes involves risks. Such risks are discussed under "Risk Factors".*

### Business Overview

We are a leading European producer of customized active ingredients, advanced intermediates and diversified specialty chemicals with a strong focus on the agrochemicals industry. Our business operations are organized into two business units, Custom Manufacturing and Acetyls, which accounted for 61.4% and 38.6%, respectively, of our total sales for the year ended December 31, 2013.

Our Custom Manufacturing business unit focuses on the production of exclusives, which are active ingredients and advanced intermediates customized for individual customers operating in the agrochemicals, pharmaceutical and specialty chemical industries. Our exclusives (71% of the business unit's sales in 2013) are primarily used in herbicides, fungicides and insecticides in the agrochemicals industry and range from pilot scale to large-volume commercial operations. Our intermediates (29% of the business unit's sales in 2013) are products manufactured for multiple customers and include acid chlorides, chemical building blocks and various base chemicals. They are to a large extent used in agrochemical applications but also in other diverse end-uses such as vitamins for animal feed and X-ray contrast media.

Our Acetyls business unit is focused on the production of monochloroacetic acid, or MCA, acetyl derivatives and co-products, which are used in a variety of applications in the agrochemicals, food, pharmaceutical and personal care industries. Sales of MCA, the business unit's main product, accounted for 64% of the business unit's sales in 2013. Co-products, such as caustic soda and hydrochloric acid, are by-products from the production of chlorine and MCA and accounted for 23% of the business unit's sales in 2013.

We believe we are among the top three custom manufacturing players in the European agrochemicals market by sales. We are also one of the two principal suppliers of MCA to Western Europe and the Americas. Our key agrochemicals customers are active in a structurally growing global market driven by population growth, improving living standards and changing dietary trends in emerging markets as well as growing demand for biofuels. We believe that we are well-positioned to benefit from the attractive long-term growth trends in the agrochemicals market and are investing in capacity to support the growth of our business.

Headquartered in Germany, we operate production facilities in Germany, Switzerland, Finland, India and, since 2014, China. In Custom Manufacturing, we operate two large production facilities in Pratteln (Switzerland) and Kokkola (Finland). In Acetyls, we operate two technologically-advanced production facilities in Germany (Gersthofen and Knapsack) and one in each of Ahmedabad (India) and Jining, Shandong Province (China) through majority-owned joint

ventures. We benefit from the cost advantage of operating large-scale, highly integrated production facilities strategically located near key customers and suppliers as well as transportation networks.

In 2013, we implemented certain operational improvement measures at our Pratteln site (CABB100) primarily aimed at reducing fixed costs and sourcing costs of raw materials and energy. For the year ended December 31, 2013, these measures helped us to achieve cost savings of approximately €5 million. Following the successful implementation in Pratteln, we are now rolling out similar operational improvement measures at our production facilities in Germany. We are also in the process of expanding our production capacity through a newly installed production unit at Pratteln (FCP3), which commenced operations in February 2014. The new production capacity is almost fully contracted. Assuming full capacity utilization (without production interruption) and related sales timely completion of the remaining construction phases by the end of 2014, we expect FCP3 to contribute an annual run-rate EBITDA of approximately €10 million.

For the twelve months ended March 31, 2014, we generated total sales of €448.5 million and Adjusted EBITDA of €98.1 million. For the same period, our Custom Manufacturing and Acetyls business units accounted for 62.0% and 38.0% of our total sales, respectively, and 59.6% and 40.4% of our Adjusted Gross Profit, respectively.

**Industry Overview**

The global agrochemicals industry has been one of the main drivers of agricultural productivity increases over the past decades. Industry research firm Phillips McDougall estimates that the global crop protection industry accounted for approximately $54.2 billion in sales in 2013, having grown at a CAGR of 7.1% per annum from 2007 to 2013.

The growth of custom manufacturing is driven by the major global agrochemicals players' use of outsourcing as a source of additional production capacity in order to serve the steadily increasing global demand for agrochemicals. In recent years, agrochemicals companies have allocated a larger share of production to external custom manufacturers, which provide flexible multi-purpose and multi-product capacity. Outsourcing reduces agrochemical companies' asset intensity, limits the risks associated with large, upfront investments and allows them to deploy capital with a stronger focus on their core capabilities, such as research and development as well as marketing and distribution. This trend is supported by new molecules becoming increasingly complex and more active, often based on multi-step synthesis, which requires demanding technical capabilities.

Custom manufacturers typically work in close co-operation and often on an exclusive basis for select products with agrochemicals players in order to set up scalable manufacturing units and efficient production processes. This production know-how, combined with often lengthy product registration, generally results in low customer churn and high contract renewal rates in custom manufacturing.

According to Tecnon OrbiChem, the global MCA market in 2013 was approximately 715kt. Global MCA trade flows are often characterized by regional supply and demand due to the corrosive nature of MCA and relatively high transportation costs. CABB and Akzo Nobel are currently the only large-scale producers of high-purity grade MCA, mostly used in high-end applications and developed markets.

**Future Business Unit Reporting**

Concurrent with the offering of the Notes, we have decided to start presenting segment cost of sales and adjusted gross profit for our Acetyls and Custom Manufacturing business units. Because we are initiating this process, our historical consolidated financial statements do not reflect such figures. We expect to report cost of sales and adjusted gross profit for our business units in future periods.

**Factors Affecting our Results of Operations**

***Development of the agrochemicals market***

With our strong focus on custom manufacturing of active ingredients and advanced intermediates for the agrochemicals industry, our results of operations are affected by changes in the global agrochemicals market and the demand for our products by our customers. Our customers include five of the top six global agrochemicals companies. According to the industry research firm Phillips McDougall, the top six global agrochemicals companies accounted for approximately 71% of the global agrochemicals market by revenue in 2012. The global agrochemicals market has historically been relatively unaffected to economic downturns and cyclicality. From 2007 to 2013, the crop protection market grew at a CAGR of 7.1% per annum from $35.9 billion to $54.2 billion supported by structural global trends including global population growth, increasing meat consumption, in particular in emerging markets, and increased use of corn and sugar cane for biofuels. Agrochemicals such as herbicides, fungicides and insecticides, which incorporate our products, play a critical role in crop protection and higher productivity per acre (higher crop yields). In 2013, herbicides accounted for approximately 44% of the global conventional crop protection market by sales; in 2013, a significant

majority of sales in our Custom Manufacturing business unit also related to products used in the production of herbicides. Fungicides accounted for approximately 26% of the global market by sales in 2013, and a similar proportion of sales of our Custom Manufacturing unit are also used in such applications. Given our strategic focus on customized products for the agrochemicals industry and our strategic supplier status with the top three European agrochemicals companies, we believe we are well-positioned to capitalize on these trends.

***Volume, product mix and pricing***

Production volumes and margins are important variables of our results of operations and critical to maintaining and enhancing our profitability. We believe we occupy strong market positions in both business units, being among the top three custom manufacturing players in the European agrochemicals market by sales and one of the two principal suppliers of MCA to Western Europe and the Americas. These market dynamics contribute to attractive margins across our product portfolio.

The primary products we manufacture in our Custom Manufacturing business unit are used in the production of herbicides, fungicides and insecticides. Demand for these agrochemicals, and therefore the volumes that we sell, may vary from year to year based on weather conditions in different parts of the world and prevailing crop prices, which in turn impact our margins in our Custom Manufacturing business unit. However, as our key agrochemicals customers are active on a global scale and our sales to them are typically based on longer-term contracts of three to five years, we believe we enjoy good visibility on future sales across the product portfolio. Moreover, custom manufacturing is a service business. Many of our products are tailored to an individual customer's specific requirements based on its intellectual property and, therefore, critical to the production or performance of our customers' products. We benefit from the critical nature of certain of our exclusive active ingredients and advanced intermediates to the performance of our customers' products as well as our high integration into our customers' value chain, including often being the sole supplier of certain key products.

In our Acetyls business unit, which is characterized by a number of products each sold to a range of customers, our business operations are generally more influenced by the balance of supply and demand and plant utilization rates, which, in 2013, were 86.7% and 90.1%, respectively, for our Knapsack and Gersthofen production facilities. Historically, demand for MCA has grown broadly in line with GDP in Europe across various end-markets, which has contributed to our utilization rates. Furthermore, proximity to customers and supply chain expertise are critical due to relatively high transportation costs of distributing MCA. We generate a significant majority of our sales of MCA from customers in Europe, where we are one of two principal producers, and in the Americas, which lacks a sizeable MCA producer for the merchant market.

Our results of operations are also influenced by the price of caustic soda, which is produced by our chlor-alkali electrolysis process, and the price of which has fluctuated significantly in the past. For example, in 2011, the average price we realized for caustic soda was €366 per ton, compared to € 429 per ton in 2013. In the first quarter of 2013, the average price we realized was €446 compared to €376 in the first quarter of 2014. Caustic soda is sold to a large commodity market, which is mainly driven by capacity utilization of the PVC industry and where we have limited influence on the market price. In 2013, we sold approximately 68 kt of caustic soda. Similar to MCA, the transportation costs for the distribution of caustic soda are relatively high, thereby limiting the sale of caustic soda to customers in close proximity to the production facility, typically within 300 kilometers.

***Raw materials and fluctuations in prices***

Raw material and energy prices are key components of our cost of sales and therefore significantly affect our gross profit, particularly in our Acetyls business unit where we have greater exposure to price fluctuations. The main raw materials in Acetyls are acetic acid, acetic anhydride and chlorine. The majority of our MCA customer contracts by sales include price formulas that allow for an effective pass-through of price variations in acetic acid and, to a lesser extent, acetic anhydride. These pass-through provisions help to limit significant fluctuations in our cost of sales but typically include a time lag of one to three months. In 2013, we diversified our supplier base of acetic acid by testing and qualifying new suppliers in order to source at more competitive prices and reduce our dependency on a single source who had previously supplied us with the majority of our annual consumption of acetic acid. In Gersthofen, we produce chlorine for captive use in our chlor-alkali electrolysis based on membrane technology, which primarily requires salt and electricity as input factors. As a substantial electricity consumer, we have been largely exempt from a German ecological tax (so-called *EEG-Umlage*) at our Gersthofen facility's electrolysis plant, which may not be available to us in the future. At our Knapsack facility, we source chlorine via pipeline under a long-term supply contract from a supplier whose chlorine production facility is adjacent to our plant.

In our Custom Manufacturing business unit, raw materials for production are to a significant extent either provided by our customers and, therefore, not recorded in our cost of sales, or customer contracts include pass-through clauses to protect against fluctuations in prices of raw materials, thereby providing a significant degree of margin

protection. For example, approximately 90% of sales from our top 14 agrochemical exclusives products in Custom Manufacturing for the year ended December 31, 2013 were not exposed to raw material price fluctuations.

***Planned maintenance turnarounds***

We operate our facilities at generally high utilization rates. However, we need to schedule shutdowns of our facilities from time to time in order to carry out required maintenance activities, perform necessary inspections and tests or accommodate for shutdowns of key suppliers, such as our supplier of chlorine in Knapsack. We refer to these scheduled outages as turnarounds. The number and length of such turnarounds carried out in any given period impact our operating results and the level of our capital expenditures.

Our Acetyls business unit's production facilities undergo regular maintenance which requires the outage of a production unit or the entire facility for a period of two to six weeks. Repair and maintenance costs in connection with such regular maintenance can be up to €1 million. Our Gersthofen facility underwent a regular maintenance turnaround in 2012 and is scheduled to undergo its next turnaround of approximately six weeks in 2016. Our Knapsack facility completed a scheduled maintenance turnaround in early 2014 and is scheduled to undergo its next turnaround of approximately two weeks in 2015.

In our Custom Manufacturing business unit, where a significant portion of the products we manufacture are customized for a specific customer, we need to factor in 'switch-over' times to clean the reactor vessels when changing production from one product to another in multi-purpose facilities. This typically takes several days to a week and requires us to shut down operations of a production unit within a production facility until the cleaning is completed.

***Capacity expansion***

We remain focused on targeted capacity expansion to capture growing demand from our customers for increased product volumes. Our capacity expansion plans comprise three projects, two of which are currently underway. First, we are expanding our production capacity at Pratteln through a newly-installed production unit ("**FCP3**"), which commenced operations in February 2014 and will add approximately 70 cubic meters of reactor capacity when completed. We estimate the total capital expenditure for FCP3 to be approximately €30 million, € 16.7 million of which we spent in the year ended December 31, 2013. The new production capacity is almost fully contracted. Assuming full capacity utilization (without production interruption) and related sales as well as timely completion of the remaining construction phases by the end of 2014, we expect the new production facilities to contribute an annual run-rate EBITDA of approximately €10 million. We target completion of the remaining phases of construction by the end of 2014.

Second, we are expanding the production capacity of our existing MCA production facility in Jining, Shandong Province, China, and building a new MCA production facility adjacent to the existing facility to address growing demand for local supply of MCA from existing customers and the general undersupply of high purity grade MCA in the region. Assuming timely completion of the remaining construction, we currently expect production at the new 25 kt facility to commence by the end of 2015. The total investment for both projects will be shared with our joint venture partner pro rata to our respective interests. We currently estimate our share of the total capital expenditure for the new facility to be approximately €10 million.

Third, we currently plan to invest in additional production capacity (approximately 70 cubic meters) in Kokkola, modeled on the recent successful facility expansion in Pratteln, which will require capital expenditure of approximately €30 million based on preliminary estimates and assumptions. If undertaken as currently planned, we expect the capacity expansion in Kokkola to be complete by the end of 2015.

***Cost savings and operational efficiency***

In 2013, we implemented certain operational improvement measures at our production facility in Pratteln, Switzerland ("**CABB100**"), aimed at reducing our cost base. In particular, the cost savings were focused on (i) reducing fixed costs by aligning headcount with process automation and outsourcing technical services, (ii) renegotiating supply contracts to diversify and lower costs of raw materials and energy and (iii) optimizing our intermediates product portfolio (active portfolio management) and identifying new customers for existing products. For the fiscal year ended December 31, 2013, we achieved cost savings of approximately €5 million as a result of these measures. We are currently in the process of implementing similar measures at our production facilities in Gersthofen and Knapsack, Germany, which we believe will result in additional cost savings from 2015 onward.

***Seasonality***

Our results of operations for the first and fourth quarters of the year are generally stronger than our results of operation for the second and third quarters, largely due to seasonal factors in demand from our agrochemicals customers.

We typically experience an increase in production levels in the third quarter of the year in order to meet the stronger demand in the fourth quarter of the year and first quarter of the following year in line with increased demand for agrochemicals products in the Northern Hemisphere each spring prior to the growing season. In addition, we and other chemical companies, including certain suppliers and customers, generally schedule repairs of machinery and facility turnarounds (scheduled shutdowns of production units or facilities for maintenance) in the summer months, which may result in lower sales in the second and third quarters relative to the first and fourth quarters of a given year.

***Environmental regulations***

Current EU and Swiss regulations require us to phase-out of our mercury- based electrolysis by the end of 2017. To comply with these regulations, we will replace our mercury-based technology with electrolysis membrane technology in our production facility in Pratteln, which we already use at our production facility in Gersthofen and which will reduce our energy costs and minimize safety risks associated with the transport of chlorine necessary for our production processes. Part of this transition will include expansion of our chlorine production capacity from 27 kt to 47 kt, thereby securing a nearly fully independent supply of chlorine. We currently estimate the total capital expenditure for the transition to electrolysis membrane technology and chlorine capacity expansion to be approximately €48 million, a significant majority of which is budgeted for 2015 and 2016.

**Outlook for 2014**

Our business is influenced by changes in the global agrochemicals market as well as general economic conditions and, ultimately, customer demand for our products. As a result, management's preparation of a budget requires it to make numerous assumptions and estimates and exercise judgment based on historical experience and other factors management believes to be reasonable under the circumstances.

In preparing the budget for 2014, management assumed that, *inter alia*, (i) the Customer Manufacturing business unit will continue to benefit from growth in the global agrochemicals market, supported by the underlying structural growth trends, (ii) the Acetyls business unit will develop broadly in line with growth in the global economy, supported by a sound market environment for MCA demand, (iii) certain capital expenditures relating to expansion projects, including a new MCA plant in China, will be made on a specified timeline, and (iv) certain average prices for some of our co-products, in particular caustic soda, can be achieved.

In addition, the preparation of our budget included certain assumptions about the positive incremental contribution from the start of the production unit at Pratteln. Assumptions reflected normal course production ramp up, timely completion of the remaining construction phases by the end of 2014 and no production interruptions. Management also estimated additional cost savings from the implementation of the efficiency and de-bottlenecking measures in Pratteln.

Our budget has not been reviewed, audited or subject to any testing by any third parties. Various factors, many of which are beyond our control, may affect our actual results, including general economic conditions, demand for our products and our customers' products, prices of raw materials and other risks described under "*Risk Factors*." Our actual results do not always meet our estimates or budget and may differ from the information and expectations presented above. In particular, our actual results may not be as favorable as the scenarios and expectations describe. We do not plan to update this information or release similar information in the future. See "*Forward-Looking Statements*."

**Key Income Statement Items**

Set forth below is a brief description of the composition of the key line items of our consolidated statement of profit or loss:

***Sales***

Sales comprise revenues from the sale of products. Revenues are recognized when products are delivered or services are rendered and when ownership and risks have been transferred to the purchaser. The revenues comprise the fair value received for the sale of products and services, excluding sales taxes and taxes on consumption, less discounts and price reductions and after the elimination of internal sales with our Group.

***Cost of Sales***

Cost of sales comprises the costs of materials, personnel expenses, proportionate depreciation and amortization, repair and maintenance costs, energy costs, other plant costs as well as packaging costs.

***Research and Development Expenses***

Research costs are recognized immediately as expense when they are incurred. They comprise wages and salaries, cost of materials, proportionate depreciation on property, plant and equipment and overheads. Development costs are only capitalized if, on the basis of various criteria, it is likely that the capitalized amount is covered by future income.

***Distribution and Logistics Expenses***

Distribution and logistics expenses comprise the costs of personnel expenses, proportionate depreciation on property, plant and equipment and intangible assets as well as transport costs.

***General and Administrative Expenses***

General and administrative expenses comprise the costs of personnel expenses, insurance premiums, legal and consultancy costs and other general and administrative expenses.

***Financial Result***

Financial result contains interest income and expenses as well as foreign currency gains and losses. All interest income and expenses are shown in the income statements.

***Taxes on Income***

Taxes on income comprise current taxes and income from deferred taxes.

**Results of Operations**

***Overview***

The following table shows our results of operations for the three-month periods ended March 31, 2014 and 2013 and for the financial years ended December 31, 2013 and 2012.

| | Financial Year | | Three-Month Period ended March 31, | |
|---|---|---|---|---|
| | 2012 Restated | 2013 | 2013 | 2014 |
| | in € million | | (unaudited) | |
| **Sales** | **427.2** | **438.9** | **122.0** | **131.6** |
| Cost of sales | (315.9) | (326.9) | (88.3) | (92.2) |
| **Gross profit** | **111.3** | **111.9** | **33.7** | **39.4** |
| Research and development expenses | (2.1) | (2.3) | (0.5) | (0.6) |
| Distribution and logistics expenses | (55.1) | (55.5) | (14.8) | (14.4) |
| General and administrative expenses | (14.1) | (14.5) | (3.9) | (5.7) |
| **Earnings before interest and taxes (EBIT)** | **39.9** | **39.6** | **14.5** | **18.7** |
| Financial income | 1.2 | 0.5 | 0.2 | 0.5 |
| Financial expenses | (31.3) | (25.8) | (8.6) | (6.5) |
| **Financial result** | **(30.1)** | **(25.3)** | **(8.4)** | **(5.9)** |
| **Earnings before taxes** | **9.9** | **14.2** | **6.1** | **12.7** |
| Taxes on income | (2.0) | (3.4) | (3.1) | (3.0) |
| **Net profit (loss) for the period** | **7.8** | **10.8** | **2.9** | **9.7** |

***Comparison of the Three-Month Period ended March 31, 2013 with the Three- Month Period ended March 31, 2014***

*Sales*

The following table shows the sales contributions of our business units for the three-month periods ended March 31, 2013 and 2014 and the period-to- period changes in these sales contributions.

| | Three-month period ended March 31, | | |
|---|---|---|---|
| | 2013 | 2014 | Change |
| | in € million (unaudited) | | |
| *Business units:* | | | |
| Acetyls | 44.8 | 45.9 | 2.5% |
| Custom Manufacturing | 80.0 | 89.0 | 11.2% |
| **Total** | **124.8** | **134.9** | **8.1%** |
| Intercompany eliminations[(1)] | (2.8) | (3.3) | N/M |
| **Sales** | **122.0** | **131.6** | **7.9%** |

(1) Represents predominantly sales of MCA from the Acetyls business unit to the Custom Manufacturing business unit.

Sales increased by €9.6 million, or 7.9%, from €122.0 million for the three-month period ended March 31, 2013 to €131.6 million for the three-month period ended March 31, 2014. The increase in sales was primarily due to strong sales of agrochemicals products in Custom Manufacturing.

Sales in our Acetyls business unit increased by €1.1 million, or 2.5%, from €44.8 million for the three-month period ended March 31, 2013 to €45.9 million for the three-month period ended March 31, 2014. The increase was primarily attributable to strong demand for MCA as a result of a new customer account and higher sales of several acetyls derivatives. The increase was partly offset by lower MCA volumes in March due to a scheduled annual maintenance shutdown of our Knapsack product facility in late March and a decline in the price of caustic soda during the quarter from an average price of €446 for the first three months of 2013 to €376 for the first three months of 2014.

Sales in our Custom Manufacturing business unit increased by €9.0 million, or 11.2% from €80.0 million for the three-month period ended March 31, 2013 to €89.0 million for the three-month period ended March 31, 2014. The increase was primarily attributable to increased sales of several of our agrochemicals products, which more than offset lower sales of products to pharmaceutical customers as well as declines in sales of specialties and intermediates as a result of customers shifting orders to the following quarter.

*Cost of Sales*

Cost of sales increased by €3.9 million, or 4.4%, from €88.3 million for the three-month period ended March 31, 2013 to €92.2 million for the three-month period ended March 31, 2014. The increase in cost of sales was primarily due to the higher sales and production volumes of agrochemical products in our Custom Manufacturing business unit.

*Gross Profit*

Gross profit increased by €5.7 million, or 17.0%, from €33.7 million for the three-month period ended March 31, 2013 to €39.4 million for the three-month period ended March 31, 2014. The increase in gross profit was primarily due to the factors described above.

*Research and Development Expenses*

Research and development expenses increased by €0.1 million from €0.5 million for the three-month period ended March 31, 2013 to €0.6 million for the three-month period ended March 31, 2014. The increase in research and development expenses was primarily due to increased expenses in Custom Manufacturing.

*Distribution and Logistics Expenses*

Distribution and logistics expenses decreased by €0.4 million, or 2.5%, from €14.8 million for the three-month period ended March 31, 2013 to €14.4 million for the three-month period ended March 31, 2014. The decrease in distribution and logistics expenses was primarily due to lower shipping expenses in connection with reduced volumes of overseas business.

*General and Administrative Expenses*

General and administrative expenses increased by €1.8 million from €3.9 million for the three-month period ended March 31, 2013 to €5.7 million for the three-month period ended March 31, 2014. The increase in general and administrative expenses was primarily due to a one- time increase of jubilee (anniversary bonus) provisions in Finland and an increase in headcount to support our expansion activities.

*Financial Result*

Financial result amounted to a net cost of €5.9 million for the three- month period ended March 31, 2014, a decrease of €2.5 million, from a net cost of €8.4 million for the three-month period ended March 31, 2013. Financial expenses decreased from €8.6 million for the three-month period ended March 31, 2013 to €6.5 million for the three-month period ended March 31, 2014. The decrease in financial expenses was primarily driven by unrealized foreign currency losses incurred in 2013 in connection with the conversion of U.S. dollar tranches under the Existing Senior Credit Facilities Agreement. Financial income increased from €0.2 million for the three-month period ended March 31, 2013 to €0.5 million for the three-month period ended March 31, 2014, primarily due to unrealized currency gains.

*Taxes on Income*

Taxes on income remained largely unchanged, decreasing by €0.1 million, from €3.1 million for the three-month period ended March 31, 2013 to €3.0 million for the three-month period ended March 31, 2014.

***Comparison of the Financial Year ended December 31, 2012 with the Financial Year ended December 31, 2013***

*Sales*

The following table shows the sales contributions of our business units for the financial years ended December 31, 2012 and 2013 and the period-to- period changes in these sales contributions.

| | Financial Year | | |
|---|---|---|---|
| | 2012 Restated | 2013 | Change |
| | in € million (unaudited) | | |
| *Business units:* | | | |
| Acetyls | 174.9 | 174.3 | (0.3)% |
| Custom Manufacturing | 262.1 | 277.5 | 5.9% |
| **Total** | **437.0** | **451.8** | **3.4%** |
| Intercompany eliminations | (9.8) | (12.9) | N/M |
| **Sales** | **427.2** | **438.9** | **2.7%** |

Sales increased by €11.7 million, or 2.7%, from €427.2 million for the fiscal year ended December 31, 2012 to €438.9 million for the fiscal year ended December 31, 2013.

Sales in our Acetyls business unit decreased slightly by €0.6 million, or 0.3% from €174.9 million for the fiscal year ended December 31, 2012 to €174.3 million, primarily as a result of lower raw material input costs for the fiscal year ended December 31, 2013. Sales of MCA remained strong in 2013, mainly driven by increased demand for agrochemicals and water-soluble polymers as well as stable demand from personal care industry customers. Co-products continued to perform well due to higher caustic soda prices in 2013. Sales of our derivatives products also improved compared to 2012.

Sales in our Custom Manufacturing business unit increased by € 15.4 million, or 5.9%, from €262.1 million for the fiscal year ended December 31, 2012 to €277.5 million for the fiscal year ended December 31, 2013. Volume demand from our key agrochemicals customers remained strong in 2013 for both new and established products. Net sales of our pharmaceuticals products increased significantly. These increases were partly offset by a decline in sales of specialties products due to the phase-out of one product.

*Cost of Sales*

Cost of sales increased by €11.0 million, or 3.5%, from €315.9 million for the fiscal year ended December 31, 2012 to €326.9 million for the fiscal year ended December 31, 2013. The increase in cost of sales was primarily due to an increase of €9.9 million in costs of production as a result of increased production volumes in our Custom Manufacturing business unit.

*Gross Profit*

Gross profit remained largely unchanged, increasing slightly from €111.3 million for the fiscal year ended December 31, 2012 to €111.9 million for the fiscal year ended December 31, 2013.

*Research and Development Expenses*

Research and development expenses increased by €0.2 million from €2.1 million for the fiscal year ended December 31, 2012 to €2.3 million for the fiscal year ended December 31, 2013. The increase in research and development expenses was primarily due to slightly higher personnel expenses for product screening and process efficiency improvements in our Acetyls business unit.

*Distribution and Logistics Expenses*

Distribution and logistics expenses increased by €0.4 million, or 0.7%, from €55.1 million for the fiscal year ended December 31, 2012 to €55.5 million for the fiscal year ended December 31, 2013. The increase in distribution and logistics expenses was primarily attributable to slightly higher transport costs and personnel expenses driven by growth in our operations.

*General and Administrative Expenses*

General and administrative expenses increased by €0.4 million, or 2.8%, from €14.1 million for the fiscal year ended December 31, 2012 to €14.5 million for the fiscal year ended December 31, 2013. The increase in general and administrative expenses was primarily due to an increase in personnel expenses of €0.5 million as a result of an increase in headcount to support our business expansion.

*Financial Result*

Financial result amounted to a net expense of €25.3 million for the fiscal year ended December 31, 2013, a decrease of €4.8 million, or 15.9%, from a net expense of €30.1 million for the fiscal year ended December 31, 2012 as a result of lower financial expenses of € 5.5 million. The decrease in financial expenses was primarily due to a decrease of €3.6 million in interest expense on shareholder loans repaid in 2012. This decrease was partly offset by an increase of unrealized foreign currency losses of €0.3 million. Financial income decreased by €0.7 million from €1.2 million for the fiscal year ended December 31, 2012 to €0.5 million for the fiscal year ended December 31, 2013, primarily due to lower unrealized currency gains of €0.5 million.

*Taxes on Income*

Taxes on income increased by €1.4 million from €2.0 million for the fiscal year ended December 31, 2012 to €3.4 million for the fiscal year ended December 31, 2013. The increase in taxes on income was primarily due to an increase in current taxes as a result of higher earnings before taxes. The increase in current taxes was only partly offset by an increase in income from deferred taxes.

**Non-IFRS Financial Measures**

**Segment Information**

*Adjusted Cost of Sales*

The following table shows Adjusted Cost of Sales for the financial years ended December 31, 2012 and 2013 and the three- month periods ended March 31, 2013 and 2014 and the period-to-period changes in these sales contributions.

| | Financial Year | | | Three-month period ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2012 Restated | 2013 | Change | 2013 | 2014 | Change |
| | in € million (unaudited) | | | in € million (unaudited) | | |
| *Business units:* | | | | | | |
| Acetyls | 116.2 | 114.5 | (1.5)% | 29.5 | 29.5 | — |
| Custom Manufacturing | 185.1 | 191.9 | 3.7% | 53.7 | 58.1 | 8.2% |
| **Total** | **301.3** | **306.4** | **1.7%** | **83.2** | **87.6** | **5.3%** |
| Intercompany eliminations | (9.9) | (12.9) | N/M | (2.9) | (3.4) | N/M |
| **Adjusted Cost of Sales[(1)]** | **291.4** | **293.5** | **0.7%** | **80.3** | **84.2** | **4.9%** |

(1) Excludes certain adjustments and eliminations as described in footnote 3 under "*Summary Consolidated Financial and Other Information—Other Financial and Operating Data—Segment Information.*"

Adjusted Cost of Sales increased by €3.9 million, or 4.9%, from €80.3 million for the three-month period ended March 31, 2013 to €84.2 million for the three-month period ended March 31, 2014. The increase in Adjusted Cost of Sales was primarily due to the higher sales and production volumes of agrochemicals products in our Custom Manufacturing business unit. Cost of sales in our Acetyls business unit remained stable in the three-month period ended March 31, 2014 compared to the three-month period ended March 31, 2013. Cost of sales in our Custom Manufacturing business unit increased by €4.4 million, or 8.2% from €53.7 million for the three-month period ended March 31, 2013 to €58.1 million for the three-month period ended March 31, 2014. The increase was primarily attributable to the increased volumes of agrochemicals products sold.

Adjusted Cost of Sales increased by €2.1 million, or 0.7%, from €291.4 million for the fiscal year ended December 31, 2012 to €293.5 million for the fiscal year ended December 31, 2013. The increase in Adjusted Cost of Sales was primarily due to an increase of €6.8 million in costs of production as a result of increased production volumes in our Custom Manufacturing business unit. Lower cost of sales in Acetyls was due to lower raw materials costs.

*Adjusted Gross Profit*

The following table shows Adjusted Gross Profit for the financial years ended December 31, 2012 and 2013 and the three-month periods ended March 31, 2013 and 2014 and the period-to-period changes in these sales contributions.

| | Financial Year | | | Three-month period ended March 31, | | |
|---|---|---|---|---|---|---|
| | 2012 Restated | 2013 | Change | 2013 | 2014 | Change |
| | in € million (unaudited) | | | in € million (unaudited) | | |
| *Business units:* | | | | | | |
| Acetyls | 58.7 | 59.8 | 1.9% | 15.3 | 16.5 | 7.8% |
| Custom Manufacturing | 77.0 | 85.6 | 11.1% | 26.4 | 30.9 | 17.0% |
| **Total** | **135.7** | **145.4** | **7.1%** | **41.7** | **47.4** | **13.7%** |
| Intercompany eliminations | 0.0 | 0.0 | — | 0.0 | 0.0 | — |
| **Adjusted gross profit[(1)]** | **135.7** | **145.4** | **7.1%** | **41.7** | **47.4** | **13.7%** |

(1) Excludes certain adjustments and eliminations as described in footnote 4 under "*Summary Consolidated Financial and Other Information—Other Financial and Operating Data—Segment Information.*"

Adjusted Gross Profit in our Acetyls business unit increased by €1.2 million, or 7.8%, from €15.3 million for the three-month period ended March 31, 2013 to €16.5 million for the three-month period ended March 31, 2014. Adjusted Gross profit in our Acetyls business unit increased compared to the prior year due to a higher share of European MCA business with higher margins. Acetyl derivatives markets remained stable, supported by strong sales of glycolic acid and another derivative. The increase was partly offset by lower sales of co-products driven by a lower average sales price for caustic soda compared to the first quarter of 2013. Adjusted Gross Profit in our Custom Manufacturing business unit increased by €4.5 million, or 17.0%, from €26.4 million for the three-month period ended March 31, 2013 to €30.9 million for the three-month period ended March 31, 2014. The increase was due to higher sales of our main agrochemicals products. The increase was partly offset by lower margins in our specialties products and the lower average price of caustic soda, which affected our results for intermediates.

Adjusted Gross Profit increased by €9.7 million, or 7.1%, from €135.7 million for the fiscal year ended December 31, 2012 to €145.4 million for the fiscal year ended December 31, 2013. Adjusted Gross Profit in our Acetyls business unit increased slightly by €1.1 million, or 1.9% from €58.7 million for the fiscal year ended December 31, 2012 to €59.8 million for the fiscal year ended December 31, 2013. The increase was primarily attributable to increased sales of acetyl derivatives in 2013 compared to 2012 and increased sales from co-products due to higher prices of caustic soda in 2013 compared to 2012. Adjusted Gross Profit in our Custom Manufacturing business unit increased by €8.6 million, or 11.1%, from €77.0 million for the fiscal year ended December 31, 2012 to €85.6 million for the fiscal year ended December 31, 2013. The increase was primarily attributable to strong sales of our key agrochemicals in 2013 as well as improved sales of products to pharmaceutical customers. The increase was also due to higher caustic soda prices compared to the previous year.

**Adjusted EBITDA**

Adjusted EBITDA increased by €5.6 million, or 20.5%, from € 27.3 million for the three-month period ended March 31, 2013 to € 32.9 million for the three-month period ended March 31, 2014. The increase was primarily attributable to increased sales in Custom Manufacturing and, in particular, considerably higher sales of agrochemicals

products than in the first quarter of 2013. The increase was partly offset by lower caustic soda prices compared to the previous year.

Adjusted EBITDA increased by €8.3 million, or 9.9%, from € 84.2 million for the fiscal year ended December 31, 2012 to € 92.5 million for the fiscal year ended December 31, 2013. The increase was primarily attributable to higher sales volumes in Custom Manufacturing due to increased capacity, higher caustic soda prices in Acetyls and our cost savings of approximately €5 million as a result of operational improvement measures in Pratteln (CABB100).

**Liquidity and Capital Resources**

Our principal sources of funds have been cash generated from our operating activities and borrowings under the Existing Senior Facilities Agreement. Our principal uses of cash are for capital expenditures, to fund debt service obligations and for working capital. As of March 31, 2014, we had cash and cash equivalents of €47.5 million.

Our principal source of liquidity on an ongoing basis is expected to be our operating cash flows. We will also have access to the New Revolving Credit Facility to service our working capital and general corporate needs. The continued availability of the New Revolving Credit Facility is dependent upon certain conditions as described further under "*Description of Certain Financing Arrangements—New Revolving Credit Facility.*" In addition, our ability to generate cash depends on our future operating performance, which, in turn, depends to some extent on general economic, financial, industry and other factors, many of which are beyond our control. See "*Risk Factors*".

Although we believe that our expected cash flows from operating activities, together with available borrowings under the New Revolving Credit Facility, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operating activities or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

| | Financial Year | | Three-Month Period ended March 31, | |
|---|---|---|---|---|
| | 2012 | 2013 | 2013 | 2014 |
| | in € million | | | |
| | | | (unaudited) | |
| Cash flow from operating activities | 68.3 | 55.5 | 6.7 | 6.1 |
| Cash flow from investing activities | (28.7) | (47.9) | (3.1) | (9.9) |
| Cash flow from financing activities | (21.9) | (9.5) | 0.0 | 1.6 |
| Change in cash and cash equivalents during the period | 17.7 | (1.9) | 3.6 | (2.2) |
| Change due to exchange rate changes | 0.0 | 0.4 | (0.2) | (0.1) |
| Cash and cash equivalents at the end of the period | 51.3 | 49.7 | 54.7 | 47.5 |

***Three-Month Period ended March 31, 2013 compared with the Three-Month Period ended March 31, 2014***

*Cash Flow from Operating Activities*

Cash flow from operating activities decreased by €0.6 million from €6.7 million for the three-month period ended March 31, 2013 to €6.1 million for the three-month period ended March 31, 2014. The decrease in cash flow from operating activities was primarily due to an increase in working capital as a result of increased sales levels.

*Cash Flows from Investing Activities*

Cash flow used in investing activities increased by €6.8 million from €3.1 million of cash flow used in investing activities for the three-month period ended March 31, 2013 to €9.9 million of cash flow used in investing activities for the three-month period ended March 31, 2014. The increase in cash flow used in investing activities was primarily due to an increase of €3.8 million in investments in property, plant and equipment related to FCP3 and the facility expansion of our existing production facility in China.

*Cash Flows from Financing Activities*

Cash flow from financing activities increased from €0.04 million of cash flow used in financing activities for the three-month period ended March 31, 2013 to €1.6 million of cash flow from financing activities for the three-month period ended March 31, 2014. The increase in cash flow from financing activities was primarily due to the shareholder loan received from minority shareholders in our joint venture in China.

***Financial Year ended December 31, 2012 compared with the Financial Year ended December 31, 2013***

*Cash Flow from Operating Activities*

Cash flow from operating activities decreased by €12.8 million, or 18.7%, from €68.3 million for the fiscal year ended December 31, 2012 to €55.5 million for the fiscal year ended December 31, 2013. The decrease in cash flow from operating activities was primarily due to an increase in inventories, trade accounts receivables and other assets as a result of increased business activity.

*Cash Flows from Investing Activities*

Cash flow used in investing activities increased by €19.2 million, or 66.9%, from €28.7 million for the fiscal year ended December 31, 2012 to €47.9 million for the fiscal year ended December 31, 2013. The increase in cash flow used in investing activities was primarily due to €16.7 million in investments in the installation of a new production unit in Pratteln as well as de-bottlenecking measures in Kokkola. In our Acetyls business unit, the first investment of €2.9 million for our new joint venture in China was also paid in 2013.

*Cash Flows from Financing Activities*

Cash flow used in financing activities decreased by €12.4 million from €21.9 million for the fiscal year ended December 31, 2012 to €9.5 million for the fiscal year ended December 31, 2013. The decrease in cash flow used in financing activities was primarily due to the incurrence of additional loans in an amount of €99.0 million under the Existing Senior Facilities Agreement and the incurrence of additional loans under the capex facility to repay shareholder loans in an amount of €110.0 million.

***Capital Expenditures***

Our capital expenditures primarily relate to facility upgrades and capacity expansion projects, optimization and de-bottlenecking projects and maintenance projects. A relatively small part of our capital expenditures are spent on intangible assets, including information and communications technology, research and development and regulatory and environmental compliance.

Capital expenditures for the year ended December 31, 2013 were € 47.9 million, an increase of €19.2 million, from € 28.7 million for the year ended December 31, 2012. The increase was primarily attributable to €16.7 million in investments in FCP3 as well as certain de-bottlenecking measures at Kokkola and investments in our production facilities in China and India.

Capital expenditures for the year ended December 31, 2012 were € 28.7 million, an increase of €15.6 million, from € 13.1 million for the year ended December 31, 2011. The increase was primarily attributable to investments in de-bottlenecking measures in our Custom Manufacturing unit, particularly at our production facility in Kokkola.

Our capital expenditures for the three-month period ended March 31, 2014 were €9.9 million and related primarily to investments in our joint venture in China (€2.3 million) and our FCP3 capacity expansion (€3.8 million). We estimate that our capital expenditures for the year ending December 31, 2014 will be approximately € 67 million of which approximately €13 million will be used for our FCP3 capacity expansion, approximately €10 million for our capacity expansion in Kokkola, approximately €6 million for our electrolysis expansion and membrane technology in Pratteln and approximately €6 million for investments in our new production facility in China.

We expect our capital expenditures related to production facility upgrades and capacity expansion to be higher in 2015 to support the investment required to meet growing product demand and deliver new business growth. For example, we currently plan to invest in additional production capacity in Kokkola modeled on the recent facility expansion in Pratteln, which we estimate would require capital expenditure of approximately €30 million based on preliminary estimates and assumptions. We are also expanding the production capacity of our existing MCA production facility in Jining, Shandong Province, China, and constructing a new MCA production facility adjacent to the existing facility to address growing demand for local supply of MCA from existing customers and the general undersupply of high purity grade MCA in the region. Assuming full capacity utilization and timely completion of the remaining construction, we currently expect production at the new 25 kt facility to commence by the end of 2015 and the capacity expansion of the existing facility to be completed by the end of 2017. The total investment for both projects will be shared with our joint venture partner pro rata to our respective interests. We currently estimate the total capital expenditure we contribute to be approximately €16 million, €2.9 million of which we spent in 2013.

In addition, to comply with new regulations, we are introducing electrolysis membrane technology in our production facility in Pratteln, which we already use at our production facility in Gersthofen and which we expect will

significantly reduce our energy costs and minimize safety risks associated with the transport of chlorine necessary for our production processes. Part of this transition will include expansion of our chlorine production capacity from 27 kt to 47 kt, thereby securing a fully independent supply of chlorine for the chlorine electrolysis process. We currently estimate the total capital expenditure for the transition to electrolysis membrane technology and chlorine capacity expansion to be approximately €48 million, a significant majority of which is budgeted for 2015 and 2016.

***Trade Working Capital***

Trade working capital represents trade receivables plus inventories less trade payables as presented on our consolidated statement of financial position. The following table presents trade working capital as of the periods presented.

| | Financial Year | | Three-Month Period ended March 31, |
|---|---|---|---|
| | 2012 | 2013 | 2014 |
| | | | in € million(unaudited) |
| Accounts receivables, trade | 54.2 | 60.0 | 72.1 |
| Inventories | 52.4 | 53.8 | 53.2 |
| Accounts payables, trade | (56.4) | (58.1) | (46.5) |
| **Trade working capital** | **50.2** | **55.7** | **78.8** |

Trade working capital increased from €50.2 million for the fiscal year ended December 31, 2012 to €55.7 million for the fiscal year ended December 31, 2013 as a result of higher account receivables from higher sales in 2013. In the three-month period ended March 31, 2014, trade working capital increased to €78.8 million, primarily due to further increased sales in Custom Manufacturing and receivables from two large customers in our Acetyls business unit for which payment arrived after the end of the quarter.

We anticipate that our trade working capital requirements will vary due to changes in raw material costs and product off-takes by customers, which affect inventory and account receivables levels. Trade working capital levels typically develop in line with raw material prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under our New Revolving Credit Facility.

**Contractual Obligations**

***Financing Arrangements***

As of March 31, 2014, on an unaudited *pro forma* basis to give effect to the Offerings and the application of the proceeds therefrom as described under "*Use of Proceeds*", our financing arrangements would have been as follows:

| | Payments due by period | | | |
|---|---|---|---|---|
| | Up to 1 year | 1-5 years | More than 5 years | Total |
| | in € million | | | |
| Notes offered hereby[(1)] | — | — | 585.0 | 585.0 |
| Local credit facilities[(2)] | 0.5 | 1.7 | — | 2.2 |
| Finance leases | 0.1 | 0.2 | — | 0.3 |
| **Total** | **0.6** | **1.9** | **585.0** | **587.5** |

(1) Reflects the gross proceeds from the issuance of the Notes.

(2) Represents local credit facilities in India and Switzerland as well as shareholder loans received from minority shareholders in our joint venture in China, which will remain outstanding following the offering of the Notes.

***Pension Obligations***

Our pension provisions amounted to €26.9 million as of December 31, 2013. Our reported pension provisions related to obligations to employees under pension plans. We operated various pension schemes in accordance with the local laws and practices in the countries in which we operate. In Germany, retirement benefits are provided under the pension fund of the employees of the Hoechst Group VvaG. Retirement benefits for our employees in Switzerland are provided under the pension fund of CABB AG. The Swiss pension plan is a defined contribution scheme under Swiss GAAP. Retirement benefits for our employees in Finland are provided under the pension insurance company

Ilmarinen Ltd. Our provisions for pensions are described in greater detail in note 18 of our 2013 Audited Consolidated Financial Statements.

As of December 31, 2013, we also had provisions for personnel obligations that amounted to €6.8 million. The personnel obligations include premiums and bonus payments, service anniversary payment, semi-retirement agreements and contributions to the Employers' Liability Insurance Association (*Berufsgenossenschaft*).

***Environmental Obligations***

As of December 31, 2013, we had provisions for environmental and rehabilitation obligations that amounted to €2.2 million. The provisions for environmental and rehabilitation obligations relate primarily to legacy rehabilitation expenses for landfill sites in Bonfol and Kölliken, Switzerland, and waste water disposal obligations in Finland (waste water held in buffer tanks in order to minimize external waste processing costs).

We share the rehabilitation expense with other parties, with our share of such expense defined in accordance with a distribution formula. The amount of the provision is management's best estimate of the future outflow of funds in connection with our environmental and rehabilitation obligations.

***Off-Balance Sheet Arrangements***

As of March 31, 2014, we had entered into commitments under operating leases in an amount of €3.7 million, mainly covering machinery, technical equipment and buildings, that were not recorded on our balance sheet.

Except as described above, we are not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our financial condition, results of operations, liquidity, capital expenditure or capital resources.

**Qualitative and Quantitative Disclosures on Market Risk**

***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Prior to the offering of the Notes, our exposure to the risk of changes in market interest rates related primarily to our long-term financial liabilities with floating interest rates under the Existing Senior Facilities Agreement.

The Floating Rate Senior Secured Notes will bear interest at variable rates, and changes in interest rates will affect the interest payments. In addition, amounts drawn under the New Revolving Credit Facility will bear interest at a floating rate.

While we may enter into hedging agreements in the future, we may also elect not to do so or the terms on which we hedge may not be satisfactory or may fail to adequately protect us from changes in market interest rates.

***Credit Risk***

The risk attributable to trade accounts receivable or financial receivables is defined as the risk that outstanding receivables are not settled on time or that they are not settled at all. Credit risks related to trade accounts receivable or financial receivables are systematically analyzed, monitored and managed. We have policies in place to ensure that sales of products and services on credit are made to customers with an appropriate credit history and within defined limits.

***Foreign Currency Risk***

We conduct our business in various currencies other than the euro, and we are therefore exposed to foreign currency risk. The largest part of our foreign currency risk is attributed to business operations in U.S. dollars and Swiss francs. However, because the operating activities carried out by our group entities are to a significant extent denominated in their respective functional currencies, our exposure to currency risks from operating activities is limited.

***Liquidity Risk***

Liquidity risk is the risk of not being able to fulfill present or future obligations if we do not have sufficient funds available to meet such obligations at the time they become due. Liquidity risk arises mostly in relation to cash flows generated and used in working capital and from financing activities, particularly by serving our debt, in terms of

both interest and capital, and our payment obligations relating to our ordinary course business activities. We manage liquidity risk by ongoing monitoring of our cash flows. We believe that following the Offerings we will have sufficient undrawn borrowing facilities that could be used to fund any potential shortfall in cash resources. Nonetheless, we can provide no assurance that we will have available cash or funding in the future to meet such liquidity shortfalls.

***Commodity Price Risk***

We are exposed to fluctuations in certain raw material prices. These result primarily from the following raw materials and co-products we sell to back to third parties: acetic acid, acetic anhydride, chlorine and energy as well as caustic soda and hydrochloric acid. We do not currently use commodity derivatives to hedge the commodity price risk but enter into longer-term purchase contracts with suppliers of these commodities, to ensure volumes at fixed prices, particularly for chlorine, or based on market and index-linked prices instead of spot prices.

**Critical Accounting Policies and Estimates**

Our preparation of the Audited Consolidated Financial Statements requires management to make assumptions, undertake estimates and exercise judgment that affect the reported amount of assets and liabilities at the balance sheet date and the reported amounts of sales and expenses during the fiscal period. See Note 3 to our Audited Consolidated Financial Statements. All assumptions, expectations and forecasts used as a basis for certain estimates within the Audited Consolidated Financial Statements represent good-faith assessments of our future performance for which management believes there is a reasonable basis. Estimates and judgments used in the determination of reported results are continuously evaluated.

Assumptions, estimates and judgments are based on historical experience and on various other factors that management believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

***Goodwill***

Goodwill in the amount of €85.8 million resulting is recognized in the consolidated statement of financial position for the year ended December 31, 2013. Goodwill is subject to an annual impairment test by comparing its carrying amount with its recoverable amount. This test requires an estimate of the value-in-use of cash generating units to which the goodwill is allocated. The estimation of the value-in-use requires an estimate of expected future cash flow of the cash generating units and the choice of an appropriate discount rate in order to determine the present value of these cash flows. In making such estimates, management's judgment is based on the development and current performance of the Group in the context of the current market and the development of the overall economy. No impairment losses were recognized in the financial years 2012 and 2013. As part of the Acquisition, we expect that goodwill may increase.

***Property, plant and equipment and intangible assets***

As of December 31, 2013, we had intangible assets (excluding goodwill) with a balance sheet value of €98.3 million and property, plant and equipment with a balance sheet value of €276.4 million. These assets are tested annually for indications of impairment. If any such indication exists, estimates of the expected future cash flows from the utilization and potential disposal of these assets are made in order to assessing the impairment. The actual cash flows may differ significantly from the discounted future cash flows which are based on these estimates. Factors such as a change in the planned utilization of buildings, machinery and equipment, technical ageing or utilization levels of installations which are lower than original forecasts may reduce the useful service life or may result in an impairment.

***Pension provisions***

As of December 31, 2013, we reported provisions of €26.9 million for pensions and similar obligations. The valuation of these pension provisions is influenced by assumptions regarding the future development of wages and salaries or pensions as well as interest rates.

In Germany, retirement benefits are provided via the pension fund of the employees of the Hoechst Group VVaG. The Swiss employees of the Group are insured with the pension fund of CABB AG, Pratteln, Switzerland. The retirement benefits of the Finnish employees are processed via the pension insurance company Ilmarinen Ltd. The calculations of the assets and liabilities recognized with regard to these facilities are based on statistical and actuarial calculations. In particular, the present value of the defined benefit obligation depends on assumptions such as the discount rate and the pension growth rate used for calculating the present value of the future pension obligations. Future salary increases and increases in the other benefits to employees also influence the calculation of the present value of future pension obligations. In addition, the independent actuaries engaged by us also use statistical data such as probability of departure and life expectancy of the insured parties for their assumptions.

The discount rate for the actuarial calculations of the German and Finnish defined benefit obligations was determined by applying the Mercer Pension Yield Curve Approach (MYV) for the first time as of December 31, 2013. If a discount rate determined on the basis of the previous method had been applied, the pension provision recognized in the statement of financial position would have been higher by €1.1 million, the defined benefit costs recognized in the statement of profit or loss would have been higher by €0.1 million and the net interest component for the fiscal year 2014 would have been lower by € 8,000.

***Environmental provisions***

We recognize a provision for environmental rehabilitation related to the expected costs of rehabilitating waste sites in Pratteln, Switzerland as well as waste disposal at our production facility in Kokkola, Finland. The provision for environmental rehabilitation is re-estimated on an annual basis, and it reflects the present value of the expected restoration costs using estimated cash flows as of the reporting date. Management believes the provisions which have been recognized to be adequate based on the available information as of the reporting date. However, given the difficulty of estimating the costs of future rehabilitation measures, it is possible that additional costs may occur which exceed the recognized provisions. As of December 31, 2013, we had recognized environmental provisions in the amount of €2.2 million.

***Deferred tax assets***

Accruals for deferred taxes are recognized for tax losses carried forward. The recognition of deferred tax assets on tax losses carried forward requires management estimates to the extent that it is probable that taxable profits will be available against which the losses can by utilized. If there is doubt regarding the extent to which the tax loss carry-forwards can be realized, appropriate impairments are recognized in relation to the deferred tax assets as required.

**Recently Adopted Accounting Regulations**

With effect from January 1, 2013, we have, where necessary and appropriate, applied the following new and amended standards and Interpretations published by the International Accounting Standards Board (IASB):

*IAS 1 (Presentation of Financial Statements)* amendments introduce new terminology for the statement of comprehensive income. Under the amendments to IAS 1, the "statement of comprehensive income" is renamed the "statement of profit or loss and other comprehensive income". In addition, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. These amendments have been applied retrospectively, and the presentation of items of other comprehensive income has been modified to reflect the changes.

*IAS 19R (Employee Benefits)* (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of IAS 19R and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19R are replaced with a "net interest" amount under IAS 19R, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, IAS 19R (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost, including more extensive disclosures.

The 2013 Audited Consolidated Financial Statements are the first financial statements in which we have adopted IAS 19R. The revised standard has been adopted retrospectively in accordance with IAS 8. Consequently, we have adjusted opening equity as of January 1, 2012 and the figures for 2012 have been restated as if IAS 19R had always been applied. As CABB Group companies already recognized all actuarial profits and losses resulting from the periodic recalculation in equity, the major effect of the application of IAS 19R related to the fact that the return on plan assets is calculated based on the discount rate rather than the expected rate of return. For the effects of the application of IAS 19R, see Note 2 of the 2013 Audited Consolidated Financial Statements.

*IFRS 7 (Financial Instruments)* amendments require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. These amendments have to be applied retrospectively. As we do not have any

offsetting arrangements in place, the application of the amendments has had no material impact on the 2013 Audited Consolidated Financial Statements.

*IFRS 13 (Fair Value Measurement)* establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date und current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. The new standard requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply disclosure requirements set out in the Standard in comparative Information provided for periods before the initial application of the standard. In accordance with these transitional provisions, we have not made any new disclosures required by IFRS 13 for 2012. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognized in the 2013 Audited Consolidated Financial Statements.

*Amendments to IAS 36* (*Recoverable Amount Disclosures for Non-Financial Assets*) include revisions to the disclosure requirements under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognized or reversed during the period. We adopted the amendments early.

## INDUSTRY AND MARKET DATA

We are a leading chemicals industry player with a focus on two distinct industries (i) serving the global agrochemicals industry as a custom manufacturer of active ingredients and advanced intermediates and (ii) as a leading producer of diversified specialty chemicals on the basis of monochloroacetic acid ("**MCA**"). In addition, we also provide exclusive custom synthesis products to the pharmaceutical and specialty chemicals industries.

### The agrochemicals custom manufacturing industry

#### *Introduction to the global agrochemicals industry*

The global agrochemicals industry has been one of the main drivers of agricultural productivity increases over the past decades, playing a critical role in crop protection. According to the industry research firm Phillips McDougall, the global agrochemicals industry accounted for approximately $54.2 billion in terms of sales of crop protection products in 2013, at a compound annual growth rate of 7.1% from 2007 to 2013.

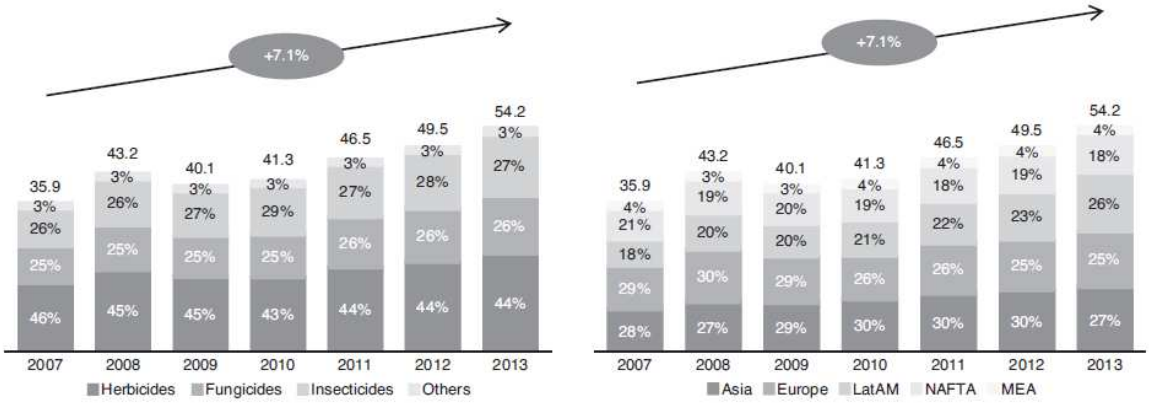
Agrochemicals products fall into three principal categories: herbicides, insecticides and fungicides, with products focused on the protection of fruits and vegetables, cereals, soybean, corn, rice, cotton and rape which we estimate to represent more than 80% of the global agrochemicals industry in terms of sales.

In 2013, herbicides comprised approximately 44% of the global agrochemicals industry by sales and were used against various kinds of crop weeds, such as blackgrass, wild oats, cleavers and common chickweed. Approximately 27% of the global agrochemicals industry by sales accounted for insecticides which were used to protect crops against pests, such as aphids, whitefly and leafrollers. Fungicides were used against various types of crop fungi such as powdery mildew, blight, apple scab, botrytis and eyespot and account for approximately 26% of sales.

In 2013, Asia and Europe accounted for approximately 27% and 25% of sales of the agrochemicals industry, respectively, and Latin America accounted for approximately 26% and the NAFTA region for approximately 18%.

### Historic development of the global agrochemicals industry

**(in $ billions)**



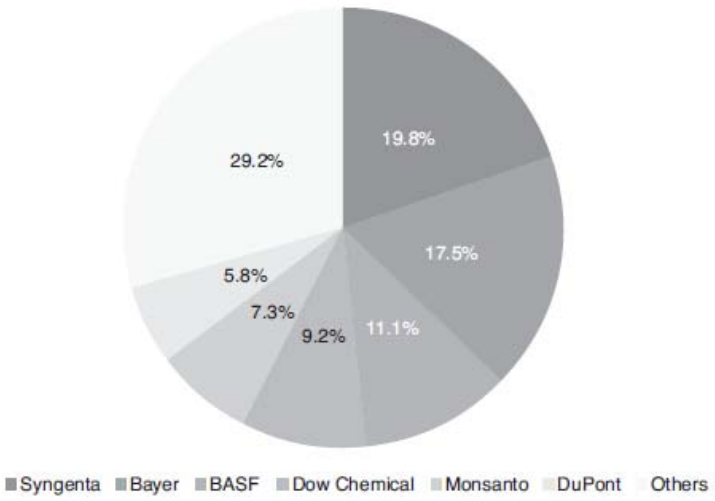

Source: Phillips McDougall (2014).

Since 2007, the agrochemicals industry has experienced steady growth, mainly reflecting improved crop prices. Generally, higher crop prices lead to higher farmer income, so farmers can spend a higher share-of-wallet on agrochemicals, thereby increasing crop yields. During 2008, the agrochemicals industry experienced its most significant increase since the mid-1970s reaching a peak level at $43.2 billion, as speculation drove up commodity prices (for crops), which subsequently led to higher usage of agrochemicals by farmers and higher glyphosate prices (a non-selective, lower value herbicide not part of our product portfolio and used primarily for GMO crops, which remain limited in Europe). In 2009, crop prices declined from their peak as the global economy experienced a downturn, coupled with a major reduction in glyphosate prices following increased supply from Chinese companies, resulting in the overall value of the global agrochemicals industry to decline. Since 2010, agrochemicals demand has risen steadily, driven by higher crop prices and a growing agricultural market. Demand for agrochemicals products is expected to continue to benefit from continued long-term trends, driven primarily by global population growth, increased meat consumption, in particular in emerging markets, as well as the increased use of corn and sugar cane for biofuels.

***Competitive landscape in the agrochemicals industry***

The competitive landscape in the agrochemicals industry is relatively consolidated. According to Phillips McDougall, the six largest suppliers in 2012 accounted for approximately 71% of global agrochemicals sales, with 10 to 15 smaller suppliers representing the majority of the remaining 29%.

**Competitive landscape of global agrochemicals players**




Source: Derived from data published by Phillips McDougall (2013)

The agrochemicals operations of the leading six suppliers—Syngenta, Bayer, BASF, Dow Chemical, Monsanto and DuPont—are typically characterized by significant investments in research and development, established IP portfolios as well as high customer standards for product quality, production reliability and innovation.

***Overview of agrochemicals custom manufacturing***

The growth of active ingredients and advanced intermediate custom manufacturing is primarily driven by the major global agrochemicals players' use of agrochemicals custom manufacturers as a source of additional production capacity in order to serve the steadily increasing global demand for agrochemicals products. While historically, agrochemicals companies invested in in-house capacity by setting up dedicated large-volume plants, they have, for the last few years, increasingly committed to an outsourcing strategy allocating a larger share of production to external custom manufacturers, which provide flexible multi-purpose and multi-product capacity. This trend is supported by new molecules becoming increasingly complex and more active, often based on multi-step synthesis, which requires demanding technical capabilities.

Custom manufacturers typically run scalable operations and offer the required expertise in order to achieve high output volumes and are well advanced on the production learning curve. As a result, they are able to produce active ingredients and advanced intermediates more cost effectively and offer higher operational flexibility than in-house production of agrochemicals suppliers. Due to the clear production and chemical process development focus, agrochemicals custom manufacturers also distinguish themselves by their technical capabilities which in combination with high reliability in terms of delivery time and product quality provide an enhanced service level to agrochemicals suppliers. For agrochemicals companies, outsourcing reduces their asset intensity, limits the risks associated with otherwise large upfront investments and allows them to deploy capital with a stronger focus on their core capabilities, for instance research and development as well as marketing and distribution.

Custom manufacturers typically work in close co-operation with and often on an exclusive basis for select products with agrochemicals suppliers in order to set up scalable manufacturing units and efficient production processes. This production know-how, combined with required product registration undertaken by the agrochemicals companies, results in low levels of customer churn and relatively high contract renewal rates in custom manufacturing. Such registration process can take up to 12-24 months and requires the registration of key suppliers.

We estimate that of the total agrochemicals industry worth approximately $54.2 billion by sales of crop protection products in 2013, according to Phillips McDougall, the manufacturing of active ingredients and advanced intermediates including all synthesis steps but excluding the manufacturing of base intermediates, which is in principal

addressable to agrochemicals custom manufacturers, has a value of about approximately $10.0 billion to $11.0 billion. According to industry sources and our estimates, approximately 40% of this market is currently outsourced by agrochemicals players to agrochemicals custom manufacturers.

We believe that the current trend toward outsourcing to custom manufacturers within the agrochemicals industry will continue given the growth of the agrochemicals industry, in-house capacity of agrochemicals players running at high capacity utilization levels and limited incremental in-house capacity coming on stream. Although our customers invest in new in-house capacity, based on our knowledge, the largest part of their investments targets seeds and traits (biotechnology), which is outside of our scope.

***Agrochemicals versus pharmaceutical custom manufacturing***

The agrochemicals custom manufacturing distinguishes itself from pharmaceutical custom manufacturing in certain key respects. Agrochemicals custom manufacturing is characterized by higher consolidation on the supplier side which results in a better negotiation position, often partnerships, compared to pharmaceutical custom manufacturing. In addition, the agrochemicals custom manufacturing industry requires higher upfront investments, which are primarily driven by larger volume requirements for agrochemicals products and related infrastructure investments, for example, for waste water or waste air treatment. Management estimates that the replication of an established multi-purpose plant would require significant upfront investments. Agrochemicals custom manufacturing is also characterized by higher switching costs for customers as compared to pharmaceutical custom manufacturing. Long-standing customer/supplier relationships, embedded process knowledge and regulatory requirements all critically impact switching costs for customers in the agrochemicals custom manufacturing industry. Furthermore, we believe that the agrochemicals industry is less susceptible to risks typically associated with drug development pipelines in the pharmaceuticals industry. For example, loss of patent protection and the threat of generics pose lesser risks as agrochemicals players are able to capture a material share of post-patent sales through proprietary formulation mixtures. In addition, continuous process improvements over the life cycle of an active ingredient typically result in cost advantages for incumbents.

***Competitive landscape in agrochemicals custom manufacturing***

We believe that the top five agrochemicals custom manufacturers, which are considered strategic suppliers to the agrochemicals industry, comprise CABB, Lonza, Saltigo and Weylchem in Europe as well as Lianhetech in China.

These strategic players, including us, are typically highly integrated into the supply chain of the global agrochemicals players (often accompanied by co-investments of agrochemicals suppliers into capacity build-ups), offer broad and flexible technological capabilities, ensure high-quality process and product standards and comply with strict regulatory and IP protection requirements of agrochemicals suppliers.

Historically, the agrochemicals custom manufacturing industry has been more fragmented with additional players being active in the space. Consolidation has developed over the past few years resulting in the top five companies accounting for a larger share of the total agrochemicals custom manufacturing industry, primarily driven by industry consolidation (*e.g.*, the acquisitions of KemFine by CABB and Allessa by Weylchem) and increased importance of strategic partnerships between suppliers and customers. Strategic suppliers are usually invited to bid for new projects or additional volumes of existing products. We believe that strategic suppliers will continue to benefit from the growth of the agrochemicals industry and grow faster than the overall agrochemicals custom manufacturing industry due to their relationships with key customers and scalable operations.

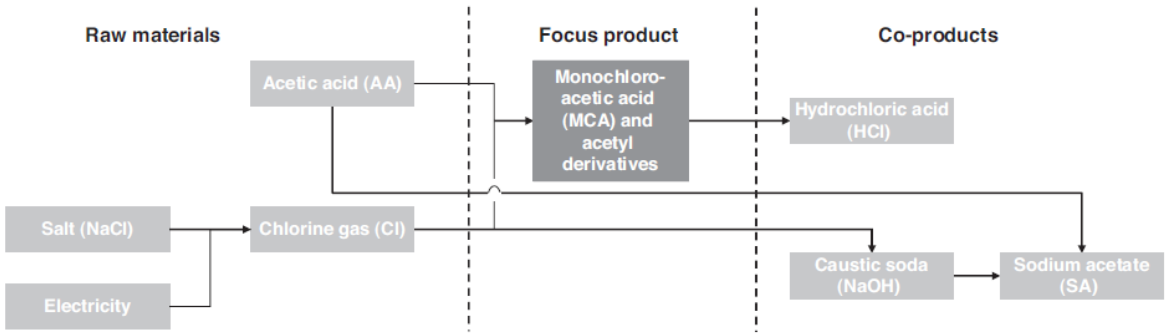
Emergent price competition from Asian producers seen in the 1990s and 2000s is now less pronounced as cost advantages decline and European players re-assert the value of their more competitive outsourcing solutions with regard to certainty of supply and flexibility, product quality and complexity as well as IP protection.

**The monochloroacetic acid industry**

***Monochloroacetic acid value chain and production process***

MCA is a specialty intermediate used in a variety of products and industries, including as a surfactant in personal care products, thickener in food products or as an intermediate in the production of agrochemicals products or PVC stabilizers. MCA is a toxic and highly corrosive chemical substance.

**Illustrative MCA value chain**



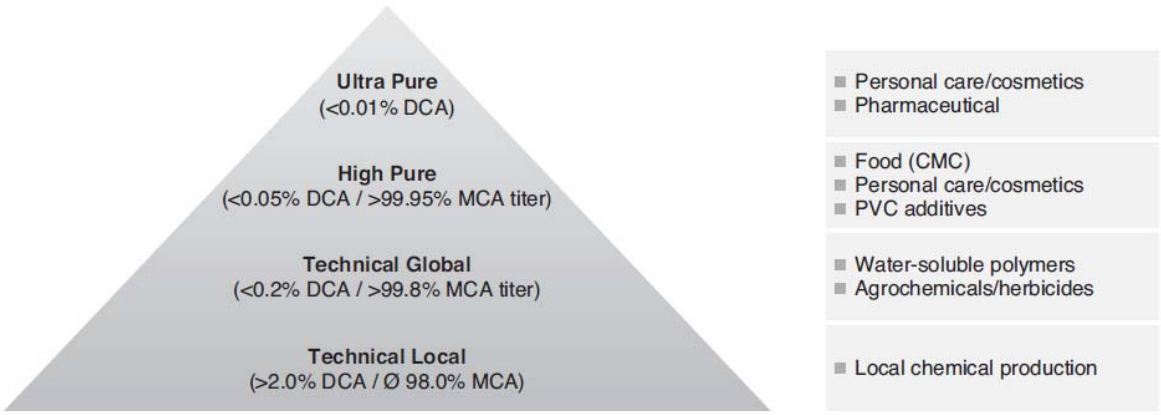

The predominant method of production of MCA is chlorination of acetic acid with chlorine gas. Acetic acid anhydride serves as a co-catalyst in the chlorination process. Chlorine gas and caustic soda are produced by electrolysis of sodium chloride salt. A by-product of the reaction of acetic acid and chlorine gas reaction is hydrochloric acid. Caustic soda can be combined with acetic acid to produce sodium acetate.

We are, to our knowledge, currently the only MCA manufacturer globally providing the full range of MCA trade forms, *i.e.*, liquid, molten, flakes and salt. Flakes consist of dry MCA and allow shipment over long distances where they are dissolved to solution locally; however, this trade form requires special handling expertise and is relatively labor intensive. Second, MCA can be supplied as aqueous or alcoholic solution (typically with titers of between 70% and 90%), which can be transported by road, rail and sea and avoids manual handling of this hazardous material. Third, a convenient and cost efficient trade form is molten, which is, to our knowledge, only manufactured by us. We believe that our ability to produce MCA in various trade forms enables us to better accommodate our customers' preferences depending on their production process, location and handling capabilities.

***Overview of purity grades and key end use applications***

MCA is used in a wide range of applications and end uses depending on purity grade. The purity of MCA is determined by the content of dichloroacetic acid (DCA). The highest purity is Ultra Pure grade, which is mainly used in personal care/cosmetics and in pharmaceutical products. High Pure grade MCA is used in food, personal care/cosmetics and in PVC additives. The Technical Global grade is mainly used in agrochemicals and in the synthesis of CMC (carboxymethyl cellulose) for applications such as detergent formulations, oil drilling muds and paper coating. The lowest purity grade is Technical Local and has lower specifications and hence, is mainly sold to regions demanding lower value, for example in China and India. Asian producers mainly base their production on the traditional sulphur process, batch chlorination (versus continuous operations) and batch crystallization (versus hydrogenation), resulting in significant waste volumes and lower purity levels of MCA.

**Overview of MCA purity grades and applications**




Source: Company information

We offer our customers four different purity grades of MCA but are particularly focused on the production of Ultra Pure and High Pure grade MCA (approximately 56% of our total production volume in 2013) with a leading position in Western Europe and the Americas. To our knowledge, we and Akzo Nobel are the only two suppliers which have the technological know-how in purification technology (hydrogenation) and the production facilities necessary to

produce Ultra Pure and High Pure grade MCA in significant volumes. While our MCA production facilities in Gersthofen and Knapsack produce Ultra Pure, High Pure and Technical Global grade MCA, our MCA plant in Ahmedabad, India, produces mainly Technical Local MCA (with the objective to increase quality to Technical Global based on optimized crystallization technology).

MCA is used in a broad array of end uses resulting in overall low volatility of demand. The key applications for MCA are CMC food additives, personal care, paper, agrochemicals for herbicides, betaines for surfactants, TGA (thioglycolic acid) for hair care and plastic additives, and other specialty chemical applications such as personal care and pharmaceuticals.

There are different regional profiles that influence global MCA use. In Europe and NAFTA, which accounted for approximately 21% and approximately 10% of global MCA use in 2012, respectively, the focus is on Ultra Pure and High Pure grade MCA with personal care, food and to a lesser extent agrochemicals being the most relevant end use applications. China is the largest region in terms of MCA use globally accounting for 52% of total use, mainly driven by use of glycine for production of glyphosate (total herbicide). As one of the two principal suppliers of Ultra Pure/High Pure grade MCA to Western Europe and the Americas, we have a strong focus on customers in the personal care/cosmetics, food and agrochemicals end uses.

**Breakdown of global MCA use by region in 2012**

| (in kt) | Europe | NAFTA | China | India | RoW | Total |
|---|---|---|---|---|---|---|
| CMC | 64 | 15 | 117 | 17 | 38 | 251 |
| TGA and derivatives | 12 | 19 | 20 | 2 | 3 | 56 |
| Surfactants | 28 | 18 | 11 | 2 | 12 | 71 |
| Agrochemicals | 32 | 18 | 184 | 20 | 22 | 276 |
| Other | 11 | 5 | 36 | 7 | 3 | 61 |
| **Total** | **147** | **74** | **368** | **48** | **77** | **715** |

Source: Tecnon OrbiChem/David Sherry Consulting (2013)

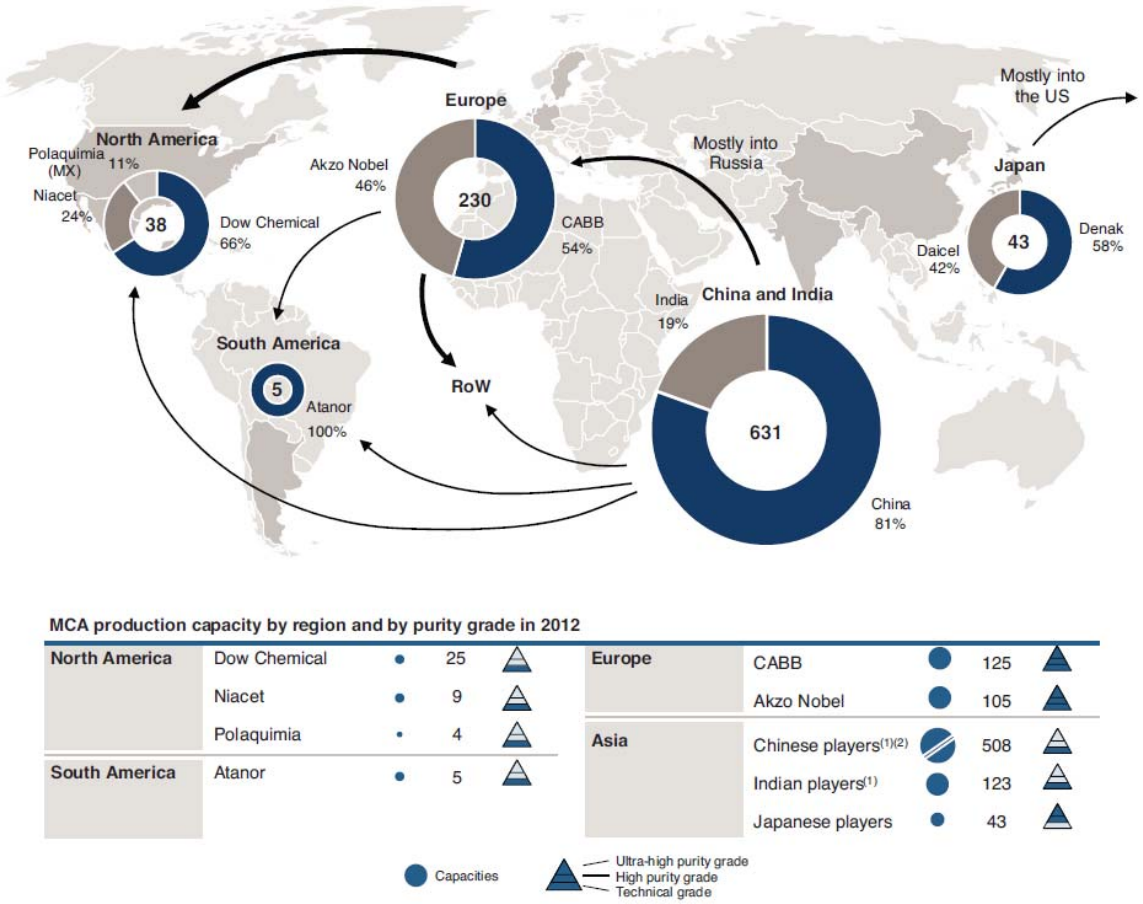
***Global supply and demand balance and trade flows***

Global MCA trade flows are often characterized by regional supply and demand due to the corrosive nature of MCA and relatively high transportation costs. European MCA supply and demand is relatively balanced, with some excess volumes being exported to North and South America and select customers requiring Ultra Pure/High Pure grade MCA (*e.g.*, in South-East Asia or Australia). Asian suppliers (*e.g.*, China, India) export only smaller volumes of lower-quality MCA to NAFTA customers. Japan is a relatively small and isolated MCA market with most production volumes absorbed by domestic consumers.

According to Tecnon OrbiChem, global production capacity for MCA is concentrated in Asia, with China and India accounting for approximately 54% and 13% of global MCA capacity, respectively. However, production in China and India primarily relates to Technical Global and Technical Local grade MCA and primarily targets domestic consumers due to significantly lower quality requirements vis-à-vis other regions and relatively high transportation costs. Akzo Nobel is the only supplier in China producing Ultra Pure, High Pure and Technical Global grade MCA based on hydrogenation technology and serving Chinese consumers as well as exports. As China represents the largest region in terms of MCA use globally with attractive historic growth rates we entered the Chinese market last year by establishing a joint venture with Jining Jinwei Gold Power in Jining, Shandong Province, North China. Despite the sizeable installed production capacity in China, supply and demand is characterized by regional disparities with the majority of capacity located in Eastern China and limited capacity in North China. Although the Chinese market today is dominated by Technical Global and Technical Local grade MCA, we believe that the domestic demand will shift towards Ultra Pure and High Pure grade MCA as a result of increasing customer awareness and movement toward a relatively stricter regulatory environment. Therefore, we are currently constructing a new MCA facility based on our proprietary hydrogenation technology to serve domestic and multi-national customers with High Pure grade MCA. We currently expect production at this new facility to commence by the end of 2015.

**Estimated global installed production capacity and trade flows for MCA in 2012**

**(Capacity in kt)**




Source: Tecnon OrbiChem/David Sherry Consulting, company estimates.

(1) Mainly producing regional technical MCA, *i.e.,* technical MCA with lower purity grade than used in Europe and the US.

MCA production capacity in Europe represents approximately 24% of global capacity and is relatively evenly split between us (approximately 125kt) and Akzo Nobel (approximately 105kt), our main competitor globally. MCA capacity installed in the Americas only represents a minor share of global capacity, mainly targeting Technical Global MCA for captive use (*e.g.*, Dow Chemical, Niacet and Polaquimia). As a result, MCA consumption in the Americas, in particular of Ultra Pure and High Pure MCA, is to a large extent satisfied by imports from Europe.

***Acetyl derivatives***

Acetyl derivatives are forward integrated within the MCA value chain and are produced mostly using MCA as raw material. There is a broad array of derivatives, for instance MCA esters, glycolic acid and trichloroacetic acid (TCA).

Acetyl derivatives are used in a broad range of applications, such as agrochemicals, pharmaceuticals, personal care, flavor and fragrances as well as performance chemicals. MCA esters are reactive intermediates used in organic synthesis primarily for Vitamin A, fungicides and in contrast media (X-ray diagnoses). Glycolic acid is produced by the reaction of MCA with caustic soda and subsequent re-acidification. It is used for instance in personal care, detergents, medical sutures but also in the oil and gas industries. TCA is produced by chlorination of MCA and is used in oligonucleotide-synthesis (anti-cancer pharmaceuticals) and agrochemical (herbicides) applications.

Acetyl derivatives are typically highly specialized products manufactured for only a select number of customers for whom these derivatives represent critical input factors in their production processes. Acetyl derivatives can be considered niche products given their highly specialized specifications, the strength of the supplier-customer relationship and relatively low production volumes. As a result, customer relationships tend to be long term, and the ability of new market entrants to break into existing supplier-customer relationships is relatively low. We are currently the sole supplier for many of the acetyl derivatives which we produce and the only MCA producer with a forward integrated value chain. While DuPont is a large supplier of glycolic acids using a different process, other suppliers of acetyl derivatives are smaller and mainly active in Asia with a different regional focus and often producing for captive use.

***Co-products***

Several co-products originate during the production process of chlorine and MCA. We make use of these co-products by using them in subsequent production steps or by selling them to customers.

Caustic soda is the main co-product and is produced in the chlor-alkali electrolysis together with chlorine. Caustic soda is a base chemical used in a variety of chemical processes and applications and is mainly sold to external customers and, to a smaller extent, used to produce the downstream product sodium acetate, which is mainly used in the food industry. Another co-product is hydrochloric acid, which emerges during the MCA production process and is typically sold as a base chemical in a wide range of applications.

The supply and demand for caustic soda and hydrochloric acid is relatively regional in nature due to high logistics and transportation costs and are typically sold within a radius of 200 km to 300 km around a production facility. Both products, caustic soda and hydrochloric acid, are commodity products with large supply and demand volumes while we are a rather small player. Generally, caustic soda supply is largely driven by chlorine demand rather than end-market demand, which itself is highly dependent on activity levels of the broader PVC industry. As a result, the price development of caustic soda is often counter-cyclical. For instance, an economic slowdown would typically affect the PVC industry, leading to lower chlorine production and hence, lower caustic soda volumes, which subsequently would lead to a price surge of caustic soda.

Sodium acetate is used as a buffering agent in a wide range of industries such as food (as an additive as well as for barbecue sauce), pharmaceutical (products for treatment of diabetes, hemodialysis, peritoneal dialysis and infusions) and agrochemicals (pH-stabilizer). In addition, sodium acetate is also used in applications such as rubber, manufacturing, construction, paper and other industrial applications. Sodium acetate is sold directly to end users across industries without a defined regional focus. Industries such as food and pharmaceuticals require sodium acetate quality certifications, often representing an important purchasing criterion and resulting in less price sensitivity.

## OUR BUSINESS

### Business Overview

We are a leading European producer of customized active ingredients, advanced intermediates and diversified specialty chemicals with a strong focus on the agrochemicals industry. Our business operations are organized into two business units, Custom Manufacturing and Acetyls, which accounted for 61.4% and 38.6%, respectively, of our total sales for the year ended December 31, 2013.

Our Custom Manufacturing business unit focuses on the production of exclusives, which are active ingredients and advanced intermediates customized for individual customers operating in the agrochemicals, pharmaceutical and specialty chemical industries. Our exclusives (71% of the business unit's sales in 2013) are primarily used in herbicides, fungicides and insecticides in the agrochemicals industry and range from pilot scale to large-volume commercial operations. Our intermediates (29% of the business unit's sales in 2013) are products manufactured for multiple customers and include acid chlorides, chemical building blocks and various base chemicals. They are to a large extent used in agrochemical applications but also in other diverse end-uses such as vitamins for animal feed and X-ray contrast media.

Our Acetyls business unit is focused on the production of monochloroacetic acid, or MCA, acetyl derivatives and co-products, which are used in a variety of applications in the agrochemicals, food, pharmaceutical and personal care industries. Sales of MCA, the business unit's main product, accounted for 64% of the business unit's sales in 2013. Co-products, such as caustic soda and hydrochloric acid, are by-products from the production of chlorine and MCA and accounted for 23% of the business unit's sales in 2013.

We believe we are among the top three custom manufacturing players in the European agrochemicals market by sales. We are also one of the two principal suppliers of MCA to Western Europe and the Americas. Our key agrochemicals customers are active in a structurally growing global market driven by population growth, improving living standards and changing dietary trends in emerging markets as well as growing demand for biofuels. We believe that we are well-positioned to benefit from the attractive long-term growth trends in the agrochemicals market and are investing in capacity to support the growth of our business.

Headquartered in Germany, we operate production facilities in Germany, Switzerland, Finland, India and, since 2014, China. In Custom Manufacturing, we operate two large production facilities in Pratteln (Switzerland) and Kokkola (Finland). In Acetyls, we operate two technologically-advanced production facilities in Germany (Gersthofen and Knapsack) and one in each of Ahmedabad (India) and Jining, Shandong Province (China) through majority-owned joint ventures. We benefit from the cost advantage of operating large-scale, highly integrated production facilities strategically located near key customers and suppliers as well as transportation networks.

In 2013, we implemented certain operational improvement measures at our Pratteln site (CABB100) primarily aimed at reducing fixed costs and sourcing costs of raw materials and energy. For the year ended December 31, 2013, these measures helped us to achieve cost savings of approximately € 5 million. Following the successful implementation in Pratteln, we are now rolling out similar operational improvement measures at our production facilities in Germany. We are also in the process of expanding our production capacity through a newly installed production unit at Pratteln (FCP3), which commenced operations in February 2014. The new production capacity is almost fully contracted. Assuming full capacity utilization (without production interruption) and related sales as well as timely completion of the remaining construction phases by the end of 2014, we expect FCP3 to contribute an annual run-rate EBITDA of approximately € 10 million.

For the twelve months ended March 31, 2014, we generated total sales of €448.5 million and Adjusted EBITDA of €98.1 million. For the same period, our Custom Manufacturing and Acetyls business units accounted for 62.0% and 38.0% of our total sales, respectively, and 59.6% and 40.4% of our Adjusted Gross Profit, respectively.

### Industry Overview

The global agrochemicals industry has been one of the main drivers of agricultural productivity increases over the past decades. Industry research firm Phillips McDougall estimates that the global crop protection industry accounted for approximately $54.2 billion in sales in 2013, having grown at a CAGR of 7.1% per annum from 2007 to 2013.

The growth of custom manufacturing is driven by the major global agrochemicals players' use of outsourcing as a source of additional production capacity in order to serve the steadily increasing global demand for agrochemicals. In recent years, agrochemicals companies have allocated a larger share of production to external custom manufacturers, which provide flexible multi-purpose and multi-product capacity. Outsourcing reduces agrochemical companies' asset intensity, limits the risks associated with large, upfront investments and allows them to deploy capital with a stronger

focus on their core capabilities, such as research and development as well as marketing and distribution. This trend is supported by new molecules becoming increasingly complex and more active, often based on multi-step synthesis, which requires demanding technical capabilities.

Custom manufacturers typically work in close co-operation and often on an exclusive basis for select products with agrochemicals players in order to set up scalable manufacturing units and efficient production processes. This production know-how, combined with often lengthy product registration, generally results in low customer churn and high contract renewal rates in custom manufacturing.

According to Tecnon OrbiChem, the global MCA market in 2013 was approximately 715kt. Global MCA trade flows are often characterized by regional supply and demand due to the corrosive nature of MCA and relatively high transportation costs. CABB and Akzo Nobel are currently the only large-scale producers of high-purity grade MCA, mostly used in high-end applications and developed markets.

**Our Strengths**

We believe we have a number of competitive strengths that differentiate us from our competitors, including:

***Leading market positions in our core products***

We have leading market positions in the European markets in which we operate. We believe we are among the top three custom manufacturing suppliers in the European agrochemicals market by sales. We serve five of the top six global agrochemicals companies, which accounted for approximately 65% of the global agrochemicals market by sales in 2013, while the three largest, European-based global agrochemical companies regard us as a strategic supplier for their agrochemicals business. Our customized products are highly integrated in our key customers' supply chains (often protected by sole-supplier relationships for major products) and we are closely aligned in demand planning and coordination. We are also one of the two principal suppliers of MCA to customers in Western Europe and the Americas, and our Acetyls business unit supplies all of the largest MCA consumers in Europe. We attribute our strong market positions to the high quality of our products, our long-standing customer relationships and our expertise in chlorination and sulphonation technologies and highly integrated production processes.

***Diverse product and application portfolio for attractive end-markets***

We offer our customers a diverse portfolio of products for use in a wide range of end-market applications. In our Custom Manufacturing business unit, we produce customized active ingredients and advanced intermediates primarily for agrochemical end-uses, such as herbicides, fungicides and insecticides, as well as advanced intermediates for the pharmaceutical and specialty chemical industries. These exclusives are specially manufactured for individual customers (one customer, one product). We also produce intermediates in our Custom Manufacturing business unit for a broad range of customers and end-uses, such as X-ray contrast media, coupling agents for silica-reinforced green tires and vitamin B6 for animal feed.

Our Acetyls business unit is active in the production and sale of MCA (in liquid, flake and molten trade forms), acetyl derivatives and co-products, which are primarily used in herbicides, food additives, personal care and cosmetics products but also in applications as varied as textiles, animal feed, vitamins and drilling muds. Our key customers' end-markets have historically been relatively unaffected by economic downturns and have exhibited limited cyclicality. The agrochemicals industry has benefitted from structural growth driven by global trends in population growth, increasing meat consumption and rising crop demand, while the food, personal care and cosmetics end-markets have historically been relatively resilient to changes in general economic conditions.

***Long-standing customer relationships and high visibility of revenues***

We have long-standing relationships with many of our customers, with a majority of our customer relationships exceeding ten years, and some of which extend to more than 30 years. In our Acetyls business unit, our customer relationships exceed ten years for all of our top 15 customers (54% of the business unit's sales in 2013), many of whom we supply under evergreen contracts.

In Custom Manufacturing, typical customer contracts range in length from three to five years, which provide us with good revenue visibility. For example, more than 70% of the sales of our top 14 agrochemicals exclusives in 2013 were contractually covered for three or more years. Together with the revenue visibility such longer-term contracts provide, our customers' long-term commitments are supported by a track record of co-investments in production facilities through upfront capital expenditure or top-up pricing over the term of the contract.

We are a trusted partner to many leading agrochemicals and pharmaceutical companies who rely on our solutions for their products and applications. In Custom Manufacturing, our top six customers by sales accounted for 77% of the business unit's sales in 2013, in line with concentration of the crop protection market. We are the sole supplier of select active ingredients and advanced intermediates for certain customers. For example, based on sales of our top 14 agrochemicals exclusives, 80% of sales were generated under sole supplier agreements in the year ended December 31, 2013. Our customer base includes five of the top six global agrochemicals companies. Our top three European agrochemicals customers regard us as a strategic supplier, which involves close cooperation with a customer in terms of process development and planning.

***Modern facilities, integrated operations and proprietary technology***

We believe that our efficient and technologically advanced production facilities, combined with our integrated operations, process development expertise and proprietary hydrogenation technology, enable us to maintain leading market positions. In Custom Manufacturing, we operate complementary multi-purpose production facilities in Pratteln (Switzerland) and Kokkola (Finland) with combined batch reactor capacity of approximately 800 cubic meters, large batch volume production capabilities in Kokkola and full scale-up capabilities in Pratteln. We produce on-site many of the raw materials required for production at our Pratteln facility, and the facility's backwards integration enables many by-products to be recycled for internal use, thereby reducing waste and helping us to maintain a competitive cost structure.

Our Acetyls business unit's production facilities in Germany use our proprietary hydrogenation technology for the production of MCA, which provides significant production cost and product quality advantages over the alternative crystallization technology. Our Gersthofen facility uses backward-integrated electrolysis technology for captive chlorine production, while our Knapsack facility sources chlorine on-site via a pipeline from the adjacent chlorine plant of a supplier who repurchases the hydrochloric acid generated through production of MCA. We believe that the high level of capital investment required to develop integrated and efficient production facilities, combined with the technological expertise required for the production processes, are key factors to our operating success and the limited number of new competitors entering our markets.

***Strong financial track record and margin expansion***

We have proven our ability to consistently grow our margins and generate strong cash flow. Our Adjusted EBITDA has grown from €84.2 million for the year ended December 31, 2012 to €98.1 million for the twelve-month period ended March 31, 2014. Over the same period, our Adjusted EBITDA margin has increased from 19.7% for the year ended December 31, 2012 to 21.9% for the twelve-month period ended March 31, 2014. We believe our limited exposure to fluctuations of raw materials prices through backward integration, pass-through clauses in the majority of our customer contracts by sales and direct supply of raw materials by customers under longer-term agreements, as well our high utilization rates and economies of scale, have supported our margins as we seek to grow our production volumes. In addition, our working capital management and relatively low level of maintenance capital expenditure have allowed us to consistently generate strong cash flows. We recently implemented certain operational improvement measures at our production facility in Switzerland (CABB100) to reduce fixed costs and sourcing costs for raw materials and energy. These measures resulted in cost savings of approximately €5 million in the year ended December 31, 2013. We are currently introducing similar measures at our German production facilities.

***Experienced management team***

Our senior management team has an average of over 25 years of experience in the chemicals industry. Our Chief Executive Officer joined the Group in 2010 and has 29 years of experience, including senior management positions at leading global chemical companies. Our Chief Financial Officer, who joined the Group in 2011, has 28 years of experience in the industry. They are supported by our business unit heads and our head of strategic development, each of whom has extensive experience in our industry or with the Group, as well as our specialized workforce with extensive process development know-how. We believe that the collective industry knowledge and leadership of our senior management team and specialized workforce will enable us to continue to grow our business and execute our strategies.

**Our Strategy**

The following are the key elements of our strategy:

***Continue to strengthen long-standing customer relationships***

We will continue to strengthen our long-standing customer relationships by working closely with our customers to meet their volume and specification needs for their existing and new products. In our Custom Manufacturing business unit, we intend to expand our production capacity to meet the growing demand of our key customers, continue to

optimize our production processes to share efficiency gains with them and work closely with them to tailor our production processes to new products. In our Acetyls business unit, we also intend to expand our production capacity to meet market demand for high purity MCA, particularly in China, the largest MCA market by volume which is currently served by a limited number of high-purity local MCA producers. By further strengthening our relationships with multinational customers who have leading market positions in their industries, we seek to grow with them as they expand their businesses.

***Develop new capacity and further expand in growth markets***

In our Custom Manufacturing business unit, we remain focused on targeted capacity expansion to capture growing demand and additional production volumes that our customers seek to outsource to us. For example, we invested in a new multi-purpose production unit in Pratteln in 2013, which added approximately 70 cubic meters of reactor capacity and which commenced operations in February 2014. We currently plan to invest in additional production capacity in Kokkola (approximately 75 cubic meters) modeled on the facility expansion in Pratteln, which would require capital expenditure of approximately €30 million based on preliminary estimates and assumptions. If undertaken as currently planned, we expect production at Kokkola to commence in 2016.

In our Acetyls business unit, we remain focused on our expansion in growth markets, such as China. To address the overall growth in demand for MCA in China and the undersupply of high-purity grade MCA in the region, we are building a new facility adjacent to the existing plant in Jining, Shandong Province, for which we estimate our share of the investment over the next two years to be approximately €10 million. The new production facility will use our hydrogenation technology and have an initial capacity of 25 kt, with backward integration to our joint venture partner's electrolysis plant to ensure security of chlorine supply at attractive terms. We currently expect production at the new facility to commence by the end of 2015.

***Maintain strong reputation for quality and operational excellence***

We believe we have a strong reputation for providing our customers with consistently high-quality products. Our annual independent quality control certification at each production facility is central to maintaining this reputation. We remain focused on operational excellence to maintain high utilization rates, optimize internal processes, increase efficiency and reduce waste. We recently implemented certain operational efficiency measures at our production facility in Pratteln (CABB100) to reduce fixed costs and lower sourcing costs of raw materials and electricity. We are currently in the process of introducing similar measures at our two production facilities in Germany. In India, we are investing in stirring vessel technology to improve MCA quality and enhance profitability through yield improvements and cost savings. To comply with new regulations, we intend to replace our mercury-based electrolysis with membrane technology in Pratteln, the same technology we operate in our Gersthofen facility. The capacity expansion accompanying the transition to membrane technology will allow us to be nearly self-sufficient for our chlorine needs with the exception of only maintenance periods, reduce our energy costs and increase volumes of caustic soda generated as a co-product of chlorine production. We currently estimate the total capital expenditure for the transition to electrolysis membrane technology and chlorine capacity expansion to be approximately €48 million, most of which is budgeted for 2015 and 2016.

***Maintain focus on profitability and cash flows***

We will continue to focus on improving our profitability through costs savings measures, such as the operational efficiency improvements introduced in Pratteln in 2013 (CABB100). We believe that there is continued potential for cost savings, particularly at our two production facilities in Germany, through ongoing optimization of our manufacturing processes, the introduction of flexible shift systems, reorganization of technical departments and optimization of recycling streams. We will also seek to further improve cash flow generation by maximizing the utilization of our production facilities and expanding our production capacity. At the same time, we will remain disciplined in our growth capital expenditure projects by securing customers' longer-term volume commitments in advance and co-investments in the form of upfront capital expenditure or top-up pricing over the terms of customers' contracts.

***Maintain health, safety and environmental excellence***

We are committed to a strategy of sustainability based on environmentally-friendly manufacturing processes and ensuring the health and safety of our employees. It is our policy to manufacture and distribute our products in a responsible manner that protects our employees, customers, the public and the environment from avoidable risks. Our closed-loop production facilities in Pratteln play a significant role in our effort to conserve energy and resources and reduce emissions and waste. To comply with new regulations that require the phase-out of mercury technology by the end of 2017, we are planning to introduce electrolysis membrane technology in Pratteln to replace our mercury-based technology, reduce our energy costs and minimize safety risks associated with the transport of chlorine necessary for our production processes. We are committed to implementing industry-leading global health, safety and environmental

standards at all of our productions sites and for the benefit of all of our employees, irrespective of local regulations and requirements.

**Our History**

Our business has its origins in the chemical production activities of Hoechst AG, which originally commissioned our production facility in Gersthofen, Germany, in 1905 as well as our production facility in Knapsack, Germany, in 1949. In 1997, Hoechst was acquired by Clariant. Several years later, in 2003, CABB was founded as a wholly-owned subsidiary of Clariant before being acquired by Gilde Investment Management in 2005 and then by AXA Private Equity in the following year.

In 2007, we acquired SF Chem, including our production facility in Pratteln (Switzerland), which allowed us to expand into custom manufacturing. In 2008, we acquired a majority stake in Karnavati Rasayan, establishing our presence in India to serve the growing local market for MCA and to use the Ahmedabad facility as a hub to serve the wider Asian market through exports. In 2011, we were acquired by Bridgepoint, the same year we acquired KemFine from 3i and commenced production at our facility in Kokkola, Finland, to further expand our custom manufacturing capabilities.

In 2013, we expanded our footprint to Asia through the establishment of a joint venture with Jining Jinwei Gold Power to acquire Jinwei Huasheng Chemicals. We hold a 67% stake in the joint venture entity CABB-Jinwei Specialty Chemicals (Jining) Co., Ltd.

**Business Units**

We operate our business through two business units, Custom Manufacturing and Acetyls. The following table shows our sales and adjusted gross profit by business unit for the years ended December 31, 2012 and 2013, the three-month periods ended March 31, 2013 and 2014 and the twelve-month period ended March 31, 2014:

| | Financial Year | | Three-month period ended March 31, | | Twelve-month period ended March 31, |
|---|---|---|---|---|---|
| | 2012 Restated | 2013 | 2013 | 2014 | 2014 |
| | | | in € million (unaudited) | | (unaudited) |
| *Custom Manufacturing* | | | | | |
| Sales | 262.1 | 277.5 | 80.0 | 89.0 | 286.4 |
| Adjusted Gross Profit | 77.0 | 85.6 | 26.3 | 30.9 | 90.1 |
| *Acetyls* | | | | | |
| Sales | 174.9 | 174.3 | 44.8 | 45.9 | 175.5 |
| Adjusted Gross Profit | 58.7 | 59.8 | 15.3 | 16.5 | 61.0 |

***Custom Manufacturing***

Our Custom Manufacturing business unit focuses on the custom synthesis and manufacturing of active ingredients and advanced intermediates based on our core chemical manufacturing processes — chlorination, methylation and sulphonation. Our customized products are used primarily in agricultural and agrochemical applications, such as herbicides, fungicides and insecticides, as well as in pharmaceutical and various specialty chemical applications. We operate two production facilities in our Custom Manufacturing business unit, one in Pratteln, Switzerland, and one in Kokkola, Finland. See "*—Production Facilities*". Our Custom Manufacturing products consist of exclusives, which are customized solutions manufactured exclusively for individual customers active in the agrochemicals, pharmaceutical and specialties markets (one customer, one product), as well as intermediates, which are sold to a variety of customers active in a broad range of industries. For the year ended December 31, 2013, sales of exclusives and intermediates accounted for approximately 71% and 29%, respectively, of our total sales. Of sales of exclusives, agrochemicals, pharmaceuticals and specialties accounted for 58%, 7% and 6%, respectively, for the same period.

*Exclusives*

Our Custom Manufacturing business unit has a strategic focus on the agrochemicals market and involves the manufacture of customized active ingredients and advanced intermediates on an exclusive and confidential basis for our customers. Our active ingredients are produced to match our individual customers' specifications with regard to both their production systems and end product requirements (one customer, one product). Within agrochemicals, the active ingredients we manufacture are used by our customers primarily in the manufacture of herbicides for corn, cotton and sugar cane and fungicides for a broad range of fruits and vegetables. To a lesser extent, we also manufacture active

ingredients for use in insecticides. We currently manufacture 30 exclusives for use in agricultural and agrochemical applications.

In addition to the agrochemicals market, our exclusive custom synthesis products are manufactured for applications in the pharmaceutical market and certain specialty end-markets. Products manufactured for customers in the pharmaceutical market segment include reagents and bespoke multi-stage chemical building blocks. Products manufactured for customers in specialties segments include a variety of end-market applications, including personal care, cosmetics, food, textiles and plastics. We currently manufacture four products for use in pharmaceutical applications, of which two products represent the large majority of such sales, and ten products for use in specialty end-market applications.

*Intermediates*

Intermediates are chemical products which are not produced for one specific customer but are sold to a range of customers. Our intermediates comprise acid chlorides, chemical building blocks such as methylation and sulphonation agents and various base chemicals that are co-products of chemical processes. Intermediates are used in agrochemical applications as well as in end-uses as diverse as X-ray contrast media and vitamins for animal feed. We currently manufacture thirteen acid chloride products, nine building block and thirteen base chemicals at our production facility in Pratteln, Switzerland.

Key acid chlorides include chloroacetyl chloride (CAC), used in agrochemical applications and X-ray contrast media, chloroacetoacetate (CAE), used in the synthesis of vitamin B6 for animal feed applications, and octanoylchloride (OCC), used for the synthesis of thiocarboxylate silane, a coupling agent of silica-reinforced energy-saving "green tires" as well as in agrochemical applications. Additional products include various acid chlorides, which are primarily applied in the synthesis of peroxides used as polymerization initiators, and chlorination agents applied in the production of certain organochlorine compounds used as intermediates in pharmaceuticals and agrochemicals.

Key building block products based on methylation and sulphonation processes include dimethyl sulphate (DMS) and chlorosulphonic acid (CSA), both of which are precursors to the production of acid chlorides and chlorinated intermediates. DMS is produced by reacting sulphur trioxide (the main product of the sulphuric acid plant) with dimethylether and is used as a methylation agent in the synthesis of various derivatives such as esters and ethers. DMS is used as a reactant in a broad range of end-uses from fuel additives and solvents to surfactants used in personal care items. CSA is a sulphonation agent produced by reacting sulphur oxides with hydrogen chloride. It is used primarily in the synthesis of selected sulphonated surfactants applied in detergents and dyes.

Our base chemical products comprise primarily various by-products generated in large volumes from our chlor-alkali electrolysis and chlorination processes. Chlor-alkali electrolysis yields two main products, chlorine and caustic soda. In various chlorination processes, approximately half of the chlorine is utilized in the process and the other half is transformed into hydrogen chloride and hydrochloric acid as solution. We sell the caustic soda, hydrochloric acid and other co-products we cannot recycle back into our production processes to third party customers.

***Acetyls***

Our Acetyls business unit is active in the production and sale of MCA and sodium monochloroacetate ("**SMCA**"), acetyl derivatives and co-products, which are primarily used in the manufacturing of herbicides, personal care and cosmetic products and food additives. We operate four production facilities in our Acetyls business unit: two in Germany, one in India and one in China through our joint venture with Jining Jinwei Gold Power. By product category, sales of MCA and SMCA, derivative and co-products represented approximately 64%, 13% and 23%, respectively, of the total sales generated by our Acetyls business unit for the year ended December 31, 2013.

*MCA and SMCA*

Our core product in our Acetyls business unit is MCA, a building block in organic synthesis and a key component in many applications and chemical products. We produce MCA through the chlorination of acetic acid, which involves the reaction of chlorine with acetic acid and acetic anhydride as a catalyst.

We offer customers four different purity grades of MCA: (i) ultra-pure grade, (ii) high pure grade, (iii) technical global grade and (iv) technical local grade. The purity of MCA is determined by the content of dichloroacetic acid. Different purity grades are used in different applications and regional markets. For example, technical local grade MCA is more commonly sold in emerging markets, such as India and China, whereas the leading personal care, food and pharmaceutical players mainly require high pure grade or ultra pure grade for use in their end-products. Technical global grade MCA, which has a higher content of dichloroacetic acid, is primarily used in the production of herbicides and agrochemicals as well as carboxymethylcellulose (CMC), which is used as a binding agent and stabilizer.

We also produce SMCA, which is used for similar applications as MCA as well as cleaning agents, dyes, pigments, paints and varnishes. SMCA is produced through a reaction of MCA and sodium carbonate and improves the storage stability.

We produce MCA in liquid form, as flakes and in molten trade forms in order to enable longer distance transportation based on the customer's preference and location. SMCA is only produced in a solid state.

*Acetyl Derivatives*

We also offer our customers a range of derivatives, including MCA esters, glycolic acid and trichloroacetic acid, among others. Methyl and ethyl esters can be manufactured from MCA and either methanol or ethanol. The reactivity of the ester is more selective than that of the free acid and makes it suitable for many synthesis applications, including pharmaceuticals (vitamin A) and crop protection agents (dimethoate). Trichloroacetic acid, which is produced from the chlorination of MCA, continues to be used in agrochemical applications as an herbicide (particularly in the form of sodium trichloroacetate) but is also used as an intermediate in pharmaceutical applications as a swelling agent and solvent in the plastics industry.

Glycolic acid is one of our other primary derivatives. It is produced by the reaction of MCA with sodium hydroxide (caustic soda) followed by re- acidification. Due to its capability to penetrate skin, glycolic acid has many applications in skin care and personal care products as well as medical sutures. It is also used in detergents, as a complexing agent in the semiconductor industry and in the food industry as a preservative and flavoring agent.

*Co-products*

Various co-products arise or result from our production of chlorine and the chlorination of acetic acid in the MCA production process. We sell such co- products to customers or make use of them in subsequent processes and production steps.

The primary co-product from the production of chlorine is caustic soda (sodium hydroxide), a base chemical used in a wide range of chemical applications. We sell the caustic soda produced by our chlorine electrolysis process to the market or, to a lesser extent, use it for our own production. Sales of caustic soda are typically made to customers and other third parties through distributors, with the majority of purchasers located within 300 kilometers of our Gersthofen site due to transportation costs. Other co- products include hydrochloric acid, hydrogen and sodium acetate. Hydrochloric acid is typically sold back to suppliers, distributors or end-industry customers. Sodium acetate is used as a buffering agent in various industry applications in the pharmaceutical and textiles industries as well as a preservative or flavor enhancer in the food industry.

**Production Facilities**

The following table sets out certain information related to our production facilities:

| | Products | Production capacity | Utilization in 2013[2] |
|---|---|---|---|
| *Acetyls* | | | |
| Gersthofen, Germany | MCA, Derivatives, Co-products | 55 kt | 90.1% |
| Knapsack, Germany | MCA, SMCA, Co-products | 70 kt | 86.7% |
| Ahmedabad, India[1] | MCA | 12 kt | 96.6% |
| Jining Shandong, China[1] | MCA | 20 kt | — |
| *Custom Manufacturing* | | | |
| Pratteln, Switzerland | Exclusives, Intermediates | 250 $m^3$ reactor volume | N/M |
| Kokkola, Finland | Exclusives | 550 $m^3$ reactor volume | N/M |

(1) Production of co-products in India and China is limited.

(2) Represents production volume divided by actual capacity (nameplate capacity adjusted for planned turnarounds).

In addition to our production facilities above, we maintain sales offices in Charlotte, North Carolina (USA), Buenos Aires (Argentina), Helsinki (Finland) and Shanghai (China). We are currently in the process of re-registering our Shanghai sales office as a trading company for imports and exports, and we expect the registration to be completed in August 2014. Our corporate headquarters is located in Sulzbach, Germany, in close vicinity to Frankfurt am Main, Germany.

Our production facilities are described below in greater detail:

***Gersthofen***

Our Gersthofen site, situated in the Gersthofen Industrial Park located approximately 60 kilometers northwest of Munich near Augsburg, Germany, has been in production since 1905 and occupies approximately 31,500 square meters. The facility has multiple production lines and produces multiple purity grades of MCA and various derivatives of MCA (such as methyl and ethyl esters and glycolic acid) using chlorination, hydrogenation, salification, esterification and amidation as well as distillation and granulation processes. Our Gersthofen facility produces chlorine on site using backward integrated chlor-alkali membrane electrolysis technology and sources a limited amount of chlorine from external suppliers. The chlorine production generates by-products such as caustic soda and hydrogen. The hydrogen produced is partly used in the facility's MCA production processes, with excess volumes sold to the market. The caustic soda produced as a by-product is sold to third-party customers or reacted with acetic acid to produce sodium acetate. Additionally, hydrochloric acid (a by-product of MCA production) is purified and also sold to third parties.

***Knapsack***

Our Knapsack site, located near Cologne, Germany, has been in production since 1949 and covers approximately 8,300 square meters. It is situated in a chemical industrials park with transportation connections to Western and Central Europe and access to North Sea shipping routes by rail, highway and waterway. Our Knapsack facility uses chlorination and hydrogenation technology to produce MCA and SMCA. Chlorine and hydrogen are sourced via pipeline under long-term supply agreements from our supplier's adjacent facilities. Hydrogen chloride, a by-product of the chlorination process, is sold back to the supplier; acetyl chloride, another by-product, is recycled back into the production process or sold to the market. The facility has a two-line production process, which allows for maintenance and repair activities, and produces multiple purity grades of MCA as liquid, solutions and flakes.

***Ahmedabad***

Our Ahmedabad site, acquired in 2008 through the acquisition of Karnavati Rasayan, is located in Northwestern India in the province of Gujarat and covers approximately 36,500 square meters. The facility produces MCA based on the chlorination of acetic acid or acetic acid anhydride and subsequent purification by crystallization. The site currently produces technical local grade MCA and, following a facility enhancement to improve purification capabilities and environmental, health and safety standards, is expected to produce technical global grade MCA. Production of technical global grade MCA at our Ahmedabad facility commenced in April 2014. Raw materials are sourced locally from external suppliers. Co-products of the chlorination and crystallization processes are sold to the market.

***Jining, Shandong Province***

We acquired our site in China in early 2014 following the establishment of our joint venture with Jining Jinwei Gold Power in 2013. The production facility is centrally located in Northeast China in the Shandong Province west of Beijing and Shanghai. It produces technical grade MCA with a current capacity of 20 kt and benefits from a stable supply of chlorine from a nearby large, modern (electrolysis) chlorine plant owned and operated by our joint venture partner. We plan to increase the annual capacity of the current facility to 22 kt by 2017 and build a new high-purity grade MCA plant, based on our proprietary hydrogenation technology, with an initial annual capacity of 25 kt and which we expect to commence production by the end of 2015.

***Pratteln***

We acquired our Pratteln site through the acquisition of SF-Chem in 2007. It is located close to Basel, Switzerland, on approximately 166,000 square meters. The Pratteln site is a custom synthesis production facility focused on custom manufacturing and consists of several multi-purpose and dedicated single purpose production plants, including a pilot plant, a fine chemical plant and a universal plant with a total batch reactor volume of approximately 250 cubic meters. Our production facilities at Pratteln produce many of the raw materials required for manufacturing, and the site's closed loop recovery system ("*Verbund*") enables by-products to be recycled efficiently and reduces waste. The main production processes are chlorination, sulphonation, oxidation and methylation used to produce active ingredients and advanced intermediates. Most of the chlorine required for chlorination is produced on site, with MCA sourced from our Knapsack and Gersthofen facilities and transported by rail to our Pratteln production facilities. Pratteln's integrated production system enables recovery of by-products and exhaust to minimize energy needs and waste. Certain by-products that are not or are only partially channeled back into the production process, such as caustic soda, hydrogen, hydrochloric acid and sulphuric acid are sold to third-party customers.

In 2013, we implemented certain operational improvement measures at our production facility in Pratteln, aimed at reducing our cost base. In particular, the cost savings were focused on (i) reducing fixed costs by aligning headcount with process automation and outsourcing technical services, (ii) renegotiating supply contracts to diversify and lower costs of raw materials and energy and (iii) optimizing our intermediates portfolio (active portfolio management) and

identifying new customers for existing products. We are currently in the process of expanding our production capacity at Pratteln through newly installed production units, which commenced operations in February 2014. The new production capacity is almost fully contracted. Assuming full capacity utilization (without production interruption) and related sales as well as timely completion of the remaining construction phases by the end of 2014, we expect the new production facilities to contribute an annual run-rate EBITDA of approximately €10 million.

***Kokkola***

We acquired our Kokkola site through the acquisition of KemFine in August 2011. The site is located in a large chemical industrial complex in the industrial area of Kokkola on approximately 28,000 square meters. The Kokkola site is a custom synthesis production facility focused on custom manufacturing and consists of a synthesis plant for agrochemicals and two plants for intermediates with a total batch reactor volume of approximately 550 cubic meters. The main production processes are chlorination, bromination, lithiation and Grignard reaction as well as reduction and Suzuki coupling.

We currently plan to invest in additional production capacity in Kokkola, modeled on the recent successful facility expansion in Pratteln, which we estimate would require capital expenditure of approximately €30 million based on preliminary estimates and assumptions. If undertaken as currently planned, we expect the new production capacity in Kokkola to come on-stream in 2016.

**Sources and Availability of Raw Materials**

Purchases of raw materials primarily consist of acetic acid, acetic anhydride, chlorine and energy. The chlorine production process based on chlor-alkali electrolysis at our Gersthofen and Pratteln production facilities requires significant amounts of electricity. In 2013, we diversified our supplier base in order to realize cost savings and reduce reliance on a single supplier of acetic acid and acetic anhydride, who had previously supplied us with the majority of those raw materials required for our production process. At our Knapsack plant, we purchase chlorine via pipeline pursuant to a long-term supply contract from Vinnolit, whose chlorine production facility is adjacent to ours. Similarly, our joint venture in China will source its chlorine requirements from our joint venture partner, who operates an adjacent, modern chlorine production facility.

In our Acetyls business unit, the majority of our MCA customer contracts by sales include price formulas that allow for an effective pass-through of price variations in acetic acid and, to a lesser extent, acetic anhydride. These pass-through provisions help to limit significant fluctuations in our cost of sales but typically include a time lag of one to three months.

In our Custom Manufacturing business unit, raw materials for production are to a significant extent either provided by our customers or, where we are responsible for the procurement of raw materials, our customer contracts typically include pass-through clauses for raw materials, thereby providing a significant degree of protection from fluctuations in prices of raw materials. For the year ended December 31, 2013, we estimate that approximately 80% of sales from our top 14 agrochemicals exclusives in Custom Manufacturing, which represented approximately 51% of our total sales in Custom Manufacturing, were not exposed to raw material price fluctuations.

As part of our quality management procedures, we maintain long-term relationships with suppliers. We also conduct ongoing performance assessment and benchmarking as part of our supplier selection process. In the event of supply shortages, we may seek to purchase raw materials or other products from our competitors. From time to time, we also enter into product swap agreements with key competitors to guarantee that our customers can be supplied at all times, even during facility maintenance or turnarounds. While temporary shortages of raw material could occasionally occur, we generally have access to sufficient raw materials to cover current and projected requirements.

**Customers**

We are a trusted supplier to a broad base of many established companies, including leading agrochemical, pharmaceutical and specialty chemical companies who rely on our solutions for their own products and applications. We have developed long-standing relationships with our key customers, which in many cases span several decades. Our customer relationships benefit from our close integration into our customers' supply chain and co-investments from key customers into production facilities through their longer-term commitments for certain products. For the year ended December 31, 2013, our top ten customers by revenue represented approximately 63% of our total sales.

In our Custom Manufacturing business unit, our top three European agrochemicals customers regard us as a strategic supplier, which involves close cooperation with the customer in terms of process development and demand planning. We are also the sole supplier of select active ingredients and advanced intermediates for certain customers in Custom Manufacturing. We believe that sole supplier contracts, where we are the only supplier of a certain product to

that customer, make us an important partner to the customer and help us to maintain our stable customer base. Moreover, we believe that such supply contracts are less volatile than top-up contracts and result in higher switching costs for customers to later source products from other suppliers. Based on our top 14 agrochemical exclusives, approximately 70% of sales were contractually secured for more than three years and approximately 80% of sales were generated under sole supplier agreements in the year ended December 31, 2013.

In Custom Manufacturing, our top six customers by sales accounted for approximately 77% of the business unit's total sales for the year ended December 31, 2013. Of those six customers, the top two accounted for approximately 50% of the business unit's total sales. In our Acetyls business unit, our top 15 customers by sales accounted for approximately 54% of the business unit's total sales for the year ended December 31, 2013, all of whom with which we have long-standing customer relationships of more than ten years.

Certain significant, long-standing customers in our Acetyls business unit do not have formal contractual arrangements with us. We manufacture and sell our products to such customers on the basis of monthly or quarterly product orders rather than long-term agreements or individual contracts for each product order. We believe this is consistent with industry practice and evidence of our strong customer relationships.

**Distribution and Logistics**

As of March 31, 2014, our distribution and logistics team includes approximately 45 employees, who are responsible for organizing and co-ordinating the delivery of products to our global customer base as well as intra-group logistics. Distribution and transportation services are outsourced to external providers. We believe we are recognized for our materials handling expertise, especially with respect to highly corrosive and complex materials.

**Sales and Marketing**

As of March 31, 2014, we employed a sales force of 48 employees, which comprises business unit directors and key account managers as well as our sales team for Acetyls, based in our corporate headquarters in Sulzbach, Germany, and for Custom Manufacturing, based in Pratteln, Switzerland, as well as our sales offices in Charlotte, North Carolina (USA), Buenos Aires (Argentina) and Helsinki (Finland). We are currently in the process of re-registering our Shanghai representative office as a trading company for imports and exports, and we expect the registration to be completed in August 2014. We also work with a broad network of independent sales agents to ensure broad international coverage and limited fixed costs to us. However, a significant majority of our sales are direct sales to customers. Depending on the customer size and location, we may also collaborate with distributors and sales agents.

Marketing is organized between our two business units, Custom Manufacturing and Acetyls. The marketing teams support the expansion of our business and its sustainable profit development through maintaining close contact to and continuous dialogue with our key customers. They design and implement short and mid-term marketing strategies, develop new business opportunities and monitor relevant market trends and gather market intelligence.

**Competition**

In our Custom Manufacturing operations, we compete with a limited number of competitors who also serve as strategic suppliers to the leading agrochemicals companies. Our primary competitors in Europe are Lonza, Saltigo and Weylchem. In China, our principal competitor is Lianhetech. All of these suppliers feed into the global supply chain network of the major agrochemical players.

In our Acetyls operations, we are one of two principal suppliers of MCA with the technological expertise and production facilities to serve the demand for high purity grade MCA to Western Europe and the Americas. Both we and Akzo Nobel, our principal competitor, serve the global market and operate productions facilities in Europe and Asia. PCC Rokita, a Polish chemicals company, is expected to enter the European MCA market in the next several years. We believe that we are currently the sole producer of MCA in each of liquid, molten, flakes and salt trade forms.

For further details on competition in our industry, see "*Industry and Market Data*".

**Research and Development**

Our research and development activities are primarily focused on process development and process optimization, including the reliable scaling up of production processes in close cooperation with our customers. We utilize our many years of experience with a variety of technologies in order to develop and implement the most efficient processes. Furthermore, the efficiency of the product is monitored after the product rollout in order to further optimize the process. Process optimization measures are focused on improving yield, reducing raw materials used, recycling solutions and raw materials, preventing waste, improving throughput and ensuring statistical process controls.

In 2013, we employed an average of 21 employees in research and development functions across the Group. Our research and development capabilities have been strengthened by the integration of the Kokkola production facility into our business operations as well as our cooperation with external research and development service providers on an as-needed basis. The majority of our research and development costs are related to the Customer Manufacturing business unit for developing and scaling up synthesis processes associated with new products. The remainder are related to process optimization initiatives in our Acetyls business unit aimed at increasing productivity.

**Information Technology**

We rely on a number of IT systems to support our business operations. We have implemented application-specific measures such as stable and redundantly- designed IT systems, backup processes, virus and access protection and encryption systems as well as standardized IT infrastructure and applications. We regularly test and update our IT systems. In addition, our employees receive regular training on information and data protection. Risk management related to IT systems and applications is conducted using standardized regulations as well as an internal control system. In 2013, we introduced a new SAP system at our Pratteln site, whose functionality is aligned with the SAP system used in Germany.

**Intellectual Property**

As of March 31, 2014, we owned or had the right to seven trademarks or trade names related to our business. We believe that our trademarks are of value to our business, but no one trademark is material to our business as a whole. We rely on the proprietary nature of our production processes and technological knowhow and enter into confidentiality agreements with our employees and third parties to protect our knowhow and intellectual property. We do not own the intellectual property rights over the customer exclusive products we manufacture. Our customer contracts for the manufacture of patented products or products otherwise protected by intellectually property include strict confidentiality provisions.

**Insurance**

We maintain liability, property, directors' and officers' and other insurance coverage with coverage limits we consider consistent with industry practice. We consider our insurance coverage to be adequate both as to the nature of the risks covered and amounts insured for our business operations. However, our insurance coverage does not cover all potential risks associated with our business or for which we may otherwise be liable, as it is not possible to obtain meaningful coverage at reasonable rates for certain types of risks, such as certain types of environmental hazards. Consequently, we cannot guarantee that we will not suffer a loss or losses which are not covered by our insurance policies or which may be in excess of the amount of our insurance coverage. In addition, longer interruptions of operations in one or more of our facilities can, even if insured, result in loss of sales, profit, customers and market share.

**Employees**

The following table sets forth our annual average number of employees by division as of December 31, 2011, 2012 and 2013 and as of March 31, 2014:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2014 |
| Production and Technology | 586 | 933 | 932 | 945 |
| Research and Development | 14 | 21 | 21 | 20 |
| Administration and Sales | 87 | 130 | 131 | 147 |
| **Total** | **687** | **1,084** | **1,084** | **1,112** |

We believe that our relationships with our employees are generally good. We have not suffered any material work stoppages or strikes in recent years.

Certain of our employees in Germany are represented by works councils (*Betriebsrat*). Works councils have various information, consultation and co-determination rights. For example, they must be notified in advance of any employee layoffs, must consent to hirings and relocations of employees and are granted co-determination rights in social matters, such as work schedules and rules of conduct. In addition, certain of our employees in Finland and Germany are members of trade unions.

We are subject to mandatory bargaining agreements (*Tarifverträge*) with most of our employees in our German production facilities, and strikes may occur in Germany or elsewhere at any time. As German law prohibits asking employees whether they are members of unions, we do not know how many of our employees are unionized. In general,

our employees in Germany fall within the scope of the German Dismissal Protection Act (*Kündigungsschutzgesetz*), which limits our ability to terminate individual employment relationships unilaterally. We also comply with the German Anti-Discrimination Act (*Allgemeines Gleichbehandlungsgesetz*) and comparable legislation in other countries in which we operate.

**Environmental, Health and Safety Matters**

We are committed to integrating environmental protection and socially responsible conduct into our business operations. Therefore, we not only comply with all applicable laws and voluntary obligations, but strive to continuously improve our performance and management systems. Our integrated global quality and environmental management system with established standards and processes is based on the principles of the Responsible Care, ISO 9001 Quality Management System and ISO 14001 Environmental Management Systems. Due to the growing importance of energy efficiency, we have also implemented an energy management system in accordance with DIN IS0 50001. In addition, a systematic prevention approach to food safety (HACCP) has been implemented in Gersthofen, and the corresponding ISO 22001 (food additive sodium acetate) certification was achieved.

Our operations involve the use, processing, handling, storage and transportation of materials that are subject to numerous supranational, national and local environmental and safety laws and regulations. Our production facilities require operating permits that are subject to renewal or modification. We could incur significant costs, including fines, penalties and other sanctions, third-party claims and environmental cleanup costs as a result of violations of or liabilities under environmental, health and safety laws and regulations or operational permits required thereunder. We believe that our operations are currently in substantial compliance with all applicable environmental, health and safety laws and regulations. Although our management systems and practices are designed to ensure compliance with laws and regulations, future developments and increasingly stringent regulation could require us to make additional unforeseen environmental, health and safety expenditures. See "*Regulation, Environmental, Health and Safety Matters*".

**Legal and Regulatory Proceedings**

We are party to various legal proceedings arising in the ordinary course of business. We are not currently involved in any legal proceedings, nor are we aware of any threatened claims against us, which we expect to have a material adverse effect on our financial position and results of operations.

## REGULATION, ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

### Overview

In all of the jurisdictions in which we operate, our business is subject to numerous laws, rules and regulations at supranational, national, state and municipal levels as well as technical and management standards.

We expect that in almost all of the countries in which we do business laws, rules and regulations, including environmental laws and regulations, will over time become more comprehensive and stringent. We further expect that many environmental laws and regulations will continue to be harmonized at the EU level over the near- to medium-term. Member states will, however, remain free to adopt laws and regulations that are more stringent than those required by the European Union. The failure to comply with these laws and regulations may be subject to civil liability, fines or even criminal sanctions.

As the regulatory framework applicable to us is subject to revision and continuous development, it is very difficult to accurately predict the future cost of compliance with applicable regulatory requirements and technical standards. Additional or more stringent laws, rules, regulations and technical standards could increase our costs or limit our ability to continue our business operations in the same manner as we have done in the past. See "*Risk Factors*".

The following provides only a brief overview of certain selected areas of regulation applicable to our business operations.

### Regulation Relating to our Business

#### *Regulation of Chemicals*

*European Union*

REACH

The manufacturing, handling, use and trading of chemicals is regulated in the European Union and its member states. The European Union requires control of the use of chemical products within its borders, requiring all affected industries to ensure and demonstrate the safe manufacture, use and disposal of chemicals. The REACH Regulation (Regulation (EC) No. 1907/2006 on Registration, Evaluation, Authorization and Restriction of Chemicals), which came into effect in 2007, requires the registration of all chemical substances or preparations manufactured in, or imported into, the European Union over a registration process of several years. The second registration period for substances manufactured or imported in quantities of 100 to 1000 metric tons per year ended on May 31, 2013. Substances in quantities of more than one metric ton per annum need to be registered during the current third registration period with the European Chemicals Agency ("**ECHA**") by May 31, 2018 at latest.

The REACH Regulation requires formal documentation of the relevant data required for hazard assessments for each substance registered as well as development of risk assessments for their registered uses. Under certain circumstances, the performance of a chemical safety assessment is mandatory and a chemical safety report assuring the safe use of the substance must be submitted. If there is no (pre-) registration of the substance, it is impermissible to produce this chemical in the European Union or to import it (*i.e.*, "no data no market" principle). Therefore, registration is vital for the future use of any substance used in technically important processes by manufacturers or importers. The data by importers or manufacturers is collected in substance information exchange forums ("**SIEF**"), to allow a vital exchange among producers and users of chemicals. Therefore, purchasers of registered chemicals must inform their sellers about the intended use of the chemicals, as the importer or producer must add this information to its documentation.

Furthermore, the REACH Regulation contains prohibition rules on bringing substances to market that have been identified as substances of very high concern. If necessary, raw materials or its manufactured substances will be listed on the so-called candidate list or on Annex XIV to the REACH Regulation which may mean a full ban or requirement for authorization by ECHA and the European Commission. In addition, the REACH Regulation was accompanied by legislation providing for a comprehensive system on the classification, labeling and packaging of substances and mixtures (CLP Regulation (EC) No. 1272/2008 and related European legislation).

We produce and use considerable quantities of substances that are subject to the REACH regulation. We believe that we have fulfilled our current obligations under REACH. None of our products is affected by substances of very high concern.

Our biocidal business is particularly regulated by the Biocidal Products Regulation (EU) No. 528/2012 ("**BPR**") which entered into force on September 1, 2013. The biocidal products are used to protect humans, animals, materials or articles against harmful organisms, like pests or bacteria. Under the BPR the approval of active substances takes place at the European Union level and the subsequent authorization of the biocidal products at the European Union member state level. Companies have to apply for the approval of an active substance by submitting a dossier to the ECHA. Following the approval of an active substance, companies wishing to place biocidal products on the market in a European Union member state have to apply for product authorization.

As a part of a large consortium, CABB has submitted a registration file for chlorine, glycolic acid and sodium hypochlorite. The registration process is still ongoing.

*Germany*

We are, *inter alia*, subject to various notification and labeling requirements and have to comply with certain safety obligations arising under the German Chemicals Act (*Chemikaliengesetz*), which mainly reflects and accompanies the REACH Regulation at the national level, but which also establishes further national requirements. As the production and handling of chemicals is CABB's core business, these obligations are of significant importance for its operations.

The Ordinance on Information Requirements relating to Poisonous Substances (*Giftinformationsverordnung*) was released under the German Chemicals Act. It requires persons who market certain chemical products, in particular biocidal products, to provide information about the chemistry, which is needed for precautionary safety and curative measures and emergency situations.

The Ordinance on the Prohibition of Certain Hazardous Substances (*Chemikalien-Verbotsverordnung*) bans or restricts the marketing of dangerous materials, preparations, and products. This ordinance contains requirements that must be complied with when marketing dangerous materials, such as proof of competence and notification, information and recording duties.

*Switzerland*

We are subject to various notification, labeling and marketing requirements under Swiss law and must comply with certain safety obligations arising under, among others, the Swiss Chemicals Act (*Chemikaliengesetz*), the Ordinance on Hazardous Substances (*Verordnung über Schutz vor gefährlichen Stoffen und Zubereitungen*) and the Ordinance on Biocide Products (*Biozidprodukteverordnung*). Only certain registered biocide products are permitted to be placed on the market.

*Finland*

We are, *inter alia,* subject to notification and labeling requirements and have to comply with certain safety obligations arising under the Finnish Chemicals Act (*Kemikaalilaki*), and the Government Decree on Chemicals (*Kemikaaliasetus*). The said Finnish legislation mainly reflects and accompanies the REACH Regulation at the national level in Finland, but also establish further national requirements.

Food Ingredients and Feed Additives

*European Union*

With regard to our business on vitamins, we are subject to European and national law on food safety providing for special obligations on the production, marketing, sale and labeling of food ingredients. For example, Regulation (EC) No. 178/2002 sets out the general principles of European Union food ingredient law and requires, among other things, that food and feed ingredients be traceable to their source. Detailed rules also exist for the authorization of novel foods and novel food ingredients (within the meaning of Regulation (EC) No. 258/97 concerning novel foods and novel food ingredients) as well as food ingredients based on genetically modified organisms.

In addition, there are a number of regulations relating to food improvement agents, including provisions and authorization procedures relating to food additives, food enzymes and flavoring, as well as food ingredients with flavoring properties. Specific limits exist for the use of pesticides and other contaminants, such as dioxins polychlorinated biphenyl (PCB), polycyclic aromatic hydrocarbons, heavy metals and mycotoxins in foodstuffs, foods and food ingredients. Separate legislation regulates the additives that may be used in the manufacture of plastic materials and articles intended to come into contact with foodstuffs.

When used as food additives, our products may be required to comply with certain sector specific regulations, such as the European Regulation (EC) No 1333/2008 on food additives objecting at a high level of consumer health protection by restricting the use of food additives.

The Regulation (EC) No. 852/2004 on the hygiene of foodstuffs sets out criteria for the measures and conditions necessary to control hazards and to ensure a sufficient state for human consumption of a foodstuff taking into account its intended use. Under the regulation, food business operators have to satisfy certain hygiene requirements by, among other things, notifying the competent authority, in the manner that the latter requires, of each establishment under its control that carries out any of the stages of production, processing and distribution of food, with a view to the registration of each such establishment. Moreover, each food business operator is obligated to put in place, implement and maintain a permanent procedure or procedures based on the "HACCP" (Hazard analysis and critical control points) principles.

*Germany*

In addition to European regulations, EU member states may have enacted further national legislation on regulation of food and feed stuff. For example, the German Food and Feed Code (*Lebensmittel- und Futtermittelgesetzbuch*) primarily aims to protect consumers from food and feed stuff related health risks. It also applies to the production and distribution of cosmetics. The German Ordinance on Animal Nutrition (*Futtermittelverordnung*) refers to this register and sets forth various specific rules.

*Finland*

In addition to the applicable EU regulation, food and feed safety, food quality ensurance, hygiene of food stuffs and food labelling are regulated by the Finnish Act on Food Stuffs (*Elintarvikelaki*) and the Government Decree on Food Labelling (*Kauppa-ja Teollisuusministeriön asetus elintarvikkeiden pakkausmerkinnöistä*).

Cosmetics

*European Union*

The European Regulation No. 1223/2009/EC on cosmetic products, which came into effect on July 11, 2013, requires producers to carry out a safety assessment of cosmetics and their ingredients prior to their sale on the market. The same regulation also contains lists of substances that are prohibited or restricted in connection with the manufacturing of cosmetics.

*Germany*

Beside the EU regulation, the German Food and Feed Code (*Lebensmittel- und Futtermittelgesetzbuch*) as described above also applies on articles of daily use such as cosmetics.

*Finland*

In addition to applicable EU regulation, the Finnish Act on Cosmetic Products (*Laki kosmeettisista valmisteista*) is also applicable to cosmetics. The Act mainy reflects the European Regulation, but also sets out further sanctions and criminal liability for breach of the Act or the European Regulation.

***Regulation of the Mercury Technology***

In December 2013, the European Commission issued the new BREF document classifying the mercury technology as non-state-of-the-art and, thereby, initiated a 4-year time period for implementation of the membrane technology. The Swiss authorities have confirmed that they will follow the European guidelines with regard to phasing out of the mercury technology in accordance with the Minimata Convention on Mercury which was agreed in January 2013 has since been signed by 97 member states, *i.e.* demand a conversion by end of 2017.

The planned electrolysis project at CABB AG (Pratteln) is a capacity expansion from 27kt to 47kt, coupled with an upgrade of the current (mercury based) technology to membrane based technology. The estimated capex amounts to approximately €48 million (based on an engineering study). The upgrade will lead to significantly lower energy costs and higher chlorine and caustic soda production. As a result, CABB will no longer rely on external chlorine supply, but be self-sufficient.

**Regulation of Manufacturing Sites and Storage Sites**

***Emissions***

*European Union*

In many countries, the emission of air pollutants, noise, odors and vibrations is governed by specific laws and regulations. The operation of industrial facilities is typically subject to permits, and operators of these facilities are required to prevent impermissible emissions. Operators of facilities are required to maintain all installations in compliance with the respective permits in terms of the reduction of certain emissions and implementation of safety measures. In some cases, a continuous improvement or retrofitting of installations to maintain facilities at "state of the art" safety standards may be required. Compliance with these requirements is monitored by local authorities and operators may be required to submit emission reports on a regular basis. Non-compliance with maximum emission levels may result in administrative fines.

In January 2011, the European Directive 2010/75/EC on industrial emissions ("**IED Directive**") entered into force. It sets out rules on the prevention and control of pollution from industrial activities and includes rules aimed at reducing emissions into air, water and land, as well as preventing the generation of waste in order to achieve a high level of overall environmental protection. Starting January 2013, EU member states had to comply with the emissions limits for certain industries. Under the IED Directive and its implementing law, *inter alia*, the chemical industry has to consider thresholds regarding various polluting substances, such as carbon monoxide and dust including fine particulate matter. Furthermore, the IED Directive amended European Directive 2008/1/EC on Integrated Pollution Prevention and Control which aimed to define best available techniques ("**BAT**") as binding standards.

*Germany*

By way of amendments to member state laws, for example the German Federal Emissions Control Act (*Bundes-Immissionsschutzgesetz*), the German Federal Water Act (*Wasserhaushaltsgesetz*) and the German Act on Recycling (*Kreislaufwirtschaftsgesetz*), the IED Directive has recently been implemented in the EU member states, resulting in thresholds, authorization requirements and supervisory obligations for new and existing facilities. Although the IED Directive and its implementation provide transitional provisions, under German law, once a new industry standard becomes binding, existing permits, which are not in compliance with such standard, will not be grandfathered but will be adjusted with respect to the new (binding) standard. In 2013, the BAT conclusions have been adapted and authorities must implement the new and stricter limits within four years. In order to meet stricter requirements, in particular for dust, carbon monoxide, nitrogen oxide, sulfur monoxide and total organic carbon, we may need to incur capital expenditures in order to improve our filter systems and firing processes.

*Finland*

The IED Directive has not yet been fully implemented Finland, but will become implemented by the renewal of the Finnish Environmental Protection Act (*Ympäristösuojelulaki*). The new Environmental Act will bring certain stricter environmental obligations for polluters, more effective supervision of compliance and a supervision fee to be paid by parties holding an environmental permit. The new Environmental Protection Act is expected to enter into force during 2014. Environmental permits granted under the current Environmental Protection Act will not have to be renewed due to the coming into force of the new Environmental Protection Act, but such permits will be supervised according to the standards of the new Act.

During 2014, the Finnish government is likely to propose a bill to enact a Climate Act (*Ilmastolaki*), which would for example include the emission cuts agreed on in international treaties and regulated in EU legislation, mainly concerning emissions outside the emissions trading sector. The Climate Act would also introduce a national Finnish commitment to reduce emissions by 80% by 2050. The Climate Act is, above all, intended as a law regarding the public administration's planning of climate policy. It may, however, impact other Finnish legislation directly regulating the operations of the Finnish companies.

*Switzerland*

The Swiss $CO_2$ Emission Reduction Act (*Bundesgesetz über Reduktion der $CO_2$-Emissionen*) provides the obligation to pay fees for the use of fossil fuels and energy sources.

Our production plants emit dust, odors, and hazardous and non-hazardous substances into the air. We are in material compliance with applicable laws and regulations. In particular, we believe that we hold all permits that are legally required to operate our sites. We may, however, be required to incur significant capital expenditures to upgrade

production plants by installing or improving technical equipment to comply with maximum emission levels that may become applicable in the future.

***Emission Trading***

*European Union*

In 2003, the European Parliament adopted the Emission Trading Directive 2003/87/EC which was transformed into national law at the level of the European Union member states. Through the introduction of a trading system for emission allowances, the EU intends to considerably reduce the output of greenhouse gases. Industrial sites to which the EU Emission Trading System ("**ETS**") applies receive a certain number of allowances to emit greenhouse gases and must surrender one allowance for each ton of greenhouse gases emitted. Sites that emit fewer tons of greenhouse gases than their allowances cover are allowed to sell their excess allowances in the open market, whereas those that emit more are required to buy additional allowances through the ETS. Participation in this system has been mandatory since 2005 for all industries with high energy consumption levels.

To date, CABB's emissions have not exceeded the thresholds triggering the applicability of the ETS. However, we closely observe the emission trading and its legal amendments by the European Union as the thresholds may be decreased by the European Union and the regime may become applicable to our operations in the future.

*Germany*

In Germany, the Emission Trading Directive 2003/87/EC has been implemented by the German Greenhouse Gas Emission Trading Act (*Treibhausgas- Emissionshandelsgesetz*), which provides the basis of the German emission trading scheme and requires certain plant operators to hold allowances which are allocated every year in accordance with the German Allocation Act (*Zuteilungsgesetz*) and its National Allocation Plan (*Nationaler Allokationsplan*). Moreover, plant operators are required to submit monitoring reports on a regular basis.

*Finland*

In Finland the Emission Trading Directive 2003/87/EC has been implemented by the enactment of the Finnish Emission Trading Act (*Päästökauppalaki*). Under the Act, certain plant operators have to apply for emissions allowances, monitor emission levels and fulfil reporting duties towards the relevant authorities.

***European Union Regulation of Hazardous Incidents***

Operators of facilities storing hazardous goods in larger quantities are required to comply with safety standards set forth in Council Directive 96/82/EC on the control of major-accident hazards involving dangerous substances ("**Seveso II Directive**") and the respective national implementing law, such as the twelfth ordinance under the German Federal Emissions Control Act (German Hazardous Incidents Ordinance*, Störfall-Verordnung*). The provisions of are designed to prevent major accidents involving dangerous substances (such as emissions, fires and larger explosions), and to limit detrimental consequences in the event of an accident. The degree of additional safety requirements depends on the amounts of various classes of hazardous substances stored in the relevant facility. The Seveso II Directive will be amended and replaced by Directive 2012/18/EU ("**Seveso III Directive**"), which must be transposed into national law by the member states by June 2015.

At our sites and facilities, we frequently handle and use hazardous substances in the meaning of the national laws. Although we believe that our operations are in material compliance with the requirements, if insufficient protection against spills or uncontrolled release of substances are identified in the future, we could incur capital expenditures for technical improvements or maintenance to ensure future compliance.

At some of our sites, asbestos has been used in the construction of buildings. Currently, we are not aware of any requirement under applicable environmental laws that requires the remediation of bound or encapsulated asbestos, and we are not aware of any friable asbestos on CABB's sites. If, however, a building is to be demolished or refurbished, precautions may be necessary and the material must be properly disposed by licensed contractors.

*Finland*

The Act on Safe Handling of Dangerous Chemicals and Explosives (*Laki vaarallisten kemikaalien ja räjähteiden käsittelyn turvallisuudesta*), and the Decree on Industrial Handling and Storage of Dangerous Chemicals (*Asetus vaarallisten kemikaalien teollisesta käsittelystä ja varastoinnista*) contain provisions relating to on-site inspections by relevant agencies and the obligation to compile and regularly update safety, rescue and evacuation plans.

*Switzerland*

The Ordinance on Hazardous Incidents (*Störfallverordnung*) aims at protecting population and environment of damages resulting from hazardous incidents. Among other requirements, production facilities which exceed certain thresholds provided under the Ordinance on Hazardous Incidents must file a report with the competent authority indicating the quantity of hazardous substances stored in excess of the relevant thresholds and the expected damage in the event of an incident.

***Production, Possession and Handling of Waste***

*European Union*

The European Waste Framework Directive 2008/98/EC provides for the legislative basis of a recycling society in the EU. Its provisions on the collection, transport, recovery and disposal of waste requires the EU member states to take appropriate measures for prevention of waste in the first place and to ensure that waste is recovered or disposed of without endangering human health or causing harm to the environment. Under the Waste Framework Directive, the EU member states have to include permitting, registration and inspection requirements.

*Germany*

In most jurisdictions where we operate, we are subject to statutory provisions regarding waste management. These provisions may govern permissible methods of, and responsibility for, the generation, handling, possession, discharge and recycling of waste depending, among other things, on the dangers posed by the waste. In particular, the discharge of waste is often restricted to licensed facilities. For example, under the German Act on Recycling (*Kreislaufwirtschaftsgesetz*), generators, owners, collectors and transporters of waste must demonstrate to the competent authority and to other parties that they have properly disposed of hazardous waste (*gefährliche Abfälle*) by proof of waste disposal (*Entsorgungsnachweis*). Documentation requirements include certain details regarding the handling, type, amount and origin of hazardous waste. In many European jurisdictions, plants must use licensed contractors for the disposal of hazardous or nonhazardous waste.

*Finland*

In Finland the Waste Framework Directive has been implemented through the enactment of the Finnish Waste Act (*Jätelaki*) and the Governement Decree on Waste (*Valtioneuvoston asetus jätteistä*), which includes detailed regulations for the handling, labelling and transportation of waste.

We believe that we are in material compliance with applicable waste management laws and continuously attempt to reduce waste at our sites. Moreover, all of our sites comply with the requirements of ISO 14001 and the Eco-management and Audit Scheme.

***Regulation on the Use of Water Resources***

We are subject to several laws on supranational and national level relating to land use and contamination of soil as well as ground and surface water in the jurisdictions in which we operate.

The Water Framework Directive No. 2000/60/EC, establishing a framework for European Community action in the field of water policy, commits European Union member states to achieving a good qualitative and quantitative status of all water bodies by 2015. Its main goals include expanding the scope of water protection to all waters, including surface waters and groundwater, water management based on river basins, a “combined approach” of emission limit values and quality standards. The directive has meanwhile been implemented in German federal and state law.

In most of these jurisdictions, the use of water requires a permit and is strictly regulated to avoid any contamination of ground or surface water, such as through the disposal of sewage or waste water and the handling of potentially dangerous materials. For example, the discharge of any pollutant substances into the surface water may be subject to a permit whereas the discharge of any such substances into the ground water may generally be impermissible.

Under the national law of some jurisdictions in which we operate, water permits may be granted for specific periods of time, or may be reviewed after a certain period, and, therefore, must be renewed frequently. In certain circumstances such water permits may be revoked without compensation. For these activities appropriate permits to use and discharge water must be obtained and maintained during the operation of our plants and sites. We currently hold all required water permits. However, such requirements, as well as the terms of the permits we hold, may materially affect our operations by restricting the discharge of pollutant substances and waste water exceeding certain temperatures and

certain maximum levels, including storm-water run- offs, directly or indirectly into public waters. We have been, and will continue to be, required to incur significant capital expenditures and operating cost in order to maintain and upgrade our production sites and facilities to comply with applicable laws, regulations and permits, and to obtain and maintain all necessary permits.

***Regulation on Soil Contamination***

Operation of a chemical manufacturing business involves the risk of environmental damage, such as soil and groundwater contamination. In that respect, we are subject to national provisions that may impose obligations related to remediation measures or compensation on us.

*Germany*

Under the German Federal Soil Protection Act (*Bundes- Bodenschutzgesetz*) and several regulations promulgated thereunder, owners of land and operators of facilities are required to prevent any contamination of the soil by taking necessary precautions. If any soil contamination (*schädliche Bodenveränderung*) has occurred, or where pollution was caused in the past (*Altlasten*, "past-pollution"), owners of land, operators of facilities, the party having caused the pollution or its universal successor (*Gesamtrechtsnachfolger*) and the previous owner if such owner transferred title to the real property after March 1, 1999 and knew, or should have known, of the contamination or past pollution, may be held responsible for investigation and remediation measures and cost thereof. In certain cases, a party may even be held liable for the entire cost of remediation, irrespective of its fault, the lawfulness of disposal or the actions of other parties. Non-compliance with the obligations under the applicable laws and regulations may result in administrative fines or, in certain cases, criminal liability.

*Finland*

Under the Finnish Environmental Protection Act (*Ympäristönsuojelulaki*), the polluter is primarily responsible for remedying pollution to groundwater or soil. However, if the polluter cannot be determined or found or is unable or neglects to carry out its clean-up obligations, the current owner of the contaminated site can be held liable for reasonable remedial measures if the owner knew, or should have known, about the contamination, or if the owner consented to the polluting activity. The Finnish Environmental Protection Act applies only to pollution that has occurred on or after January 1, 1994. For contamination that occurred before this date, liability is based on the then applicable Waste Act (*Jätelaki*) and Waste Management Act (*Jätehuoltolaki*) and, in certain cases, also the Water Act.

*Switzerland*

The Ordinance on Soil Protection (*Altlastenverordnung*) requires owners of land and operators of facilities to prevent soil contamination by taking necessary precautions. Sites which have, or which are expected to have, a harmful and adverse impact on soil, must be registered in a special cadaster and adhere to certain examination, monitoring and remediation measures. This is particularly relevant if the owner or operator intends to modify its facilities, which is generally permitted only if such modification would not lead to the requirement of remediation. If a facility does require remediation, such modification is only permitted if it is undertaken in connection with the facility's remediation.

***Environmental Damage Act***

We are subject to Directive No. 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage, as implemented into member state law.

*Germany*

The German Environmental Damage Act (*Umweltschadensgesetz*) provides for an obligation to prevent damage to the environment and to remedy such damage regardless of fault. CABB's obligations under it reach beyond the rule of German civil liability for ground water and soil contamination and cover environmental losses that may not be eligible for compensation under other laws. The obligations and liabilities under the German Environmental Damage Act constitute public law obligations to avoid or remedy environmental damage. In addition, non-governmental environmental organizations may institute legal proceedings in the event the relevant authority has failed to take the necessary steps for enforcement.

*Finland*

The Finnish Act on Compensation for Environmental Damage (*Laki ympäristövahinkojen korvaamisesta*) establishes a compensatory damages regime for personal injuries, damage to property and in certain cases for financial

losses sustained from pollution of water, air or soil as well as from noise, vibrations, radiation, light, heat, odor or from other similar nuisances. Furthermore, the act regulates compensation for clean-up costs as well as preventive and remediation measures. The person whose activity has caused the environmental damage, a person comparable to the person carrying out the activity causing the environmental damage, or the person to whom the activity which caused the environmental damage has been assigned, if the assignee knew or should have known, at the time of assignment, about the loss or the nuisance or the threat of the same, is liable to compensate for the damage. Furthermore, our Finnish companies are required to carry insurance to comply with the Finnish Environmental Damage Insurance Act (*Laki ympäristövakuutuksesta*) which establishes a complementary compensation scheme if the party liable for the environmental damage is insolvent or cannot be identified.

***Handling and Transportation of Hazardous Goods***

We are involved in the carriage of hazardous goods as, *e.g.*, loader and unloader of such goods and are subject to specific requirements related to such carriage. At the international level, the European Agreement concerning the International Carriage of Dangerous Goods by Road as of September 30, 1957 (*Accord européen relatif au transport international des marchandises Dangereuses par Route*, "ADR"), as amended on January 1, 2013, includes provisions applicable to the carriage of dangerous goods on roads. Pursuant to the ADR, dangerous goods, as a general rule, may be carried internationally in road vehicles subject to compliance with a number of conditions, such as packaging and labeling requirements. Specific dangerous goods (*e.g.*, goods which are poisonous and explosive at the same time) are excluded from carriage on the road. The ADR has been implemented and supplemented by many countries in which we operate (such as Germany).

**Health and Safety**

We must comply with applicable laws and regulations to protect employees against occupational injuries in all jurisdictions in which we operate. Under such laws and regulations, employers typically must establish the conditions and the flow of work in a manner that effectively prevents dangers to employees. In particular, employers must observe certain medical and hygienic standards and comply with certain occupational health and safety requirements, such as permissible maximum levels for noise at the work place, the use of personal protective equipment and requirements relating to maximum temperatures and air ventilation.

**Other Regulations**

*Germany*

***Renewable Energies Act in Germany***

The German Renewable Energies Act (*Erneuerbare-Energiengesetz*, "**EEG**") grants a feed-in-tariff, which is an above-market payment to the producers of energy generated from renewable sources. These payments are balanced by a levy that is imposed on the consumers of energy ("**EEG-levy**").

The EEG provides certain exemptions from the EEG-levy, such as for energy intensive industries.

In December 2013, the European Commission opened an in-depth investigation procedure under competition law to examine whether the exemptions from the EEG-levy granted to these energy intensive industries comply with EU state aid rules. In this context, in April 2014 the European Commission released a draft of the Guidelines on State Aid for environmental protection and energy 2014-2020. Accordingly, the German legislator is amending the EEG and setting up a new regime of exemptions.

As we qualify as energy intensive industry, our German sites currently benefit from exemptions from the EEG-levy. In accordance with the draft paper of the European Commission, we expect to be exempted also under the new regime. We assume marginal changes from the actual level with the amendment of the law. However, the detailed difference is not known at present.

***German Energy Tax Act and German Electricity Tax Act***

The most recent amendment of the German Energy Tax Act (*Energiesteuergesetz*) and the Electricity Act (*Stromsteuergesetz*) increased the requirements for tax refunds. In line with the amendments, tax refunds depend on the proof of the implementation of an Energy Management System according to ISO 50001 or the Eco- Management and Audit Scheme. Throughout all our sites, we fulfil either or both of these prerequisites.

*Supranational Law*

***Chemical Weapons Convention***

Our business requires the handling of substances that are regulated by the Chemical Weapons Convention ("**CWC**") and relevant national implementing legislation. The CWC is a treaty requiring its signatories to prevent the proliferation of chemical weapons. Moreover, it restricts trade in certain chemical substances that currently are or may be used to manufacture chemical weapons. Germany has implemented the obligations under CWC into national law. The respective regulations prohibit the manufacturing, trade or transport of certain chemical substances, whereas activities relating to other substances are only subject to licensing and monitoring requirements.

## MANAGEMENT

***The Issuers***

*Senior Secured Notes Issuer*

The Senior Secured Notes Issuer is a public limited liability company (*société anonyme*), incorporated and existing under the laws of Luxembourg, and was formed to facilitate the Transactions. After the Transactions, the Group will be consolidated at the level of the Senior Secured Notes Issuer. The directors of the Senior Secured Notes Issuer are Eddy Perrier, Kees Jager and Cédric Pedoni. The address for each of the directors of the Senior Notes Issuer other than Kees Jager is 282, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg. The address for Kees Jager is Trafalgar Court, Les Banques, St Peter Port, GY1 3QL, Guernsey. The Senior Secured Notes Issuer's articles of incorporation were published in the Receuil du Mémorial on May 9, 2014. The share capital of the Senior Secured Notes Issuer is fully subscribed and is €31,000 divided into 3,100,000 ordinary shares. The unaudited opening balance of the Senior Secured Notes Issuer is €31,000. For information about the Senior Secured Notes Issuer's objects, please see section 3 of the bylaws incorporated by reference herein and made available by the website of the Luxembourg Stock Exchange.

After the Transactions, the principal activity of the Senior Secured Notes Issuer will be as a holding company.

*Senior Notes Issuer*

The Senior Notes Issuer is a public limited liability company (*société anonyme*), incorporated and existing under the laws of Luxembourg, and was formed to facilitate the Transactions. The directors of the Senior Notes Issuer are Eddy Perrier, Kees Jager and Cédric Pedoni. The Senior Notes Issuer is wholly owned by Monitchem Holdco 1, S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*). The address for each of the directors of the Senior Notes Issuer other than Kees Jager is 282, route de Longwy, L- 1940 Luxembourg, Grand Duchy of Luxembourg. The address for Kees Jager is Trafalgar Court, Les Banques, St Peter Port, GY1 3QL, Guernsey. The Senior Notes Issuer's articles of incorporation were published in the Receuil du Mémorial on May 9, 2014. The share capital of the Senior Notes Issuer is fully subscribed and is €31,000 divided into 3,100,000 ordinary shares. The unaudited opening balance of the Senior Secured Notes Issuer is €31,000. For information about the Senior Notes Issuer's objects, please see section 3 of the bylaws incorporated by reference herein and made available by the website of the Luxembourg Stock Exchange.

After the Transactions, the principal activity of the Senior Notes Issuer will be as a holding company.

**Management of CABB International GmbH**

CABB International GmbH, is a limited liability company organized under the laws of Germany. CABB International GmbH was incorporated on October 12, 2010 and is registered with the commercial register of the local court of Frankfurt am Main under number HRB 89248 and its registered office is Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus, Germany. CABB International GmbH is managed by its managing directors (the "**Managing Directors**"), Dr. Martin Wilhelm Erwin Wienkenhöver and Dr. Uwe Salzer. The following paragraphs set forth biographical information regarding CABB International GmbH's current Managing Directors.

**Managing Directors**

| Name | Age | Responsibility |
|---|---|---|
| Dr. Martin Wilhelm Erwin Wienkenhöver | 57 | Chief Executive Officer |
| Dr. Uwe Salzer | 56 | Chief Financial Officer |

***Dr. Martin Wilhelm Erwin Wienkenhöver***

Dr. Martin Wilhelm Erwin Wienkenhöver is the Chief Executive Officer of CABB Group (since 2010). He graduated from the University of Münster with a diploma in chemistry in 1982 and a Ph.D. in chemistry in 1985. He started his career as a chemist in the production of the Dyestuffs Division at Bayer AG. After various assignments at the Bayer headquarters and Bayer subsidiaries in Germany and abroad, he was promoted to the management board of Bayer Chemicals AG. From 2005 to 2007, he served on the management board of Lanxess AG. From 2008 to 2009, he was a member of the management board of Nordzucker AG. He joined the CABB Group in 2010. Currently, he is a managing director of CABB International GmbH, CABB Holding GmbH, CABB Europe GmbH, CABB GmbH, CABB North America Inc. and CABB S.r.l. and serves as chairman of the board of CABB Karnavati Rasayan Ltd., CABB AG, CABB Finland Oy and CABB Oy. Besides his functions in CABB Group, Dr. Wienkenhöver is the managing director of

Marwien Investment GmbH and serves as member of the advisory boards of NTS Energie- & Transportsysteme GmbH and WiTeC Industrieberatung UG (*haftungsbeschränkt*).

***Dr. Uwe Salzer***

Dr. Uwe Salzer is the Chief Financial Officer of CABB Group (since 2011). He graduated from the University of Erlangen-Nürnberg with a diploma in business administration (*Diplom-Kaufmann*) in 1982 and a Ph.D. in Business Administration (*Dr. rer. pol.*) in 1985. He started his career in 1985 at Evonik AG (formerly Degussa AG), where he held various positions in finance, including Head of Corporate Controlling, Head of Corporate Finance, Head of Corporate Tax, Chief Financial Officer of the Division Inorganic Chemicals and Chief Financial Officer of Degussa Corp., USA. From 2008 to 2010, he was Chief Financial Officer of HC Starck GmbH. Currently, he is a managing director of CABB International GmbH, CABB Holding GmbH, CABB GmbH and CABB Europe GmbH and serves as a member of the boards of CABB Karnavati Rasayan Ltd., CABB AG, CABB Finland Oy and CABB Oy. Furthermore, he is the legal representative of CABB-Jinwei Specialty Chemicals (Jining) Co., Ltd.

***Managing Directors' Practices***

The shareholder's meeting appoints the Managing Directors and, from the appointed Managing Directors, selects the chief executive officer of CABB International GmbH. The Managing Directors currently hold sole power of representation for CABB International GmbH, with the authority to conclude legal transactions with each managing director acting as a legal representative on behalf of CABB International GmbH. However, according to the rules of procedure for the Managing Directors, the individual Managing Directors shall have the power to make decisions only within their individual area of responsibility. The Chief Executive Officer represents the Managing Directors in dealings with the shareholder's meeting and the Advisory Board of CABB International GmbH and is responsible for leading the preparation and treatment of matters of a fundamental nature and the coordination of the activities of the Managing Directors. The rules of procedure for the Managing Directors provide that the Managing Directors should hold discussions and meetings regularly (at least once each month) or when required by the interests of CABB International GmbH or its subsidiaries. Certain significant matters set forth in the rules of procedure for the Managing Directors require the approval of CABB International GmbH's Advisory Board (the "**Advisory Board**") or the shareholders of CABB International GmbH.

**Management Team**

Apart from the Managing Directors, the following individuals belong to the management team of CABB International GmbH:

| Name | Age | Responsibility |
|---|---|---|
| Ulf Björkqvist | 57 | Strategic Development |
| Dr. Uwe Brunk | 52 | Head BU Acetyls |
| Dr. Robert Dahinden | 47 | Head BU Custom Manufacturing |

***Ulf Björkqvist***

Ulf Björkqvist is the General Manager of Strategic Development and a member of the executive management team of CABB Group. Mr. Björkqvist graduated in 1981 from University of Åbo Akademi with a M.Sc. degree in chemical engineering. He joined the Kemira Group in 1982 and moved to the fine chemicals business of Kemira in 1982. Mr. Björkqvist held various senior management roles in operations, research & development, marketing & sales and was the CEO of the business from 1997 to 2011 when CABB Group acquired KemFine. He has served as a board member of CABB Oy (previously KemFine Oy and Kemira Fine Chemicals Oy) and CABB Finland Oy (previously KemFine Group Oy) since 1997 and 2004, respectively. Between 2005 and 2010 he served as a board member of KemFine UK Ltd, and from September 2008 to December 2010, he was also the managing director of KemFine UK Ltd. Between 2007 and 2013, he was a member of the board of Forchem Oy (previously Forchem Holding Oy). Since 2010, he has been a member of the board of Finnish Chemical Industry Association. Since 2011, Mr. Björkqvist has been the General Manager of Strategic Development and a member of the executive management team of CABB group.

***Dr. Uwe Brunk***

Dr. Uwe Brunk is the General Manager of the Acetyls business unit. He graduated in 1986 from the Technical University in Berlin with a degree in organic chemistry and received his Ph.D. from the same university in 1989. He joined the Bayer Group in 1989 as a plant manager in the pilot plant of the Organic Chemicals business unit and held various management roles in production, strategic planning and marketing before serving as head of the sales department of the Organic Chemicals business unit from 1997 through 2001. From 2001 to 2004, he served as head of marketing for Life Science intermediates and head of the Agro and Fine Chemicals business line. Following the carve-out of the

Chemicals Business from Bayer, he joined Lanxess in 2004 and helped to establish Saltigo (part of Lanxess) in 2005, one of the leading custom manufacturers for agrochemicals companies. Since 2012, Dr. Brunk has been the General Manager of the Acetyls business unit and a member of the management team of CABB Group.

***Dr. Robert Dahinden***

Dr. Robert Dahinden is the General Manager of the Custom Manufacturing business unit and has been a member of the management team of CABB Group since 2011. Mr. Dahinden graduated from the ETH in Zurich (Federal Institute of Technology) with a degree in chemistry and also received his Ph.D. in natural sciences from the ETH in Zurich. He joined the CABB Group in 1996. Since 2002, Robert Dahinden has been the head of production and a member of the senior management of CABB AG (former SF-Chem). Since 2003, he has been a member of the foundation board (*Stiftungsrat*) of CABB AG's pension fund (*Pensionskasse der CABB AG*). Since 2005, he has been a member of the board of directors of bci Betriebs AG. Since 2008, Dr. Dahinden has held various positions within CABB Group, including head of production of CABB Group, managing director of CABB AG and a member of the board of directors of CABB AG, CABB Finland Oy, CABB Oy, ARA Rhein AG and CABB UK. He is a member of Liga Baselbieter Stromkunden, a regional lobby association for energy.

**Advisory Board**

CABB International GmbH has an Advisory Board, which can consist of up to ten members. The current Advisory Board of CABB International GmbH consists of five members which were appointed by the Seller, all of whom are expected to be replaced following the Completion Date.

CABB International GmbH's shareholders appoint and dismiss the members of the Advisory Board and designate the chairman of the Advisory Board. Members of the Advisory Board are not permitted under the terms of CABB International GmbH's articles of association to be in a service or employment relationship with CABB International GmbH. The Advisory Board advises the Managing Directors and makes recommendations at CABB International GmbH's shareholders meeting. The Managing Directors report to the Advisory Board on a regular basis on the financial situation of CABB International GmbH as well as matters relating to the business situation of CABB Group and the planned measures of management, important occurrences or matters, and CABB Group's performance. Pursuant to the terms of the rules of procedure for the managing directors of CABB International GmbH, certain significant actions, including the sale, lease, transfer, licensing or acquisition of any assets, in each case if outside the ordinary and usual course of business, require the approval of the Advisory Board.

**Compensation of Managing Directors and Members of the Advisory Board**

The aggregate remuneration paid by CABB International GmbH to its Managing Directors for the year ended December 31, 2013 was €3.2 million, compared to €2.6 million for the year ended December 31, 2012. The remuneration paid to the Managing Directors of CABB International GmbH included both benefits due in the near future, which amounted to €2.6 million in the year ended December 31, 2013 (compared to €2.1 million in the year ended December 31, 2012), as well as the cost of personnel benefits and social benefits, which amounted to €0.6 million in the year ended December 31, 2013 (compared to €0.6 million in the year ended December 31, 2012). The aggregate remuneration paid by CABB International GmbH to its Advisory Board for the year ended December 31, 2013 was €120,000, compared to €128,000 for the year ended December 31, 2012.

## PRINCIPAL SHAREHOLDERS

The Issuers will be ultimately beneficially owned by Permira Funds and management. In particular, following consummation of the Acquisition, we expect that the Permira Funds will have beneficial ownership, directly or indirectly through intermediate holding companies, of approximately 94% of the share capital of Monitchem Holdco 1, S.à r.l., while certain employees and members of management will directly or indirectly hold approximately 6% of the share capital of Monitchem Holdco 1, S.à r.l. through a management equity participation program. See "*Certain Relationships and Related Party Transactions—Management Equity Participation Program*."

Permira Funds is a European private equity firm with a global reach. Permira, as adviser to the Permira Funds, has around 130 professionals in 12 offices worldwide, including Frankfurt, Hong Kong, London, Madrid, Menlo Park, Milan, New York, Paris, Stockholm and Tokyo. Over the last three decades, the Permira funds have completed over 200 transactions, investing in companies across the five key sectors on which they are focused (Consumer, TMT, Industrials, Financial Services and Healthcare).

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates from time to time and in the ordinary course of our business. We believe these agreements are on terms no more favorable to the related parties or our affiliates than they would expect to negotiate with disinterested third parties.

### Management Equity Participation Program

In connection with the Acquisition, a management equity participation program will be implemented pursuant to which management will use part of the proceeds which they receive from their existing indirect holdings in the Seller to acquire limited partnership interests in two German limited partnerships (*Kommanditgesellschaften*, the "**KGs**") which will be incorporated for this purpose. The KGs will, as of the Completion Date, be shareholders in Monitchem Holdco 1 S.à r.l., in which the Permira Funds also invest through their subsidiary Monitchem S.à r.l. Management and will hold (through the KGs) ordinary and preference shares in Monitchem Holdco 1 S.à r.l. The KGs will indirectly hold an equity participation in CABB International GmbH. The exact terms of the management equity participation program will be included in a shareholders' agreement and the limited partnership agreements for the two KGs into which we expect to enter on or about the Completion Date. These agreements will include customary "tag along" and "drag along" rights, leaver scheme provisions and capital increase, subscription entitlements, transfer restrictions and anti-dilution rights.

### Indemnification Arrangements

To provide protection to individuals serving as our directors and executive officers, the current articles of association provide each of our present and former officers with an indemnity against loss or liability to the extent allowed by law. In addition, we maintain D&O insurance for the entire Group.

### Consulting Services

Upon completion of the Acquisition, we may enter into a consulting services agreement with Permira. Under the terms of the Indentures, we will be permitted to pay up to £2.0 million per year to Permira for annual management, consulting, monitoring or advisory fees and related expenses.

## DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

*The following is a summary of the material terms of our principal financing arrangements after giving effect to the Transactions. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. For further information regarding our existing indebtedness, see "Use of Proceeds," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."*

### New Revolving Credit Facility Agreement

#### *Overview and structure*

On or around May 27, 2014, BidCo (as original borrower), the Senior Secured Notes Issuer and BidCo (as original guarantors), the Senior Notes Issuer (as holdco 2 and as a guarantor in respect of certain specific provisions, including to guarantee outstanding amounts under the New Revolving Credit Facility Agreement), Deutsche Bank AG, London Branch, BNP Paribas Fortis SA/NV, Credit Suisse AG, London Branch and IKB Deutsche Industriebank AG (as lenders) and Wilmington Trust (London) Limited (as facility agent and security agent) (amongst others) will enter into the New Revolving Credit Facility Agreement.

The New Revolving Credit Facility Agreement provides for borrowings up to an aggregate principal amount of €100 million on a committed basis. The New Revolving Credit Facility may be utilized by any current or future borrower under the New Revolving Credit Facility in euro, US dollars, Swiss francs or certain other currencies by the drawing of cash advances, the issue of Letters of Credit (upon the appointment of an Issuing Bank) and by way of any Ancillary Facilities that may be made available thereunder (each as defined in the New Revolving Credit Facility Agreement). Subject to certain exceptions, loans may be borrowed, repaid and re-borrowed at any time. Borrowings will be available to be used for general corporate and working capital purposes of the Group (as defined in the New Revolving Credit Facility Agreement).

In addition, the Senior Secured Notes Issuer may elect to request additional facilities either as a new facility or as additional tranches of an existing facility under the New Revolving Credit Facility Agreement (the "Additional Facility Commitments"). The Senior Secured Notes Issuer and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin, the termination date and the availability period (each subject to parameters as set out in the New Revolving Credit Facility Agreement). There are certain limitations (including as to maximum amount) on the ability to incur Additional Facility Commitments.

#### *Availability*

The New Revolving Credit Facility may, subject to the satisfaction of customary conditions precedent, be utilized from (but excluding) the Completion Date until the date falling one month prior to the maturity date of the New Revolving Credit Facility.

#### *Borrowers and Guarantors*

BidCo is the original borrower under the New Revolving Credit Facility. A mechanism is included in the New Revolving Credit Facility Agreement to enable certain of its subsidiaries to accede as additional borrowers or additional guarantors under the New Revolving Credit Facility, subject to certain conditions. The New Revolving Credit Facility Agreement also requires that in the future each member of the Group (as defined in the New Revolving Credit Facility Agreement) which is or becomes a Material Company (as defined in the New Revolving Credit Facility Agreement), or is otherwise required to satisfy the Guarantor Coverage Test (as defined below), becomes an additional guarantor under the New Revolving Credit Facility Agreement (subject to agreed security principles).

#### *Maturity and Repayment Requirements*

The New Revolving Credit Facility matures on the earlier of (i) the date falling six and a half years from the Completion Date and (ii) the date falling three months prior to the earliest originally scheduled final maturity of the Senior Secured Notes (or any tranche thereof). Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the New Revolving Credit Facility must be repaid in full on or prior to the maturity date for the New Revolving Credit Facility. Amounts repaid by the borrowers on loans made under the New Revolving Credit Facility may be re-borrowed during its availability period, subject to certain conditions. The termination date for a facility under an Additional Facility Commitment is the date agreed between the Senior Secured Notes Issuer and the relevant lenders.

***Interest Rate and Fees***

The interest rate on loans under the New Revolving Credit Facility will be the rate per annum equal to the aggregate of the applicable margin plus LIBOR (or, in relation to advances in euro, EURIBOR) (as each term is defined in the New Revolving Credit Facility Agreement). The initial margin under the New Revolving Credit Facility will be 3.50% per annum. Beginning on the date which falls twelve months from the Completion Date, provided that no event of default has occurred and is continuing, the margin on the loans will be reduced if certain consolidated leverage ratios (defined as the ratio of Consolidated Net Indebtedness at such date to Consolidated EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the New Revolving Credit Facility Agreement) are met.

A commitment fee will be payable on the aggregate undrawn and uncancelled amount of the New Revolving Credit Facility which shall accrue from (and including) the Completion Date to (and including) the last day of the availability period for the New Revolving Credit Facility at the rate of 35% of the then applicable margin for the New Revolving Credit Facility. The commitment fee will be payable quarterly in arrear, on the last day of the availability period of the New Revolving Credit Facility and on the date the New Revolving Credit Facility is cancelled in full or on the date on which a lender cancels its commitment. No commitment fee shall be payable unless the Completion Date occurs.

Default interest on overdue amounts will be calculated at a rate which is 1% higher than that applicable to the loans under the New Revolving Credit Facility.

BidCo is also required to pay customary agency fees to the facility agent and the Security Agent in connection with the New Revolving Credit Facility Agreement. No such agency fees shall be payable unless the Completion Date occurs.

***Guarantees***

BidCo, the Senior Secured Notes Issuer and the Senior Notes Issuer have provided a senior guarantee of all amounts payable to the Finance Parties (as defined in the New Revolving Credit Facility Agreement) by them or any of their subsidiaries which accede to the New Revolving Credit Facility Agreement as additional borrowers or additional guarantors.

Under the New Revolving Credit Facility Agreement the Senior Secured Notes Issuer must ensure that, within 60 days of the Completion Date, CABB International GmbH, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy accede to the New Revolving Credit Facility Agreement as additional guarantors and that, within 60 days of becoming a member of the Group, Swedish Newco accede to the New Revolving Credit Facility Agreement as an additional guarantor.

The New Revolving Credit Facility Agreement requires that (subject to agreed security principles) each subsidiary of the Senior Secured Notes Issuer that is or becomes a Material Company (which definition includes, among other things, any member of the Group (as defined in the New Revolving Credit Facility Agreement) that is not incorporated in Argentina, China or India and that has earnings before interest, tax, depreciation and amortization representing 5% or more of our consolidated EBITDA or gross assets representing 5% or more of the gross assets of the Group (as defined in the New Revolving Credit Facility Agreement), subject to certain exceptions) following the Completion Date will be required to become an additional guarantor under the New Revolving Credit Facility Agreement within 60 days of delivery of the annual financial statements for the relevant fiscal year demonstrating that such subsidiary is a Material Company.

Furthermore, if on the last day of a fiscal year of the Senior Notes Issuer, the guarantors under the New Revolving Credit Facility Agreement represent less than 85% of each of the consolidated EBITDA or the gross assets of the Group (as defined in the New Revolving Credit Facility Agreement) (subject to certain exceptions) (the "**Guarantor Coverage Test**"), within 60 business days of delivery of the annual financial statements for the relevant fiscal year, such other restricted subsidiaries of the Senior Secured Notes Issuer (subject to agreed security principles) are required to become additional guarantors until the Guarantor Coverage Test is satisfied (to be calculated as if such additional guarantors had been guarantors on such last day of the relevant fiscal year).

***Security***

As from the Completion Date the New Revolving Credit Facility will benefit from substantially the same security as the Senior Secured Notes. Under the terms of the Intercreditor Agreement, proceeds from the enforcement of the collateral (whether or not shared with the holders of the Notes) will be required to be applied to repay indebtedness outstanding in respect of the New Revolving Credit Facility in priority to the Notes.

In addition, any Material Company or other member of the Group (each as defined in the New Revolving Credit Facility Agreement) which becomes a guarantor of the New Revolving Credit Facility is required (subject to agreed security principles) to grant security over its material assets in favour of the Security Agent.

***Representations and Warranties***

The New Revolving Credit Facility Agreement contains certain customary representations and warranties, subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, and with certain representations and warranties being repeated, including: (i) status and incorporation; (ii) binding obligations; (iii) non-conflict with constitutional documents, laws or other obligations; (iv) power and authority; (v) authorisations; (vi) governing law and enforcement; (vii) no event of default; and (viii) accuracy of most recent financial statements delivered.

***Covenants***

The New Revolving Credit Facility Agreement contains certain of the same incurrence covenants and related definitions (with certain adjustments) that apply to the Notes. In addition, the New Revolving Credit Facility Agreement also contains certain affirmative and negative covenants. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge or other qualifications, exceptions and baskets.

The New Revolving Credit Facility Agreement also contains a financial covenant, a brief description of which is set out below.

***Notes Purchase Condition***

The New Revolving Credit Facility Agreement restricts the repayment, prepayment, purchase, redemption, defeasance, acquisition or retirement of the principal amount of the Senior Secured Notes or any permitted refinancing thereof prior to its scheduled maturity date in any manner which involves the payment of cash consideration by a member of the Group to a person who is not a member of the Group (each as defined in the New Revolving Credit Facility Agreement) (a "**Notes Payment**"). A Notes Payment is permitted under certain circumstances, including where commitments under the New Revolving Credit Facility are permanently cancelled (and, as applicable, amounts outstanding under the New Revolving Credit Facility are permanently prepaid) in the same proportion as that by which the Senior Secured Notes or permitted refinancing thereof (as applicable) is repaid, prepaid, purchased, redeemed, defeased, acquired or otherwise retired (calculated by reference to the total New Revolving Credit Facility commitments (as at the date the New Revolving Credit Facility Agreement is entered into) and the aggregate principal amount of the Senior Secured Notes or permitted refinancing thereof (as applicable) in existence at the Completion Date or incurred at any time thereafter) at a time when no Event of Default (as defined in the New Revolving Credit Facility Agreement) is continuing or would result from such payment. If the commitments under the New Revolving Credit Facility have been reduced to €30 million no further cancellation and repayment under the Notes Purchase Condition shall be required as a condition to making a Notes Payment (provided that no event of default is continuing or would result from such Notes Payment).

***Affirmative Covenants***

The affirmative covenants include, among others: (i) providing certain financial information, including annual audited, quarterly and monthly financial statements, compliance certificates and an annual budget; (ii) authorizations, (iii) compliance with laws and regulations; (iv) payment of taxes; (v) maintenance of material assets; (vi) maintenance of pari passu ranking of the New Revolving Credit Facility; (vii) preservation of rights under the Acquisition Agreement; (viii) maintenance of insurance arrangements; (ix) rights of access for the facility agent and Security Agent; (x) maintenance of intellectual property; (xi) satisfaction of Guarantor Coverage Test; (xii) repayment of certain existing financing arrangements; (xiii) further assurance provisions; (xiv) compliance with economic sanctions; and (xv) compliance with Swiss tax rules relating to "non-banks".

***Negative Covenants***

The negative covenants include restrictions, among others, with respect to: (i) substantially changing the general nature of the business of the Group (as defined in the New Revolving Credit Facility Agreement); (ii) the holding company activities of the Senior Secured Notes Issuer and BidCo; (iii) amending, waiving or terminating the terms of the Acquisition Agreement; and (iv) deliberately changing centres of main interest. Otherwise, the negative covenants in the New Revolving Credit Facility Agreement are substantially the same as the negative covenants in the Senior Secured Notes Indenture.

***Covenant Suspension***

Certain of the covenants under the New Revolving Credit Facility Agreement will be suspended upon (i) a public offering of equity securities by any member of the Group (as defined in the New Revolving Credit Facility Agreement) or any of the Senior Secured Notes Issuer's holding companies and an achievement of a Leverage Ratio (defined as the ratio of Consolidated Net Indebtedness at such date to Consolidated EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the New Revolving Credit Facility Agreement) equal to or less than 2.00:1 (pro forma for any prepayment of certain indebtedness from the proceeds of such public offering) or (ii) an achievement by the Senior Secured Notes Issuer (or any of its affiliates) of a long-term corporate credit rating of Baa3/BBB- or better by Moody's Investor Services, Inc. or Standard & Poor's Investors Ratings Services.

***Mandatory Prepayment Requirements upon a Change of Control***

On a Change of Control (as defined in the New Revolving Credit Facility Agreement), each lender under the New Revolving Credit Facility Agreement shall be entitled for a 30 day period after receiving notice thereof to require that all amounts payable under the Senior Finance Documents by the obligors to that lender will become immediately due and payable and the borrowers will immediately prepay or procure the prepayment of all utilisations provided by that lender and the undrawn commitments of that lender will be cancelled and such lender shall have no obligation to participate in further utilisations requested under the New Revolving Credit Facility Agreement, in each case save to the extent that any ancillary lender or issuing bank may, as between itself and the relevant member of the Group, agree to continue to provide an ancillary facility or letter(s) of credit, in which case, after notification thereof to the facility agent such arrangements shall continue on a bilateral basis and not as part of, or under, the Senior Finance Documents (each defined term as defined in the New Revolving Credit Facility Agreement).

***Mandatory Prepayment Requirements upon an Acetyls Business Disposal***

On the sale of the division constituting the acetyls business of the CABB Group and the making of certain dividends as a result of such sale, available commitments under the New Revolving Credit Facility Agreement will be cancelled pro rata and thereafter outstanding utilizations under the New Revolving Credit Facility Agreement will be prepaid pro rata (and corresponding commitments will be cancelled), pro rata to the reduction of our consolidated EBITDA as a result of such sale.

***Financial Covenants***

If, on any quarter date in respect of the period of the most recent four consecutive financial quarters, the aggregate amount outstanding of all utilisations under the New Revolving Credit Facility exceeds an amount equal to 30 per cent. of the total commitments under the New Revolving Credit Facility, the Senior Secured Notes Issuer is required to confirm whether or not the Leverage Ratio (defined as the ratio of Consolidated Net Indebtedness at such date to Consolidated EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the New Revolving Credit Facility Agreement) exceeds the ratio set out in Column 2 opposite such date. The covenant will be tested quarterly.

| **Relevant period expiring on or about:** | **Ratio** |
|---|---|
| The first quarter date that falls at least three months after the Completion Date and each quarter date thereafter until (and including) | |
| 30 September 2016 | 9.50 |
| 31 December 2016 | 9.25 |
| 31 March 2017 | 9.10 |
| 30 June 2017 | 8.70 |
| 30 September 2017 | 8.70 |
| 31 December 2017 | 8.30 |
| 31 March 2018 | 8.40 |
| 30 June 2018 | 8.30 |
| 30 September 2018 | 8.30 |
| 31 December 2018 | 8.10 |
| 31 March 2019 | 8.20 |
| 30 June 2019 | 8.00 |
| 30 September 2019 | 8.10 |
| 31 December 2019 | 7.90 |
| 31 March 2020 | 7.90 |
| 30 June 2020 | 7.80 |
| 30 September 2020 | 7.90 |
| 31 December 2020 | 7.60 |

Each quarter date thereafter..... 7.60

Any excess in the financial ratio test set out above will only permit the lenders under the New Revolving Credit Facility Agreement to prevent a new utilisation of the New Revolving Credit Facility (excluding rollovers of existing utilisations) and will not constitute, or result in, a breach of any representation, warranty, undertaking, default, event of default or other term in the New Revolving Credit Facility Agreement or any finance documents pertaining thereto.

The Senior Secured Notes Issuer is permitted to prevent or cure excesses in the Leverage Ratio (defined as the ratio of Consolidated Net Indebtedness at such date to Consolidated EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the New Revolving Credit Facility Agreement) by applying any cure amount (being amounts received by the Senior Secured Notes Issuer in cash pursuant to any new equity or permitted subordinated debt) as if Consolidated Net Indebtedness (as defined the New Revolving Credit Facility Agreement) had been reduced by such amount. There is no requirement to apply any cure amount in prepayment of the New Revolving Credit Facility. No more than four cure amounts may be taken into account during the term of the New Revolving Credit Facility and cure amounts in successive financial quarters will not be permitted.

***Events of Default***

The New Revolving Credit Facility Agreement contains the same events of default, with certain adjustments, as those applicable to the Notes as set forth in the section entitled "*Description of the Senior Secured Notes—Events of Default.*" In addition, the New Revolving Credit Facility Agreement contains the following events of default:

- inaccuracy of a representation or statement when made;
- breach of the Intercreditor Agreement; and
- unlawfulness, repudiation, rescission, invalidity or unenforceability of the finance documents entered into in connection with the New Revolving Credit Facility Agreement.

**Intercreditor Agreement**

The Senior Secured Notes Issuer, the Senior Notes Issuer, the lenders under the New Revolving Credit Facility Agreement (the "**RCF Lenders**"), the Senior Secured Notes Trustee, the Senior Notes Trustee, certain subsidiaries of the Senior Notes Issuer (collectively, the "**Debtors**") and the Security Agent, amongst others, will enter into an intercreditor agreement on or about the Issue Date (the "**Intercreditor Agreement**"). By accepting a Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and shall be deemed to have authorized the applicable Trustee to enter into the Intercreditor Agreement on its behalf.

The following description is a summary of certain provisions, among others, to be contained in the Intercreditor Agreement and which relate to the rights and obligations of the holders of the Notes. It does not restate the proposed Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines certain rights of the holders of the Notes.

The Intercreditor Agreement sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

Unless otherwise defined in this section or elsewhere in this Offering Memorandum to the extent not defined in the Intercreditor Agreement, capitalized terms set forth and used in this section have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum.

***Parties***

Upon the issuance of the Notes, the principal parties to the Intercreditor Agreement will be: (i) Monitchem Holdco 1 S.à r.l. in the capacity of Original Investor, (ii) the Senior Secured Notes Issuer as the Company, a Senior Secured Debt Issuer and the Senior Secured Bridge Borrower, (iii) the Senior Notes Issuer as a Senior Debt Issuer and the Senior Bridge Borrower, (iv) the agent for the finance parties under the New Revolving Credit Facility Agreement (the "**RCF Facility Agent**"), (v) the RCF Lenders, (vi) the Senior Secured Notes Trustee, (vii) the Senior Notes Trustee, (viii) the Security Agent and (ix) the original Debtors.

The "**Super Senior Creditors**" include the RCF Lenders together with, upon accession, the Priority Hedge Counterparties (as defined below).

The "**Senior Secured Creditors**" include the holders of the Senior Secured Notes, the Senior Secured Notes Trustee together with, upon accession, the Non-Priority Hedge Counterparties (as defined below) and the Permitted Senior Secured Financing Creditors (as defined below).

The "**Senior Creditors**" include the holders of the Senior Notes, the Senior Notes Trustee together with, upon accession, the Permitted Senior Financing Creditors (as defined below).

The "**Group**" means the Senior Secured Notes Issuer and its Restricted Subsidiaries.

The "**Holdco Group**" means the Senior Notes Issuer and its Restricted Subsidiaries.

The Intercreditor Agreement allows for accession by certain future creditors in order to share (to the extent set out in the Intercreditor Agreement) in the relevant security, including:

(i) hedge counterparties pursuant to interest rate and foreign exchange hedging agreements in respect of liabilities to the RCF Lenders, liabilities to the holders of the Senior Secured Notes, the Permitted Senior Secured Financing Liabilities, liabilities to the holders of the Senior Notes, the Permitted Senior Financing Liabilities and any other indebtedness which is not prohibited under the Secured Debt Documents and which ranks *pari passu* with any of the foregoing listed debt or other hedging agreements (up to a maximum amount of EUR 15,000,000 in respect of the other hedging agreements) which are secured on a super senior basis with (among other liabilities) the New Revolving Credit Facility (the "**Priority Hedging Agreements**" and the providers thereof the "**Priority Hedge Counterparties**");

(ii) hedge counterparties pursuant to interest rate, foreign exchange or other hedging agreements which are secured on a pari passu basis with (among other liabilities) the Senior Secured Notes and are not Priority Hedging Agreements (the "**Non-Priority Hedging Agreements**" and the providers thereof, the "**Non-Priority Hedge Counterparties**" and together with the Priority Hedge Counterparties, the "**Hedge Counterparties**", the Non-Priority Hedging Agreements together with the Priority Hedging Agreements, the "**Hedging Agreements**");

(iii) creditors of future indebtedness of the Group (the "**Permitted Senior Secured Financing Creditors**"), which is not prohibited under the terms of the New Revolving Credit Facility Agreement and the Senior Secured Notes and not subordinated in right of payment to the liabilities owed to the Senior Secured Creditors) (the "**Permitted Senior Secured Financing Debt**") the liabilities owed to such creditors being the "**Permitted Senior Secured Financing Liabilities**"); and

(iv) creditors of future indebtedness of the Holdco Group (the "**Permitted Senior Financing Creditors**"), which is not prohibited under the terms of the New Revolving Credit Facility, the Senior Secured Notes and the Senior Notes and which is pari passu with, and not subordinated in right of payment to, the liabilities owed to the Senior Creditors) ("**Permitted Senior Financing Debt**"), the liabilities owed to such creditors being the "**Permitted Senior Financing Liabilities**").

In addition: (i) any shareholder of the Senior Notes Issuer that is a creditor of certain indebtedness of the members of the Holdco Group (an "**Investor**") shall be a party to the Intercreditor Agreement in that capacity. The Intercreditor Agreement contains customary subordination provisions and restrictions relating to the receivables owing from any member of the Holdco Group to any such Investor (the "**Investor Liabilities**")); and (ii) certain members of the Group that lend to a Debtor (each an "**Intra-Group Lender**") shall be a party to the Intercreditor Agreement with respect to such loans or indebtedness owing from such Debtor to such members of the Group (the "**Intra-Group Liabilities**") provided the aggregate amount due by the Debtors to any such member of the Group exceeds €5,000,000. The Intercreditor Agreement contains subordination provisions relating to any such Intra-Group Liabilities. However, Debtors will not be prohibited from incurring, amending or making payments in respect of any Intra-Group Liabilities until an acceleration event under the New Revolving Credit Facility or the Indentures is continuing; and (iii) if the Senior Notes Issuer lends to a member of the Group (the "**Holdco Lender**") it shall be a party to the Intercreditor Agreement with respect to such loans or indebtedness made to members of the Group (the "**Holdco Liabilities**"), which includes the on-lending (if any) of the proceeds of any Senior Notes by the Holdco Lender (the "**Holdco (Proceeds Loan) Liabilities**"). The Intercreditor Agreement contains subordination provisions relating to any such Holdco Liabilities.

The Intercreditor Agreement also includes the ability to: (i) replace the New Revolving Credit Facility Agreement with a replacement revolving credit facility benefiting from a similar position under the terms of the Intercreditor Agreement; and (ii) issue further senior secured notes and/or senior notes after the Issue Date. The terms set

out in this summary in relation to the New Revolving Credit Facility will apply to such replacement revolving credit facility, in relation to the Senior Secured Notes, will apply to such further senior secured notes and in relation to the Senior Notes, will apply to such further senior notes other than as set out in the section "Distressed Disposals" below.

***Ranking and Priority***

*Priority of Indebtedness*

The Intercreditor Agreement provides that the liabilities of the Debtors (other than the Senior Notes Issuer) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(a) ***first***, the liabilities owed to the Super Senior Creditors (the "**Super Senior Creditor Liabilities**"), the liabilities owed to the Senior Secured Creditors including with respect to the Senior Secured Notes (the "**Senior Secured Liabilities**"), the liabilities owed to any Hedge Counterparty (the "**Hedging Liabilities**") (to the extent not already included in the Super Senior Creditor Liabilities), the Permitted Senior Secured Financing Liabilities, certain customary costs and expenses of the Senior Secured Notes Trustee and the Senior Notes Trustee (the "**Trustee Liabilities**"), the Agent Liabilities (other than due to any Senior Agent), the Arranger Liabilities (other than due to the Senior Arranger), the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar), pari passu and without any preference between them;

(b) ***second***, the guarantee liabilities owed to the Senior Creditors with respect to the Senior Notes (the "**Senior Notes Guarantee Liabilities**", together with the Senior Notes Issuer Liabilities (defined below), the "**Senior Notes Liabilities**"), together with any guarantee liabilities owed to any Permitted Senior Financing Creditor (together with the Senior Notes Guarantee Liabilities, the "**Senior Guarantee Liabilities**", and, together with the Senior Notes Issuer Liabilities and the Permitted Senior Financing Issuer Liabilities, the "**Senior Liabilities**") *pari passu* and without any preference between them;

(c) ***third***, the Holdco (Proceeds Loans) Liabilities;

(d) ***fourth***, the Intra-Group Liabilities; and

(e) ***fifth***, the Holdco Liabilities (other than the Holdco (Proceeds Loans) Liabilities).

The Intercreditor Agreement also provides that the liabilities of the Senior Notes Issuer shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(a) ***first***, the Super Senior Creditor Liabilities, the Senior Secured Liabilities, the Hedging Liabilities (as defined below and to the extent not already included in Super Senior Creditor Liabilities), the Agent Liabilities, the Arranger Liabilities, the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar), the Trustee Liabilities, the Senior Liabilities due by the Senior Notes Issuer in its capacity as a principal debtor with respect to the Senior Notes (the "**Senior Notes Issuer Liabilities**")) and the Senior Liabilities due by the Senior Notes Issuer in its capacity as a principal debtor with respect to the Permitted Senior Financing Liabilities (the "**Permitted Senior Financing Issuer Liabilities**") pari passu and without any preference amongst them; and

(b) ***second***, any Investor Liabilities.

***Priority of Security***

The Intercreditor Agreement provides that (subject to the proceeds of such security being distributed in accordance with the Payments Waterfall defined below) the security provided for the Super Senior Creditor Liabilities, the Senior Secured Liabilities (including the Permitted Senior Secured Financing Liabilities), the liabilities under owed to the Hedge Counterparties (the "**Hedging Liabilities**") (to the extent not already included in the Super Senior Creditor Liabilities), the Agent Liabilities (other than due to any Senior Agent), the Arranger Liabilities (other than due to the Senior Arranger), the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar) and the Trustee Liabilities (the "**Transaction Security**") shall secure these liabilities *pari passu* and without any preference among them.

The Senior Notes Completion Date Collateral, being the "Shared Security" as defined in the Intercreditor Agreement)) (the "**Shared Security**") shall rank and secure liabilities listed at (a) and (b) below in the following order:

(a) ***first***, the Super Senior Creditor Liabilities, Senior Secured Liabilities (including the Permitted Senior Secured Financing Liabilities), the Hedging Liabilities (to the extent not already included in the Super Senior Creditor Liabilities), the Agent Liabilities, the Arranger Liabilities, the liabilities owed to the Security Agent (excluding any parallel debt liabilities or similar), and the Trustee Liabilities, *pari passu* between them (but only to the extent that such Transaction Security is expressed to secure those liabilities); and

(b) ***second***, the Senior Notes Liabilities and the Permitted Senior Financing Liabilities *pari passu* between them (but only to the extent that such Transaction Security is expressed to secure those liabilities).

The Investor Liabilities, the Holdco Liabilities and the Intra-Group Liabilities shall not be secured by the Transaction Security or the Shared Security.

***Payments and Prepayments; Subordination of the Senior Notes***

The Debtors may make payments and prepayments in respect of the Senior Secured Liabilities and the Trustee Amounts at any time in accordance with their terms.

The Debtors may make payments and prepayments in respect of the Priority Hedging Agreements and the Non-Priority Hedging Agreements if such payment is a scheduled payment arising under any such agreement or other customary payments under such agreement.

The Senior Notes Issuer may make payments and prepayments in respect of the Senior Liabilities (including by prepaying or acquiring the Senior Notes) at any time in accordance with the terms of the relevant senior finance documents in its capacity as a borrower, issuer or equivalent.

Prior to the discharge of all Senior Secured Liabilities and all the Super Senior Creditor Liabilities due to the RCF Lenders (themselves the "**Senior Secured Debt Liabilities**" and such date being "**Senior Secured Debt Discharge Date**" and with the discharge date of all Super Senior Creditor Liabilities due to the RCF Lenders being the "**RCF Lenders Discharge Date**")), no member of the Group may make payments in respect of the Senior Liabilities without the Required Senior Consent (as that term is defined in the Intercreditor Agreement) except, and in addition to the paragraph above, as permitted by the Intercreditor Agreement including the following:

(1) if:

(a) the payment is of:

(i) any of the principal amount of or capitalised interest on the Senior Liabilities which is either (1) not prohibited from being paid by the New Revolving Credit Facility Agreement, the Senior Secured Notes Indenture or any Permitted Senior Secured Financing Debt finance document or (2) is paid on or after the final maturity date of the Senior Notes or, in each case, a corresponding amount of Holdco Liabilities;

(ii) any other amount which is not an amount of principal or previously capitalized interest (including any scheduled interest (whether cash pay or payment-in-kind) and default interest) or a corresponding amount of Holdco Liabilities;

(b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Senior Liabilities (a "**Senior Payment Stop Notice**") is outstanding; and

(c) no Senior Secured Payment Default (as that term is defined in the Intercreditor Agreement) has occurred and is continuing; or

(2) certain amounts due to the Senior Notes Trustee for its own account;

(3) costs and expenses of any holder of a mortgage, charge, pledge, lien or other security interest having a similar effect ("**Security**") in relation to the protection, preservation or enforcement of such Security;

(4) administrative and maintenance costs, taxes, fees and expenses of the Senior Notes Issuer (in its capacity as a borrower or issuer) incurred in respect of or in relation to (or reasonably incidental to) any senior debt documents (including in relation to any reporting or listing requirements), provided that such costs and expenses are not incurred in respect of current, threatened or pending litigation against the Secured Parties (as such term is defined in the Intercreditor Agreement) (other than any Senior Creditor); or

(5) costs, commissions, taxes, premiums and expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Liabilities not prohibited by the Intercreditor Agreement, the New Revolving Credit Facility, the Senior Secured Notes Indenture and any Permitted Senior Secured Financing Document.

Prior to the Senior Secured Debt Discharge Date, if a Senior Secured Payment Default is continuing all payments in respect of the Senior Liabilities (other than those for which Required Senior Consent has been obtained) will be suspended.

In addition, if an event of default (other than a Senior Secured Payment Default) under the finance documents in respect of the Senior Secured Debt Liabilities (each "**Senior Secured Event of Default**") is continuing and the Senior Notes Trustee has received a Senior Payment Stop Notice from either the RCF Facility Agent or the Senior Secured Notes Trustee (or other relevant senior secured agent) the representative of the Permitted Senior Secured Financing Debt representing Permitted Senior Secured Financing Debt (the "**Senior Secured Agent**") from the date the Senior Notes Trustee (or other relevant senior agent) receives the Senior Payment Stop Notice, all payments in respect of Senior Liabilities (other than those for which Required Senior Consent has been obtained) are suspended until the earliest of:

(a) 179 days after the receipt by the relevant senior agent of the Senior Payment Stop Notice;

(b) in relation to payments of Senior Liabilities, if a Senior Standstill Period (as defined below) is in effect at any time after delivery of that Senior Payment Stop Notice, the date on which that Senior Standstill Period expires;

(c) the date on which there is a waiver or remedy of the relevant Senior Secured Event of Default;

(d) the date on which the Senior Secured Agent which issued the Senior Payment Stop Notice notifies (amongst others) the relevant senior agent that the Senior Payment Stop Notice is cancelled;

(e) the repayment and discharge of all obligations in respect of the Senior Secured Debt Liabilities; and

(f) the date on which the Security Agent or Senior Secured Agent takes any enforcement action (including acceleration and/or demand for payment and certain similar actions) ("**Enforcement Action**") against a Debtor which it is permitted to take in accordance with the Intercreditor Agreement,

provided that none of the circumstances described above shall prevent the Senior Notes Issuer from making or the Senior Creditors from receiving payments in respect of the Senior Liabilities in accordance with the terms of the relevant documentation as a borrower and/or an issuer but only to the extent that the payment is not funded from the proceeds of a payment received from a member of the Group which is otherwise prohibited by the above.

No new Senior Payment Stop Notice may be served by a Senior Secured Agent unless 360 days have elapsed since the immediately prior Senior Payment Stop Notice. No Senior Payment Stop Notice may be served in respect of a Senior Secured Event of Default more than 60 days after the date that the Senior Secured Agent received notice of that Senior Secured Event of Default. No Senior Secured Agent may serve more than one Senior Payment Stop Notice with respect to the same event or set of circumstances, and no Senior Payment Stop Notice may be served in respect of a Senior Secured Event of Default notified to a Senior Secured Agent at the time at which an earlier Senior Payment Stop Notice was issued.

If a Senior Payment Stop Notice ceases to be outstanding or the relevant Senior Secured Event of Default or Senior Secured Payment Default has ceased to be continuing (by being waived by the relevant creditors/creditor's representative or remedied) the relevant Debtor may then make those payments it would have otherwise been entitled to pay under the Senior Notes and if it does so promptly any Senior Event of Default (and any cross-default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived and any notice which may have been issued as a result of that Senior Event of Default shall be waived. A Senior Secured Payment Default is remedied by the payment of all amounts then due.

***Restrictions on Enforcement by the Senior Notes; Senior Notes Standstill***

Without prejudice to the rights of the Senior Creditors to take Enforcement Action in relation to the Senior Issuer Liabilities, prior to the discharge of all the Senior Secured Debt Liabilities, no Senior Creditor shall:

(a) direct the Security Agent to enforce or otherwise require the enforcement of any Transaction Security; or

(b) take or require the taking of any Enforcement Action in relation to the Senior Guarantee Liabilities,

without the prior consent of or as required by an Instructing Group (as defined below), except that such restriction will not apply if:

(a) an event of default under the Senior finance documents is continuing;

(b) the RCF Facility Agent and the other representatives of the Senior Secured Liabilities have received notice of the specified event of default from the Senior Notes Trustee;

(c) a Senior Standstill Period (as defined below) has expired;

(d) the relevant event of default is continuing at the end of the Senior Standstill Period.

A "**Senior Standstill Period**" shall mean the period starting on the date that the relevant Senior Agent serves an enforcement notice on each of the Senior Secured Agents and the representative of any Permitted Senior Secured Financing Debt until the earliest of:

(a) 179 days after such date;

(b) the date on which the Senior Secured Parties takes Enforcement Action in relation to a particular guarantor of the Senior Liabilities, provided that the Senior Agent and holders of Senior Creditors may only take the same Enforcement Action against the same entity as is taken by the Senior Secured Parties;

(c) the date on which an insolvency event occurs in respect of any guarantor of the Senior Notes against whom Enforcement Action is to be taken;

(d) the date of the consent of the relevant Senior Secured Agents; and

(e) the expiration of any other Senior Standstill Period which was outstanding at the date that the current Senior Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

Substantially similar provisions to those described in this section with respect to the Senior Notes are included in the Intercreditor Agreement with respect to Permitted Senior Financing Debt and related Permitted Senior Financing Creditors.

***Consultation***

Prior to the RCF Lender Discharge Date if the Security Agent has received Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement), it shall promptly notify the Agents (as such term is defined in the Intercreditor Agreement) for each of the Super Senior Creditors and the Senior Secured Creditors and such Agents will consult with each other and the security agent in good faith for 30 days from the earlier of (i) the date of the latest such Conflicting Enforcement Instruction and (ii) the date falling ten Business Days after the date the original Enforcement Proposal (as such term is defined in the Intercreditor Agreement) is delivered in accordance with the Intercreditor Agreement (the "**Consultation Period**").

No such consultation shall be required where:

(a) any of the Transaction Security has become enforceable as a result of an insolvency event; or

(b) the Majority Super Senior Creditors or the Majority Senior Secured Creditors determine in good faith (and notify each other representative agent of the Super Senior Creditors, the Senior Secured Creditors and the Permitted Senior Secured Financing Creditors, as applicable) that any delay caused by such consultation could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce any of the Transaction Security or the realisation proceeds of any enforcement of the Transaction Security; or

(c) if the relevant Senior Secured Agents agree that no consultation period is required.

If following the Consultation Period (or if the Consultation Period was terminated or not required as provided for above) there shall be no further obligation to consult and the Security Agent may act in accordance with the instructions as to Enforcement then or previously received from the Instructing Group and the Instructing Group may issue instructions as to Enforcement to the Security Agent at any time thereafter.

If the Majority Super Senior Creditors or the Majority Senior Secured Creditors (acting reasonably) consider that the Security Agent is enforcing the security in a manner which is not consistent with the Security Enforcement Principles, subject to the above, the relevant Senior Secured Agent shall give notice to the other representatives after which each such representative shall consult with the Security Agent for a period of 30 days (or such lesser period as the Senior Secured Agents may agree) with a view to agreeing the manner of Enforcement, provided that such representatives shall not be obliged to consult more than once in relation to each Enforcement.

For the purposes of Enforcement, an "**Instructing Group**" means if prior to the Credit Facility Lender Discharge Date (as that term is defined in the Intercreditor Agreement), the Majority Super Senior Creditors and the Majority Senior Secured Creditors, provided that if:

(a) the Super Senior Creditor Liabilities have not been repaid in full in cash within six months of the date of the instructions of Enforcement given to the Security Agent; or

(b) the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action within three months of the date of the instructions of Enforcement given to the Security Agent,

then the Security Agent shall thereafter follow any instructions that are given (at the same time or subsequently) by the Majority Super Senior Creditors (in each case provided the same are Qualifying Instructions (as such term defined in the Intercreditor Agreement)) to the exclusion of those given by the Majority Senior Secured Creditors (to the extent conflicting with any instructions previously given by the Majority Senior Secured Creditors) and "Instructing Group" in relation to such Enforcement shall mean the Majority Super Senior Creditors.

Subject to the foregoing, if at the end of the Consultation Period, the Security Agent has received Conflicting Enforcement Instructions then, in relation to such Enforcement, Instructing Group shall mean the Majority Senior Secured Creditors provided that such instructions from the Majority Senior Secured Creditors are Qualifying Instructions, it being acknowledged that, subject to the other provisions of this Agreement, the timeframe for the realisation of value from the enforcement of the Transaction Security or Distressed Disposal pursuant to such instructions will be determined by the Majority Senior Secured Creditors.

***Security Enforcement Principles***

The Intercreditor Agreement provides that Enforcement instructions must be consistent with the following principles (the "**Security Enforcement Principles**"):

(a) It shall be the primary and overriding aim of any enforcement of the Transaction Security to maximize, so far as is consistent with a prompt and expeditious realisation of value from Enforcement of the Transaction Security, recovery by the Super Senior Creditors and the Senior Secured Creditors (the "**Security Enforcement Objective**").

(b) The Transaction Security will be enforced and other action as to Enforcement will be taken such that either (i) all proceeds of Enforcement are received by the Security Agent in cash for distribution in accordance with the Payments Waterfall; or (ii) if Enforcement is at the direction of the Majority Senior Secured Creditors, sufficient proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall, the Super Senior Creditor Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise).

(c) The Enforcement Action must be prompt and expeditious it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the time frame for the realisation of value from the Enforcement of the Transaction Security or Distressed Disposal (as defined below) pursuant to Enforcement will be determined by the Instructing Group provided that it is consistent with the Security Enforcement Objective.

(d) On (i) a proposed Enforcement of any of the Transaction Security over assets other than shares in a member of the Holdco Group, where the aggregate book value of such assets exceeds EUR 5,000,000 (or its equivalent); or (ii) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Holdco Group over which Transaction Security exists, the Security Agent shall, upon instruction from the Instructing Group (unless it is incompatible with enforcement proceedings in a relevant jurisdiction) appoint a "big four" accounting firm, any reputable and independent international investment bank or other reputable and independent professional services firm with experience in restructuring and enforcement, in each case as selected by the Security Agent acting reasonably and in good faith (a "**Financial Advisor**") to opine as expert that the proceeds received from any such enforcement are fair from a financial point of view after taking into account all relevant circumstances (the "**Financial Advisor's Opinion**").

(e) The Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement.

(f) The Financial Advisor's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other Enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met.

(g) Where the Instructing Group is the Majority Senior Secured Creditors, the Majority Senior Secured Creditors may waive the requirement for a Financial Advisor's Opinion where sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall below, the Super Senior Creditor Liabilities are repaid and discharged in full.

(h) In the event that an Enforcement of the Transaction Security is over assets and shares referred to in (d) above and such Enforcement is conducted by way of public auction, the Super Senior Creditors and the Senior Secured Creditors shall be entitled to participate in such auction on the basis of equal information and access rights as other bidders and financiers in the auction. There is no requirement in the Security Enforcement Principles that requires the Enforcement of Transaction Security to take place by way of public auction.

(i) In the absence of written notice from a Secured Party or group of Secured Parties that are not part of the relevant Instructing Group that such Secured Party/ies object to any Enforcement of the Transaction Security on the grounds that such Enforcement Action does not aim to achieve the Security Enforcement Objective (an "**Objection**"), the Security Agent is entitled to assume that such Enforcement of the Transaction Security is in accordance with the Security Enforcement Objective.

(j) If the Security Agent receives an Objection (and without prejudice to the ability of the Security Agent to rely on other Advisors and/or exercise its own judgement in accordance with this Agreement), a Financial Advisor's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other Enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) to the effect that the particular action could reasonably be said to be aimed at achieving the Security Enforcement Objective will be conclusive evidence that the requirement of paragraph (a) above has been met.

***Turnover***

Subject to certain exclusions set out therein, the Intercreditor Agreement also provides that if any Primary Creditor receives or recovers the proceeds of any enforcement of all or part of the Transaction Security or any Distressed Disposal other than in accordance with the Payments Waterfall, then it shall:

- in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold an amount of that receipt or recovery equal to the relevant liabilities on trust for the Security Agent and separate from other assets and property and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Certain further turnover obligations following receipt of non-permitted payments apply to Senior Notes Creditors, Permitted Senior Financing Creditors and Subordinated Creditors.

***Application of Proceeds/Waterfall***

All amounts from time to time received or recovered by the Security Agent in connection with the realisation or enforcement of all or any part of the Transaction Security (other than the Shared Security) and all amounts required to be turned over pursuant to the Intecreditor Agreement (the "**Enforcement Proceeds**") shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority (the "**Payments Waterfall**"):

- *first*, in discharging (i) any Agent Liabilities (as such term is defined in the Intercreditor Agreement) owing to an Agent (other than any Hedge Counterparty), (ii) any Trustee Liabilities or (iii) any sums owing to the Security Agent, any receiver or any of its delegates, on a *pro rata* and *pari passu* basis;

- *second*, in or towards payment of all costs and expenses incurred by the Super Senior Creditors in connection with any realisation or enforcement of the Transaction Security (other than Shared Security) taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

- *third*, in payment to the Super Senior Creditors for application towards the discharge of the Super Senior Creditor Liabilities on a *pro rata* basis and *pari passu*;

- *fourth*, in payment of all costs and expenses incurred by any Senior Secured Creditor in connection with any realisation or enforcement of the Transaction Security (other than Shared Security) taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

- *fifth*, in payment to the Senior Secured Creditors for application towards the discharge of the Senior Secured Liabilities on a *pro rata* basis and *pari passu*;

- *sixth*, after the Final Discharge Date (as defined in the Intercreditor Agreement), in payment of the balance, if any, to the relevant Debtor or any other person entitled to it.

All amounts from time to time received or recovered by the Security Agent in connection with the realisation or enforcement of all or any part of the Shared Security shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

- *first,* in discharging (i) any Agent Liabilities owing to an Agent (other than a Hedge Counterparty) or (ii) any Trustee Liabilities or (iii) any sums owing to the Security Agent, any Receiver or any Delegate, on a *pro rata* and *pari passu* basis;

- *second,* in payment of all costs and expenses incurred by any Super Senior Creditor in connection with any realisation or enforcement of the Shared Security taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

- *third,* in payment to the Super Senior Creditors for application towards the discharge of the Super Senior Creditor Liabilities on a *pro rata* basis and *pari passu*;

- *fourth,* in payment of all costs and expenses incurred by any Senior Secured Creditor in connection with any realisation or enforcement of the Shared Security taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

- *fifth,* in payment to the Senior Secured Creditors for application towards the discharge of the Senior Secured Liabilities on a *pro rata* basis and *pari passu*;

- *sixth,* in payment of all costs and expenses incurred by any Senior Creditor in connection with any realisation or enforcement of the Shared Security taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

- *seventh*, in payment to the Senior Creditors for application towards the discharge of the Senior Liabilities on a pro rata basis and pari passu; and

- *eighth,* following the Final Discharge Date, the balance, if any, in payment to the relevant Debtor to the relevant Debtor or any other person entitled to it.

***Release and/or Transfer of Claims and Liabilities in Respect of the Senior Notes and the Senior Secured Notes and the Transaction Security***

*Non-distressed Disposal*

The Security Agent will (at the request and cost of the relevant Debtor or the Senior Notes Issuer) promptly release from the Transaction Security and the relevant documents:

- any Transaction Security (and/or any other claim relating to a relevant finance document) over any asset which is the subject of:

- a disposal not prohibited by the terms of any Secured Debt Document (as defined in the Intercreditor Agreement) (including a disposal to a member of the Holdco Group, but without prejudice to any obligation of any member of the Holdco Group to provide replacement security, which shall be provided, if required, at the time the relevant disposal is effected); or

- any other transaction not prohibited by the terms of any Secured Debt Document pursuant to which that asset will cease to be held or owned by a member of the Holdco Group;

- any Transaction Security (and/or any other claim relating to a Secured Debt Document) over any document or other agreement requested in order for any member of the Holdco Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Secured Debt Document);

- any Transaction Security (and/or any other claim relating to a Secured Debt Document) over any asset of any member of the Holdco Group which has ceased to be a Debtor in accordance with the terms of the Secured Debt Documents; and

- any Transaction Security (and/or any other claim relating to a Secured Debt Document) over any other asset to the extent that such release is in accordance with the terms of the Secured Debt Documents.

In the case of a disposal of shares or other ownership interests in a Debtor (or any Holding Company of any Debtor), or any other transaction pursuant to which a Debtor (or any Holding Company of any Debtor) will cease to be a member of the Group or a Debtor, in each case, provided that such disposal or other transaction is not prohibited under a Secured Debt Document, the Security Agent shall (at the request and cost of the relevant Debtor or the Senior Notes Issuer) promptly release that Debtor and its Subsidiaries from all present and future liabilities (both actual and contingent) under the Secured Debt Documents and the respective assets of such Debtor and its Subsidiaries (and the shares in any such Debtor and/or Subsidiary) from the Transaction Security and the Secured Debt Documents.

When making any request for a release pursuant to the above the Senior Notes Issuer shall confirm in writing to the Security Agent that the release requested (or relevant action needing the release) is in accordance with (or is not prohibited by) the terms of, any Secured Debt Document and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent shall (at the cost and expense of the relevant Debtor but without the need for any further consent, sanction, authority or further confirmation from any Creditor or Debtor) promptly enter into and deliver such documentation and/or take such other action as the Senior Notes Issuer (acting reasonably) shall require to give effect to any release or other matter contemplated by this section.

Without prejudice to the foregoing and for the avoidance of doubt, if requested in accordance with the terms of any of the Secured Debt Documents, the Security Agent and the other Secured Party shall (at the cost of the relevant Debtor) promptly execute any guarantee, security or other release and/or any amendment, supplement or other documentation relating to the Transaction Security Documents as contemplated by the terms of any of the Secured Debt Documents (and the Security Agent is authorised by the Secured Parties to execute, and will promptly execute if requested, without the need for any further any consent, sanction, authority or further confirmation from any Secured Party, any such release or document on behalf of the Secured Parties). When making any request pursuant to this paragraph the Senior Notes Issuer shall confirm in writing to the Security Agent that such request is in accordance with the terms of a Secured Debt Document and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

In the case of any release of Transaction Security requested by the Parent pursuant to the New Revolving Facility Agreement as part of a Permitted Transaction (as that term is defined in the New Revolving Facility Agreement) Facility (a "**Permitted Transaction Request**"), when making that request the Parent shall confirm to the Security Agent that:

- such request is a Permitted Transaction Request (and absent any such statement in a request for a release the Security Agent shall be entitled to assume for all purposes that such request is not a Permitted Transaction Request); and

- it has determined in good faith (taking into account any applicable legal limitations and other relevant considerations in relation to that Permitted Transaction) that it is either not possible or not desirable to implement that Permitted Transaction on terms satisfactory by granting additional Transaction Security and/or amending the terms of the existing Transaction Security in lieu of the requested release,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

For the avoidance of doubt and notwithstanding anything to the contrary in the Senior Debt Documents, if any member of the Holdco Group is required or not prohibited under the Senior Debt Documents to apply the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Senior Secured Liabilities:

- no such application of those proceeds shall require the consent of any Party or Senior Creditor or will result in a direct or indirect breach of any Senior Debt Document; and

- any such application shall discharge in full any obligation to apply those proceeds in prepayment, redemption or any other discharge or reduction of any Senior Liabilities.

The above paragraph is without prejudice to any right of any member of the Holdco Group to apply any proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Senior Liabilities to the extent permitted or contemplated by this Agreement or not prohibited by any other Secured Debt Document.

The Security Agent is irrevocably authorised:

- release the Transaction Security; and

- release each Investor, Debtor and other member of the Group from all liabilities, undertakings and other obligations under the Secured Debt Documents,

on the Final Discharge Date (or at any time following such date on the request of the Parent), subject, in respect of the second bullet point above, to certain agency or trustee protective provisions in any of the Secured Debt Documents, which will survive the termination of the Intercreditor Agreement.

*Distressed Disposal*

A "**Distressed Disposal**" means a disposal of an asset subject to the Transaction Security of a member of the Holdco Group which is:

(a) being effected at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable in accordance with the terms of the relevant security documents;

(b) being effected by enforcement of the Transaction Security in accordance with the terms of the relevant security documents; or

(c) being effected, after the occurrence of an Acceleration Event, by a Debtor or the Senior Notes Issuer to a person or persons which is not a member of the Holdco Group.

Where a Distressed Disposal is being effected, the Intercreditor Agreement provides that the Security Agent is authorized:

(i) to release the Transaction Security, or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security, or claim and issue any letters of non- crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of an Debtor, to release (a) that Debtor and any subsidiary of that Debtor on behalf of the relevant creditors, Debtors and Agents from all or any part of: (x) the liabilities it may have as a principal Debtor in respect of financial indebtedness arising under the Debt Documents (whether incurred solely or jointly) (the "**Borrowing Liabilities**") (other than Borrowing Liabilities of the Senior Secured Notes Issuer and the Senior Notes Issuer); (y) the liabilities under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have as or as a result of its being a guarantor or surety or giving an indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Senior Secured Liabilities Documents, the Senior Notes Finance

Documents or the Permitted Senior Debt Documents (as each such term is defined in the Intercreditor Agreement) (the "**Guarantee Liabilities**") and (z) any trading and other liabilities (not being Borrowing Liabilities or Guarantee Liabilities) it may have to any Agent (other than any Hedge Counterparty), Arranger (as such term is defined in the Intercreditor Agreement), any Intra-Group Lender or any Debtor (the "**Other Liabilities**"); (b) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and (c) any other claim of an Investor, the Senior Notes Issuer as the creditor of the Holdco Liabilities, an Intra-Group Lender, or other Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of an Debtor, to release (a) that holding company and any subsidiary of that holding company from all or any part of its Borrowing Liabilities (other than Borrowing Liabilities of the Senior Secured Notes Issuer or the Senior Notes Issuer), Guarantee Liabilities and Other Liabilities; (b) any Transaction Security granted by that holding company or any subsidiary of that holding company over any of its assets; and (c) any other claim of any Investor, Intra-Group Lender or another Debtor over the assets of that holding company or of any subsidiary of that holding company;

(iv) if the asset which is disposed of consists of shares in the capital of a Debtor or a holding company of a Debtor and the Security Agent decides to dispose of all or any part of (y) all present and future moneys, debts, liabilities and obligations due at any time of any Debtor or any holding company of such Debtor or any subsidiary of such Debtor or holding company owed to any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly with any other person or in any other capacity, together with any additional liabilities (the "**Liabilities**") (other than Borrowing Liabilities of the Senior Secured Notes Issuer or the Senior Notes Issuer); or (z) any liabilities owed by that Debtor to any other Debtor (whether actual or contingent and whether incurred solely or jointly) (the "**Debtor Liabilities**") (A) if the Security Agent does not intend that any transferee of those Liabilities or Debtor Liabilities will be treated as a Primary Creditor or a Secured Party (each as defined in the Intercreditor Agreement) for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtor Liabilities provided that notwithstanding any other provision of any Debt Document, the transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and (B) if the Security Agent does intend that any transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of (I) all (and not part only) of the Liabilities owed to the Primary Creditors; and (II) all or part of any other Liabilities and the Debtor Liabilities, on behalf of, in each case the relevant creditors and Debtors; and

(v) if the asset which is disposed of consists of shares in the capital of an Debtor or the holding company of an Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Debtor all or part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of (x) the Intra-Group Liabilities; (y) the Liabilities owed by any member of the Group to the Senior Notes Issuer (including for the avoidance of doubt with respect to any proceeds loan) (the "**Holdco Liabilities**"); or (z) the Debtor Liabilities, to execute and deliver or enter into any agreement to (A) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities on behalf of the relevant Intra-Group Lenders, the Holdco Lender and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and (B) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities on behalf of the receiving entity or receiving entities to which the obligations in respect of those Intra-Group Liabilities, Holdco Liabilities or Debtor Liabilities are to be transferred.

Notwithstanding the above, the Borrowing Liabilities may be released in respect of the issue of any further senior secured notes by a member of the Group that is not the Senior Secured Notes Issuer.

If a Distressed Disposal is being effected such that Shared Security or any guarantees in respect of the Senior Notes or the Senior Secured Notes Issuer will be released or disposed of, it is a condition to the release that either:

(i) each Senior Agent has approved the release and/or disposal (as applicable) (acting on the instructions of the required percentage of Senior Creditors in respect of which it is the Senior Agent under the relevant Senior Debt Documents); or

(ii) where shares or assets of a Senior Guarantor (as defined in the Intercreditor Agreement) or assets of the Senior Notes Issuer are sold:

(A) the proceeds of such sale or disposal are in cash (or substantially in cash);

(B) all present or future obligations owed to the secured parties under the Senior Secured Debt Documents (as such term is defined in the Intercreditor Agreement) and the Hedging Agreements by a member of the Holdco Group all of whose shares pledged under the Transaction Security are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released concurrently with such sale, provided that if each Senior Secured Agent (acting reasonably and in good faith):

- determines that the Super Senior Creditors and the Senior Secured Creditors (excluding in each case for these purposes the Hedge Counterparties) will recover a greater amount if any such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released and discharged; and

- serves a written notice on the Security Agent confirming the same,

the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(C) such sale or disposal (including any sale or disposal of any claim) is made:

- pursuant to a public auction; or

- where a Financial Adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement and the circumstances giving rise to such sale or disposal, provided that the liability of such Financial Adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any Financial Adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

***Application of Proceeds of a Distressed Disposal***

The net proceeds of a Distressed Disposal (and the net proceeds of any disposal of liabilities) shall be paid to the Security Agent for application in accordance with the provisions set forth under "*—Application of Proceeds/Waterfall*" as if those proceeds were the proceeds of an enforcement of the Transaction Security.

***Voting and Amendments***

Voting in respect of the New Revolving Credit Facility, the Senior Secured Notes and/or Permitted Senior Secured Financing Debt will be in accordance with the relevant documents.

Except for amendments of a minor, technical or administrative nature which may be effected by the Security Agent and subject to the paragraph below and certain customary exceptions contained in the Intercreditor Agreement, amendments to or waivers and consents under the Intercreditor Agreement requires the written consent of:

(a) if the relevant amendment or waiver (the "**Proposed Amendment**") is prohibited by the New Revolving Credit Facility Agreement, the RCF Facility Agent in accordance with that agreement;

(b) if any Senior Secured Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Secured Notes Indenture, the Senior Secured Notes Trustee;

(c) if any Permitted Senior Secured Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Secured Financing Agreement, the Permitted Senior Secured Financing Representative (as defined in the Intercreditor Agreement) in respect of that Permitted Senior Secured Financing Debt in accordance with that agreement;

(d) if any Senior Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Notes Indenture, the Senior Notes Trustee;

(e) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Debt Document, the Permitted Senior Financing Representative (as

defined in the Intercreditor Agreement) in respect of that Permitted Senior Financing Debt in accordance with that document;

(f) if a Hedge Counterparty is providing hedging to a Debtor under a Hedging Agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty and is an amendment or waiver which is expressed to require the consent of that Hedge Counterparty under the applicable Hedging Agreement, as notified by the Senior Notes Issuer to the Security Agent at the time of the relevant amendment or waiver);

(g) the Investors; and

(h) the Senior Notes Issuer.

An amendment, waiver or consent which only affects secured parties under one Debt Document and does not materially and adversely affect the interests of other creditors, will require only the written agreement from the affected secured parties.

Other than when any such amendments, waivers or consents would adversely affect the nature of the Charged Property or the manner in which enforcement proceeds are applied, the Security Agent may, if authorised by an Instructing Group, and if the Senior Notes Issuer consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Transaction Security Documents (as such term is defined in the Intercreditor Agreement) which shall be binding on each party to the Intercreditor Agreement.

An amendment, waiver or consent which adversely relates to the express rights or obligations of an Agent, an Arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that Agent, that Arranger or the Security Agent (as the case may be) at such time.

The terms of the immediately preceding paragraph does not apply to any release of Transaction Security, claim or Liabilities or to any consent which the Security Agent gives in accordance with certain clauses of the Intercreditor Agreement.

***Option to Purchase***

Following an acceleration event under the New Revolving Credit Facility Agreement, the Senior Secured Notes Indenture, in relation to any Permitted Senior Secured Financing Debt, under the Senior Notes Indenture or in relation to any Permitted Senior Financing Debt (an "**Acceleration Event**"), by giving 10 days' notice to the Security Agent, a simple majority of the holders of the Senior Secured Notes or the Permitted Senior Secured Financing Creditors may require the transfer to them of all, but not part, of the rights, benefits and obligations in respect of the Credit Facility Lender Liabilities (as such term is defined in the Intercreditor Agreement), subject to certain conditions (including but not limited to full payment of all Credit Facility Lender Liabilities (as defined in the Intercreditor Agreement), cash cover, and associated costs and expenses, and provision of certain indemnities).

Following a Distress Event (as defined in the Intercreditor Agreement) and after a Senior Secured Acceleration Event (as defined in the Intercreditor Agreement), either the Senior Notes Trustee or the Permitted Senior Financing Representative may, by giving 10 days' notice to the Security Agent, require the transfer to the Senior Creditors of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Liabilities, provided that certain conditions are met.

***Hedging***

All scheduled payments arising under a Hedging Agreement are permitted payments for the purposes of the Intercreditor Agreement.

The Intercreditor Agreement contains customary provisions in relation to the circumstances in which a Priority Hedge Counterparty and a Non-Priority Hedge Counterparty may take Enforcement Action in relation to its hedging.

***General***

The Intercreditor Agreement contains provisions dealing with:

(a) close-out rights for the Priority Hedge Counterparties and the Non-Priority Hedge Counterparties;

(b) permitted payments (including without limitation, the repayment of Investor Liabilities and the payment of permitted distributions in each case to the extent not prohibited under the terms of the RCF finance document, the finance documents relating to the Senior Secured Notes, the Permitted Senior Secured Financing Debt, the Senior Notes and the Permitted Senior Financing Debt);

(c) incurrence of Permitted Senior Secured Financing Debt or Permitted Senior Financing Debt that will allow certain creditors and agents with respect to such Permitted Senior Secured Financing Debt or Permitted Senior Financing Debt, as the case may be, to accede to the Intercreditor Agreement and benefit from, and be subject to, the provisions of the Intercreditor Agreement so long as not prohibited under the New Revolving Credit Facility Agreement, the Senior Secured Notes Indentures or, in respect of the Permitted Senior Financing Debt, the Senior Notes Indenture and in compliance with the agreed parameters for such class of debt and the Permitted Senior Secured Financing Debt shall have the same position and rights as the Senior Secured Notes; and the Permitted Senior Financing Debt shall be subject to the same subordination provisions as the Senior Notes; and

(f) customary protections for the Security Agent, the Trustee of the Senior Notes and the Trustee of the Senior Secured Notes.

The Intercreditor Agreement is governed by English law and the courts of England have exclusive jurisdiction to settle any disputes arising from it.

**Senior Notes Proceeds Loan Agreement**

***The Senior Notes Proceeds Loan***

The Senior Notes Issuer will loan the proceeds of the offering of the Senior Notes, upon release from the Senior Notes Escrow Account, to the Senior Secured Notes Issuer pursuant to the Senior Notes Proceeds Loan Agreement to be dated the Completion Date.

The Senior Notes Proceeds Loan will be denominated in euros in an aggregate principal amount equal to the aggregate principal amount of the Senior Notes. The Senior Notes Proceeds Loan will bear interest at a rate at least equal to the interest rate of the Senior Notes. Interest on the Senior Notes Proceeds Loan will be payable semi-annually in arrears on or prior to June 15 and December 15, commencing December 15, 2014. The Senior Notes Proceeds Loan Agreement will provide that the Senior Secured Notes Issuer under the Senior Notes Proceeds Loan will pay the Senior Notes Issuer interest and principal that becomes payable on the Senior Notes and any additional amounts due thereunder and any other amounts that may be required as a consequence of a Change of Control Offer or Asset Sale Offer (as defined under "*Description of the Senior Notes*"). The Senior Notes Proceeds Loan will mature on June 15, 2022.

Except as otherwise required by law, all payments under the Senior Notes Proceeds Loan Agreement will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the Senior Secured Notes Issuer is required to make any such deduction or withholding, it shall pay such additional amounts to the Senior Notes Issuer as may be necessary to ensure that the Senior Notes Issuer receives and retains, in the aggregate, a net payment equal to the payment which it would have received under the Senior Notes Proceeds Loan Agreement had no such deduction or withholding been made.

The Senior Notes Proceeds Loan Agreement will provide that all payments made pursuant thereto will be made by the Senior Secured Notes Issuer under the Senior Notes Proceeds Loan on a timely basis in order to ensure that the Senior Notes Issuer can satisfy its payment obligations under the Senior Notes and the Senior Notes Indenture.

## DESCRIPTION OF THE SENIOR SECURED NOTES

You will find definitions of certain capitalized terms used in this "*Description of the Senior Secured Notes*" under the heading "*Certain Definitions*." For purposes of this "*Description of the Senior Secured Notes*," references to the "*Issuer*" are to Monitchem Holdco 3 S.A. only and not to any of its Subsidiaries. References to "we" or "us" are to the Issuer and its Subsidiaries, taken as a whole.

The Issuer issued EUR 410 million aggregate principal amount of Senior Secured Notes, consisting of EUR 235 million aggregate principal amount of 5.250% Fixed Rate Senior Secured Notes due 2021 (the "*Fixed Rate Notes*") and EUR 175 million aggregate principal amount of Floating Rate Senior Secured Notes due 2021 (the "*Floating Rate Notes*" and, together with the Fixed Rate Notes, the "*Senior Secured Notes*"). The Senior Secured Notes were issued under an indenture dated as of June 10, 2014 (the "*Senior Secured Notes Indenture*"), between, *inter alios*, the Issuer, Monitchem Holdco 2 S.A. (the "*Senior Notes Issuer*") and Kallisto Einhundertste Vermögensverwaltungs-GmbH ("*BidCo*"), as guarantors, Deutsche Trustee Company Limited, as trustee (the "*Trustee*"), Deutsche Bank AG, London Branch, as paying agent, Deutsche Bank Luxembourg S.A., as transfer agent (the "*Transfer Agent*") and registrar (the "*Registrar*"), and Wilmington Trust (London) Limited, as security agent (the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the Securities Act. The Senior Secured Notes Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Senior Secured Notes Indenture, the Senior Secured Notes and the Senior Secured Notes Escrow Agreement and refers to the Security Documents and the Intercreditor Agreement. It does not restate those agreements in their entirety. We urge you to read the Senior Secured Notes Indenture, the Senior Secured Notes, the Senior Secured Notes Escrow Agreement, the Security Documents and the Intercreditor Agreement because they, and not this description, define your rights as Holders of the Senior Secured Notes. Copies of the Senior Secured Notes Indenture, the form of Senior Secured Note, the Senior Secured Notes Escrow Agreement, the Security Documents and the Intercreditor Agreement are available as set forth in this offering memorandum under the caption "*Listing and General Information*."

The proceeds of the offering of the Senior Secured Notes sold on the Issue Date will be used by the Issuer, together with the Equity Contribution and the amounts under the Senior Notes Proceeds Loan, to (i) fund the consideration payable for the acquisition of the shares of CABB International GmbH (the "*Target*"), (ii) repay existing indebtedness owed by the Target and its subsidiaries, (iii) pay the estimated fees and expenses incurred in connection with the Transactions and (iv), to the extent any proceeds remain, for general corporate purposes as set forth in this Offering Memorandum under the caption "*Use of Proceeds*." Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers will, concurrently with the closing of the offering of the Senior Secured Notes on the Issue Date, deposit the gross proceeds of the offering of the Senior Secured Notes into escrow accounts (the "*Escrow Accounts*") pursuant to the terms of an escrow deed (the "*Escrow Agreement*") dated on the Issue Date among the Issuer, the Trustee and Deutsche Bank AG, London Branch, as escrow agent (the "*Escrow Agent*"). If the Acquisition is not consummated or the other conditions to the release of the Escrowed Property (as defined below), as more fully described below under the caption "*—Escrow of Proceeds; Special Mandatory Redemption*," have not been satisfied on or prior to October 1, 2014 (the "*Escrow Longstop Date*"), or upon the occurrence of certain other events, the Senior Secured Notes will be redeemed at a price equal to 100% of the initial issue price of the Senior Secured Notes plus accrued and unpaid interest from the Issue Date to the Special Mandatory Redemption Date (as defined below) and Additional Amounts, if any. See "*—Escrow of Proceeds; Special Mandatory Redemption*."

Upon the initial issuance of the Senior Secured Notes, the Senior Secured Notes will only be obligations of the Issuer and will be guaranteed on a senior basis by the Senior Notes Issuer and BidCo. Assuming the Completion Date occurs on or prior to the Escrow Longstop Date and the escrowed funds are released from the Escrow Accounts, certain of the Target's subsidiaries will become a party to the Senior Secured Notes Indenture and will, subject to the Agreed Security Principles, guarantee the Senior Secured Notes on a senior basis within 60 days of the Completion Date (except for Swedish Newco, which will guarantee the Senior Secured Notes on a senior basis within 60 days of becoming a Restricted Subsidiary). Prior to the Completion Date, we will not control the Target or any of its subsidiaries and none of the Target nor any of its Subsidiaries will be subject to the covenants described in this "*Description of the Senior Secured Notes*." As such, we cannot assure you that prior to the Completion Date, the Target and its subsidiaries will not engage in activities that would otherwise have been prohibited by the Senior Secured Notes Indenture had those covenants been applicable to such entities after the Issue Date and prior to such entities becoming party to the Senior Secured Notes Indenture.

The Senior Secured Notes Indenture will permit the issuance of securities in an unlimited aggregate principal amount and EUR 410 million aggregate principal amount of Senior Secured Notes will be issued on the Issue Date. Following the initial issuance of Senior Secured Notes (the "*Initial Senior Secured Notes*"), we may, subject to applicable law and compliance with the terms of the Senior Secured Notes Indenture, issue additional Senior Secured Notes having

identical terms and conditions as the applicable Senior Secured Notes (the "*Additional Senior Secured Notes*") within the maximum aggregate principal amount of Senior Secured Notes permitted by the Senior Secured Notes Indenture. Except as otherwise provided for in the Senior Secured Notes Indenture, the Initial Senior Secured Notes and, if issued, any Additional Senior Secured Notes will be treated as a single class for all purposes under the Senior Secured Notes Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, in this "*Description of the Senior Secured Notes*," references to the "*Senior Secured Notes*" include the Senior Secured Notes and any Additional Senior Secured Notes that are actually issued.

The Senior Secured Notes Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below). The terms of the Intercreditor Agreement are important to understanding relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent.

The registered Holder of a Senior Secured Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Senior Secured Notes Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Senior Secured Notes have not been, and will not be, registered under the U.S. Securities Act and are subject to certain transfer restrictions.

As of the Issue Date, all of our Subsidiaries will be "Restricted Subsidiaries" for purposes of the Senior Secured Notes Indenture. However, under the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Senior Secured Notes Indenture and will not guarantee the Senior Secured Notes.

**The Senior Secured Notes**

The Senior Secured Notes will:

- be general senior obligations of the Issuer, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not expressly subordinated in right of payment to the Senior Secured Notes, including the obligations of the Issuer under the Revolving Facility and certain Hedging Obligations;
- rank senior in right of payment to any existing and future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Senior Secured Notes, including obligations of the Issuer under the Senior Notes Proceeds Loan and the guarantees of the Senior Notes;
- be effectively subordinated to any existing or future Indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such Indebtedness;
- be guaranteed by the Guarantors as described under "*—The Note Guarantees*";
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors;
- mature on June 15, 2021; and
- be represented by one or more registered Senior Secured Notes in global registered form, but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-Entry, Delivery and Form*").

As of the Issue Date, the Issuer's sole Subsidiary will be BidCo, which will be a "Restricted Subsidiary." Following the Completion Date, all of the operations of the Issuer will be conducted through its Subsidiaries and, therefore, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Senior Secured Notes. Under applicable regulation of Germany, cash and cash equivalents held by the Target and its Subsidiaries can only be upstreamed to their direct or indirect parent entities, including to the Issuer for purposes of servicing the Senior Secured Notes, to the extent that sufficient cumulative distributable profits and cumulative reserves exist within these legal entities and that they continue to meet the relevant minimum capital requirements.

As of March 31, 2014, after giving *pro forma* effect to the Transactions as if they had occurred on that date, the Issuer and its consolidated Subsidiaries would have had EUR 410 million of secured Indebtedness (excluding local facilities). In addition, there would have been EUR 100 million available for drawing under the Revolving Facility and EUR 175 million representing the senior subordinated guarantees of the Senior Notes.

**The Note Guarantees**

***General***

The Senior Secured Notes will be guaranteed (i) on the Issue Date by the Senior Notes Issuer and BidCo, (ii) within 60 days of the Completion Date by the Target, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy and (iii) within 60 days of Swedish Newco becoming a Restricted Subsidiary, Swedish Newco (the "*Initial Guarantors*"). In addition, if required by the covenant described under "*—Certain Covenants—Limitation on Additional Guarantees,*" subject to the Intercreditor Agreement and the Agreed Security Principles, certain other Restricted Subsidiaries may provide a Note Guarantee in the future (the "*Additional Guarantors*" and, together with the Initial Guarantors, the "*Guarantors*"). The Note Guarantees will be joint and several obligations of the Guarantors.

The Note Guarantee of each Guarantor will:

- be a general senior obligation of that Guarantor, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Note Guarantee (including Indebtedness Incurred under the Revolving Facility and certain Hedging Obligations);
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Note Guarantee (including the obligations of such Guarantors, if any, under the Senior Notes);
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of such Guarantor that are not Guarantors, including obligations to trade creditors.

The obligations of a Guarantor under its Note Guarantee will be limited as necessary to prevent the relevant Note Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, "thin capitalization" rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by reference to the net assets and legal capital of the relevant Guarantor. Additionally, the Note Guarantees will be subject to certain corporate law procedures being complied with. The Note Guarantees will be further limited as required under the Agreed Security Principles which apply to and restrict the granting of guarantees and security in favor of obligations under the Revolving Facility and the Senior Secured Notes where, among other things, any such grant would be restricted by general statutory or other legal limitations or requirements. By virtue of these limitations, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Senior Secured Notes, or a Guarantor may have effectively no obligation under its Note Guarantee.

For the twelve months ended March 31, 2014, the Guarantors (other than the Senior Notes Issuer and BidCo) represented 95.7% of the consolidated total assets, 94.5% of the consolidated net sales and 99.7% of the consolidated EBITDA of the Target and its Subsidiaries. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Senior Secured Notes. The Senior Secured Notes and each Note Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than the Guarantors) and minority stockholders of non-Guarantor Restricted Subsidiaries (if any). As of March 31, 2014, after giving *pro forma* effect to the Transactions, the Issuer and its consolidated Subsidiaries would have had EUR 2.1 million of Indebtedness of Subsidiaries other than the Guarantors. Although the Senior Secured Notes Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of

significant exceptions. Moreover, the Senior Secured Notes 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 Senior Secured Notes Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

***Note Guarantees Release***

The Note Guarantee of a Guarantor will terminate and release upon:

- a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company), if the sale or other disposition does not violate the Senior Secured Notes Indenture and the Guarantor ceases to be a Restricted Subsidiary of the Issuer as a result of the sale or other disposition;

- the sale or disposition (including by way of consolidation or merger) of all or substantially all the assets of the Guarantor (other than to the Issuer or any of its Restricted Subsidiaries), if the sale or other disposition does not violate the Senior Secured Notes Indenture;

- the designation in accordance with the Senior Secured Notes Indenture of the Guarantor as an Unrestricted Subsidiary;

- legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

- upon the release of the Guarantor's Note Guarantee under any Indebtedness that triggered such Guarantor's obligation to guarantee the Senior Secured Notes under the covenant described in "*—Certain Covenants—Additional Guarantees*";

- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

- as described under "*—Amendments and Waivers*";

- in connection with the implementation of a Permitted Reorganization; or

- with respect to an entity that is not the successor Guarantor, as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation—The Guarantors*."

The Trustee and the Security Agent shall take all necessary actions reasonably requested in writing by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee and the Security Agent without the consent of or liability to the Holders or any other action or consent on the part of the Trustee or the Security Agent.

**Principal, Maturity and Interest**

On the Issue Date, the Issuer will issue EUR 410 million in aggregate principal amount of Senior Secured Notes, consisting of EUR 235 million aggregate principal amount of Fixed Rate Notes and EUR 175 million aggregate principal amount of Floating Rate Notes. The Senior Secured Notes will mature on June 15, 2021. The redemption price of the Senior Notes at the maturity date is 100.000%. The Senior Secured Notes will be issued in minimum denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof.

***Fixed Rate Notes***

Interest on the Fixed Rate Notes will accrue at the rate of 5.250% per annum. Interest on the Fixed Rate Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;

- be payable in cash semi-annually in arrears on June 15 and December 15 commencing on December 15, 2014;

- be payable to the holder of record of such Fixed Rate Notes on June 1 and December 1 immediately preceding the related interest payment date; and

- be computed on the basis of a 360-day year comprised of twelve 30-day months.

***Floating Rate Notes***

Interest on the Floating Rate Notes will accrue at a rate per annum (the "*Applicable Rate*"), reset quarterly, equal to the sum of (i) three-month EURIBOR plus (ii) 4.75%, as determined by the Calculation Agent.

Interest on the Senior Secured Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;

- be payable in cash quarterly in arrears on March 15, June 15, September 15 and December 15, commencing on September 15, 2014;

- be payable to the holder of record of such Senior Secured Notes on the March 1, June 1, September 1 and December 1 immediately preceding the related interest payment date; and

- be computed on the basis of a 360-day year and the actual number of days elapsed.

Interest on overdue principal, interest, premium or Additional Amounts will accrue at a rate that is 1% higher than the rate of interest otherwise applicable to the Fixed Rate Notes and the Floating Rate Notes.

Set forth below is a summary of certain of the provisions from the Senior Secured Notes Indenture relating to the calculation of interest on the Floating Rate Notes.

"*Determination Date*" with respect to an Interest Period, means the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

"*EURIBOR*" with respect to an Interest Period, means the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Calculation Agent will request the principal London office of each of four major banks in the euro-zone inter-bank market, as selected by the Calculation Agent, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the euro-zone inter-bank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Calculation Agent will request each of three major banks in London, as selected by the Calculation Agent, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., Brussels time, on such Determination Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period. "*Interest Period*" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the first date of the unexpired Interest Period applicable to the Senior Secured Term Loan for which the applicable Senior Secured Notes are exchanged.

"*Representative Amount*" means the greater of (i) EUR 100,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"*Reuters Page 248*" means the display page so designated on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"*TARGET Settlement Day*" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (Brussels time) on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the "*Interest Amount*"). The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of each Senior Secured Note outstanding at the commencement of the Interest Period, multiplying each such amount by the actual amounts of days in the Interest Period concerned divided by 360. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties. In no event will the rate of interest on the Senior Secured Notes be higher than the maximum rate permitted by applicable law; *provided, however,* that the Calculation Agent shall not be responsible for verifying that the rate of interest on the Senior Secured Notes is permitted under any applicable law.

If the due date for any payment in respect of any Senior Secured 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.

***Methods of Receiving Payments on the Senior Secured Notes***

Principal, interest and premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the registered Holder thereof (being the common depositary or its nominee for Euroclear and Clearstream).

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities ("*Definitive Registered Notes*") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in the City of London. In addition, interest on the Definitive Registered Notes may be paid, at the option of the Issuer, by check mailed to the address of the Holder entitled thereto as shown on the register of Holders of Senior Secured Notes for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Senior Secured Notes*" below.

***Paying Agent and Registrar for the Senior Secured Notes***

The Issuer will maintain one or more Paying Agents for the Senior Secured Notes in the City of London (including the initial Paying Agent). The Issuer will also undertake to maintain a Paying Agent in a European Union member state that will not be obligated to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC (as amended) or any other directive implementing the conclusions of the ECOFIN meeting of November 26 and 27, 2000 regarding the taxation of savings income (the "*Directive*"), or any law implementing or complying with or introduced in order to conform to, such Directive. The initial Paying Agent will be Deutsche Bank AG, London Branch (the "*Paying Agent*").

The Issuer will also maintain a registrar (the "*Registrar*") and a transfer agent (the "*Transfer Agent*"). The initial Registrar will be Deutsche Bank Luxembourg S.A. and the initial Transfer Agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of the Senior Secured Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Senior Secured Notes on behalf of the Issuer. A register of the Senior Secured Notes shall be maintained at the registered office of the Issuer. In case of inconsistency between the register of the Senior Secured Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Issuer shall prevail.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Senior Secured Notes without prior notice to the Holders of such Senior Secured Notes. However, for so long as Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*). The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Senior Secured Notes.

**Transfer and Exchange**

The Senior Secured Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- each series of Senior Secured Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*144A Global Notes*"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream; and

- each series of Senior Secured Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*Regulation S Global Notes*" and, together with the 144A Global Notes, the "*Global Notes*"). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "*144A Book-Entry Interests*") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "*Regulation S Book-Entry Interests*") denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Senior Secured Notes Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Senior Secured Notes Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

No Book Entry Interest in any Global Note representing the Fixed Rate Notes (the "*Global Fixed Rate Notes*") and no Definitive Registered Note issued in exchange for a Book Entry Interest in the Global Fixed Rate Notes (the "*Definitive Registered Fixed Rate Notes*") may be transferred or exchanged for any Book Entry Interest in any Global Note representing the Floating Rate Notes (the "*Global Floating Rate Notes*") or any Definitive Registered Note issued in exchange for a Book Entry Interest in the Global Floating Rate Notes (the "*Definitive Registered Floating Rate Notes*"), and (ii) no Book Entry Interest in the Global Floating Rate Notes and no Definitive Registered Floating Rate Note may be transferred or exchanged for any Book Entry Interest in any Global Fixed Rate Note or any Definitive Registered Fixed Rate Note.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book- Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of EUR 100,000 principal amount, and integral multiples of EUR 1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Senior Secured Notes Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Senior Secured Notes Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of EUR 100,000 in principal amount and integral multiples of EUR 1,000 in excess thereof. In connection with any such transfer or exchange, the Senior Secured Notes Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or

Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and the Transfer Agent are not required to register the transfer or exchange of any Senior Secured Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the applicable Senior Secured Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of the applicable Senior Secured Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Senior Secured Note as the owner thereof for all purposes.

**Escrow of Proceeds; Special Mandatory Redemption**

Concurrently with, or prior to, the closing of this offering of Senior Secured Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the initial purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of this offering of the Senior Secured Notes sold on the Issue Date into the Escrow Accounts. The Escrow Accounts, together with the Escrowed Property, will be pledged on a first- ranking basis in favor of the Trustee for the benefit of the holders of the Senior Secured Notes, pursuant to an escrow charge dated the Issue Date between the Issuer, the Escrow Agent and the Trustee (the "*Escrow Charge*"). The initial funds deposited in the Escrow Accounts, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds released in accordance with the Escrow Agreement) are referred to, collectively, as the "*Escrowed Property*."

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall rely, without further investigation, to the effect that:

- the security documents, legal opinions, certificates and other documents substantially in the form as those attached as appendices to the Escrow Agreement (or in the form as agreed between the Issuer and the initial purchasers following the date thereof) will be delivered in accordance with the terms of the Escrow Agreement;

- the Equity Contribution has been made, and the Acquisition is required to be completed on the terms set forth in the Acquisition Agreement, promptly following release of the Escrowed Property, except for any changes or other modifications that will not, individually or when taken as whole, have a materially adverse effect on the holders of the Senior Secured Notes;

- immediately after consummation of the Acquisition, the Issuer will own, directly or indirectly, the entire share capital of the Target (subject to notarization of the share transfer if required); and

- as of the Completion Date, there is no Default or Event of Default under clause (5) of the first paragraph under the heading titled "*Events of Default*."

Upon the Release, the balance of the Escrow Accounts shall be reduced to zero, and the Escrowed Property shall be released in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, (d) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Issuer or (e) a Default or Event of Default arises under clause (5) of the first paragraph under the heading titled "*Events of Default*" below on or prior to the Escrow Longstop Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem all

of the Senior Secured Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the aggregate issue price of the Senior Secured Notes, plus accrued but unpaid interest from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and Additional Amounts, if any.

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than two Business Days following the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Senior Secured Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Senior Secured Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, a Permira V Fund will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Senior Secured Notes, pursuant to a guarantee it will provide. In the alternative, a Permira V Fund shall deposit in the applicable Escrow Account on the Issue Date an amount equal to the accrued and unpaid interest through the Escrow Longstop Date. See "*Risk Factors—Risks Related to the Transactions—If the conditions to the escrow are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes*."

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Senior Secured Notes a security interest over the Escrow Accounts and the Escrowed Property. Receipt by the Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption (*provided* funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Accounts) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

**Security**

***General***

On the Issue Date, the Senior Secured Notes will be secured by a first-ranking security interest in the Escrowed Property (the "*Issue Date Collateral*").

On the Completion Date, subject to the terms of the security documents, the Senior Secured Notes will be secured by first-priority security interests ranking *pari passu* with the security interests securing the New Revolving Credit Facility and certain hedging obligations (collectively, the "*Super Senior Obligations*") (subject to the provisions of the Intercreditor Agreement) over:

- the share capital of the Issuer, BidCo and the Target;
- the Senior Notes Issuer's receivables owing from the Senior Secured Notes Issuer, including under the Senior Notes Proceeds Loan;
- the Issuer's receivable under the proceeds loan from the Issuer to BidCo and any other receivables of the Issuer under proceeds loans made to the Target or any of its subsidiaries;
- certain bank accounts and receivables of Bidco; and
- BidCo's rights under the Acquisition Agreement, including under the shareholder loan acquired under the Acquisition Agreement (collectively, the "*Completion Date Collateral*").

The Senior Secured Notes Indenture will provide that, subject to the Agreed Security Principles, the Issuer will be required to cause, within 60 days of the Completion Date and subject to the terms of the security documents, the Senior Secured Notes to be secured by first-priority security interests ranking *pari passu* with the Super Senior Obligations (subject to the provisions of the Intercreditor Agreement) over:

- the share capital of CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy;

- certain bank accounts and receivables of the Target, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH and CABB AG;

- certain real estate in Finland and Switzerland owned by CABB Oy and CABB AG, respectively; and

- certain other assets of CABB Finland Oy and CABB Oy.

The Senior Secured Notes Indenture will provide that, subject to the Agreed Security Principles, the Issuer will be required to cause, within 60 days of the Swedish Newco becoming a Restricted Subsidiary and subject to the terms of the security documents, the Senior Secured Notes to be secured by first-priority security interests ranking pari passu with the Super Senior Obligations (subject to the provisions of the Intercreditor Agreement) over:

- the share capital of Swedish Newco; and

- certain bank accounts and receivables of the Swedish Newco (collectively, the "*Swedish Collateral*").

(collectively, the "*Post Completion Date Collateral*" and, together with the Issue Date Collateral, the Completion Date Collateral and the Swedish Collateral, the "*Collateral*").

On the Completion Date, subject to the terms of the security documents, the Senior Notes will be secured by second-priority security interests over:

- the share capital of the Issuer and BidCo; and

- the Senior Notes Issuer's receivables owing from the Senior Secured Notes Issuer, including under the Senior Notes Proceeds Loan (collectively, the "*Senior Notes Collateral*").

The assets that comprise the Collateral will also secure on a first-ranking basis the Revolving Facility and certain Hedging Obligations, and the assets that comprise the Senior Notes Collateral will also secure on a second-ranking basis the Senior Notes.

Notwithstanding the foregoing and the provisions of the covenant described below under "*—Certain Covenants—Limitation on Liens*," certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles.

As described above, the Collateral will also secure the liabilities under the Revolving Facility, certain Hedging Obligations and any Additional Senior Secured Notes and may also secure certain future Indebtedness. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the holders of the Senior Secured Notes. No appraisals of the Collateral have been made in connection with this issuance of Senior Secured Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all.

The Swedish Collateral granted by the Swedish Newco (except the pledge over its share capital) will not be perfected from the date on which such Swedish Collateral is granted, since this would require that the relevant pledgor is effectively deprived from dealing with the assets over which security is granted. To the extent security granted by the Swedish Newco is granted or perfected later than the Issue Date, the Holders will face a greater risk that such security would be subject to clawback in the event of the bankruptcy of the Swedish Newco.

***Priority***

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (the "*Security Interests*" and each, a "*Security Interest*") as between (a) the lenders under the Revolving Facility, (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Security Agent and the Holders of the Senior Secured Notes under the Senior Secured Notes Indenture, (d) the Trustee, the Security Agent and the Holders of the Senior Notes under the Senior Notes Indenture and (e) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, is established by the terms of the Intercreditor Agreement, the Revolving Facility, the Senior Secured Notes Indenture, the Senior Notes Indenture, the Security Documents and the security documents relating to the Revolving Facility and such Hedging Obligations, which provide, among other things, that the obligations under the Revolving Facility, certain Hedging Obligations and the Senior Secured Notes are secured equally and ratably

by first priority Security Interests; however, under the terms of the Intercreditor Agreement, the holders of the Senior Secured Notes will only receive proceeds from the enforcement of the Collateral after certain super senior priority obligations including (i) obligations under the Revolving Facility and (ii) certain Hedging Obligations have been paid in full. In addition, pursuant to the Intercreditor Agreements or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*—Release of Liens*," "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*."

***Security Documents***

Under the Security Documents, the Senior Notes Issuer, the Issuer and the Initial Guarantors have granted, or will grant, security over the Collateral to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Senior Secured Notes, the Note Guarantees and the Senior Secured Notes Indenture. The Security Documents have been, or will be, entered into by the relevant security provider and the Security Agent as agent for the secured parties. When entering into the Security Documents, the Security Agent has acted in its own name, but for the benefit of the secured parties (including itself, the Trustee and the holders of Senior Secured Notes from time to time). Under the Intercreditor Agreement, the Security Agent will also act as an agent of the lenders under the Revolving Facility and the counterparties under certain Hedging Obligations created in favor of such parties.

The Senior Secured Notes Indenture and the Intercreditor Agreement provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the holders of the Senior Secured Notes. As a consequence of such contractual provisions, holders of the Senior Secured Notes will not be entitled to take enforcement action in respect of the Collateral securing the Senior Secured Notes, except through the Trustee under the Senior Secured Notes Indenture, who will (subject to the provisions of the Senior Secured Notes Indenture) provide instructions to the Security Agent in respect of the enforcement of the Collateral.

The Senior Secured Notes Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Senior Secured Notes and the Senior Secured Notes Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Senior Secured Notes and the Senior Secured Notes Indenture have been discharged. However, the Security Interests with respect to the Senior Secured Notes and the Senior Secured Notes Indenture may be released under certain circumstances as provided under "*—Release of Liens*."

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents.

Subject to the terms of the Senior Secured Notes Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Senior Notes Issuer, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Senior Secured Notes, to freely operate the property and assets constituting Collateral and to collect, invest and dispose of any income therefrom (including any and all dividends, distributions or similar cash and non-cash payments in respect of Capital Stock of the Guarantors that is part of the Collateral).

***Enforcement of Security Interest***

The Senior Secured Notes Indenture and the Intercreditor Agreement restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Revolving Facility, certain hedge counterparties or holders of the Senior Notes. The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Senior Secured Notes Indenture and the Intercreditor Agreement.

The creditors under the Revolving Facility, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have, and by accepting a Senior Secured Note, each Holder will be deemed to have, appointed the Security Agent to act as their respective agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. The creditors under the Revolving Facility, the holders of Senior Secured Notes, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have, and by accepting a Senior Secured Note, each Holder will be deemed to have, authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions;

and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the relevant Security Agent on its behalf.

***Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound***

The Senior Secured Notes Indenture will provide that it will be subject to the provisions of the Intercreditor Agreement and that the Issuer and the Trustee will be authorized (without any further consent of the holders of the Senior Secured Notes) to enter into the Intercreditor Agreement and to give effect to its provisions.

The Senior Secured Notes Indenture will also provide that each holder of the Senior Secured Notes, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*."

***Release of Liens***

The Issuer, the Senior Notes Issuer and its Subsidiaries will be entitled to release the Security Interests in respect of the Collateral under any one or more of the following circumstances:

(1) other than the existing Security Interest in respect of shares of Capital Stock of the Issuer, in connection with any sale or other disposition of Collateral to a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Assets and Subsidiary Stock*" or is otherwise permitted in accordance with the Senior Secured Notes Indenture;

(2) in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the Senior Secured Notes Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and Waivers*";

(4) upon payment in full of principal, interest and all other obligations on the Senior Secured Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Secured Notes Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary;

(6) the implementation of a Permitted Reorganization;

(7) in connection with the granting of Liens on such property or assets, which may include Collateral, or the sale or transfer of such property or assets, which may include Collateral, in each case pursuant to a Qualified Receivables Financing; or

(8) as otherwise permitted in accordance with the Senior Secured Notes Indenture.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*—Certain Covenants—Impairment of Security Interest*." Notwithstanding the

above, the release of any Lien over any share capital subject to Security Documents governed by Swedish law will always be subject to the prior written consent of the Security Agent (acting reasonably).

The Security Agent and the Trustee will take all necessary action reasonably requested in writing by the Issuer to effectuate any release of Collateral securing the Senior Secured Notes and the Note Guarantees, in accordance with the provisions of the Senior Secured Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the relevant Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release).

**Optional Redemption**

***Fixed Rate Notes***

Except as described below and except as described under "*—Redemption for Taxation Reasons,*" the Fixed Rate Notes are not redeemable until June 15, 2017.

On and after June 15, 2017 the Issuer may otherwise redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

| Year | Redemption Price |
|---|---|
| 2017 | 102.625% |
| 2018 | 101.313% |
| 2019 and thereafter | 100.000% |

Prior to June 15, 2017 the Issuer may redeem during each 12 month period commencing with the Issue Date up to 10% of the aggregate principal amount of the Fixed Rate Notes outstanding at its option, from time to time, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 103% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Prior to June 15, 2017 the Issuer may on any one or more occasions redeem in the aggregate up to 40% of the original principal amount of the Fixed Rate Notes issued under the Senior Secured Notes Indenture (including the original principal amount of any Additional Fixed Rate Notes), upon not less than 10 or more than 60 days' notice, with funds in an aggregate amount (the "*Redemption Amount*") not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price (expressed as a percentage of principal amount) of 105.250% plus the interest rate applicable to such Fixed Rate Notes so redeemed as of the date of the applicable redemption notice, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 60% of the original principal amount of the Fixed Rate Notes (including the original principal amount of any Additional Fixed Rate Notes) issued under the Senior Secured Notes Indenture remain outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

In addition, prior to June 15, 2017, the Issuer may redeem all or, from time to time, a part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Fixed Rate Notes, as the case may be, plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

***Floating Rate Notes***

Except as described below and except as described under "*—Redemption for Taxation Reasons*," the Floating Rate Notes are not redeemable until June 15, 2015. On and after June 15, 2015 the Issuer may redeem all or, from time to

time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

| Year | Redemption Price |
|---|---|
| 2015 | 101.000% |
| 2016 and thereafter | 100.000% |

In addition, prior to June 15, 2015, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Floating Rate Notes, plus the Applicable Premium plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

"*Applicable Premium*" means, (1) with respect to any Fixed Rate Note on any redemption date prior to June 15, 2017, the greater of:

x) 1% of the principal amount of such Fixed Rate Note; and

y) the excess (to the extent positive) of:

a. the present value at such redemption date of (i) 102.625% of the principal amount of such Fixed Rate Notes, plus (ii) the Deemed Interest Payments due on such Fixed Rate Note from the commencement of the current Interest Period to and including, June 15, 2017, computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

b. the outstanding principal amount of such Fixed Rate Note,

(2) with respect to any Floating Rate Note on any redemption date prior to June 15, 2015, the greater of:

x) 1% of the principal amount of such Floating Rate Note; and

y) the excess (to the extent positive) of:

a. the present value at such redemption date of (i) 101.000% of the principal amount of such Floating Rate Notes, plus (ii) the Deemed Interest Payments due on such Floating Rate Note from the commencement of the current Interest Period to and including, June 15, 2015 computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

b. the outstanding principal amount of such Floating Rate Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of Applicable Premium shall not be an obligation or duty of the Trustee or any Agent.

"*Bund Rate*" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Board of Directors or an Officer of the Issuer) most nearly equal to the period from the redemption date to, with respect to the Fixed Rate Notes, June 15, 2017 or, with respect to the Floating Rate Notes, June 15, 2015; *provided*, *however*, that if the period from the redemption date to, with respect to the Fixed Rate Notes, June 15, 2017 or, with respect to the Floating Rate Notes, June 15, 2015, is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to, with respect to the Fixed Rate

Notes, June 15, 2017 or, with respect to the Floating Rate Notes, June 15, 2015, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, unless the redemption price is not paid on the redemption date.

***General***

We may repurchase the Senior Secured Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under "*—Selection and Notice*."

If the Issuer effects an optional redemption of Senior Secured Notes, it will, for so long as Senior Secured Notes are listed on any securities exchange and the rules of such an exchange so require, inform the exchange of such optional redemption and confirm the aggregate principal amount of Senior Secured Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Senior Secured Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Senior Secured Notes will be subject to redemption by the Issuer.

In connection with any redemption of Senior Secured Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

***Sinking Fund***

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Senior Secured Notes.

***Selection and Notice***

If less than all of any series of Senior Secured Notes are to be redeemed at any time, the Paying Agent or the Registrar will select Senior Secured Notes for redemption on a *pro rata* basis or in accordance with the procedures of Clearstream or Euroclear (as applicable), unless otherwise required by law or applicable stock exchange or depository requirements. Neither the Paying Agent nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

For so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Luxembourg Stock Exchange and in addition for such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders of the Senior Secured Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be sent in accordance with the rules and procedures of the Clearstream or Euroclear (as applicable). On and after the redemption date, interest ceases to accrue on the Senior Secured Notes or the part of the Senior Secured Notes called for redemption.

If any series of Senior Secured Notes is to be redeemed in part only, the notice of redemption that relates to that series of Senior Secured Notes shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Senior Secured Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Secured Notes or portions of Senior Secured Notes called for redemption.

**Redemption for Taxation Reasons**

The Issuer may redeem any series of Senior Secured Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders of the relevant series of Senior Secured Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of

record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "—*Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice)

(each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"), a Payor (as defined below) is, or on the next interest payment date in respect of the Senior Secured Notes would be, required to pay Additional Amounts with respect to the Senior Secured Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be publicly announced and become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Senior Secured Notes and (b) mutatis mutandis to any successor Person, after such successor Person becomes a party to the Senior Secured Notes Indenture, with respect to a change or amendment occurring after the time such successor Person becomes a party to the Senior Secured Notes Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of any series of Senior Secured Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that the Payor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

**Withholding Taxes**

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "*Payor*") in respect of the Senior Secured Notes or with respect to any Note Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Senior Secured Note is made or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction in which a Payor is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax

(each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"), will at any time be required by law to be made from any payments made by or on behalf of the Payor or the relevant Paying Agent with respect to any Senior Secured Note or any Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note in the absence of such withholding or deduction; *provided, however,* that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Senior Secured Note or the receipt of any payment or the exercise or enforcement of rights under such Senior Secured Note, the Senior Secured Notes Indenture, a Note Guarantee, the Intercreditor Agreement, any Additional Intercreditor Agreement or a Security Document;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Senior Secured Note to comply with a reasonable written request of the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of the Senior Secured Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Senior Secured Note been presented on the last day of such 30 day period);

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Senior Secured Notes or with respect to any Note Guarantee;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(6) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the Directive, the Agreement between the European Community and the Swiss Confederation dated October 26, 2004 providing for measures equivalent to those laid down in the Directive (the "Swiss Agreement") or any law implementing, or complying with, or introduced in order to conform to the, such Directive or the Swiss Agreement;

(7) any Taxes imposed in connection with a Senior Secured Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Taxes by presenting the relevant Senior Secured Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(8) where such withholding or deduction is required pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "*Code*"), or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto;

(9) any Taxes that are required to be deducted or withheld on a payment by a Guarantor incorporated in Switzerland and/or having its registered office in Switzerland and/or qualifying as a Swiss resident pursuant to art 9 of the Swiss Withholding Tax Act (a "Swiss Guarantor") as Swiss withholding tax under the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*);

(10) any Taxes payable pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, in particular, the principle to have a person other than the Issuer withhold or deduct tax;

(11) any Taxes payable pursuant to an agreement between Switzerland and another country on final withholding taxes levied by Swiss paying agents in respect of persons resident in the other country on income of such person or Notes booked or deposited with a Swiss paying agent (*Abgeltungssteuer*); or

(12) any combination of the items (1) through (11) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Senior Secured Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner directly held such Senior Secured Notes.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld to each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the relevant Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Senior Secured Note or any Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Senior Secured Notes Indenture, the Senior Secured Notes or this "*Description of the Senior Secured Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Senior Secured Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Senior Secured Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and indemnify the Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, registration, enforcement of, or receipt of payments with respect to any Senior Secured Notes, any Note Guarantee, the Senior Secured Notes Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Senior Secured Notes after this issuance of Senior Secured Notes).

The foregoing obligations will survive any termination, defeasance or discharge of the Senior Secured Notes Indenture, any transfer by a Holder or beneficial owner, and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Senior Secured Notes (or any Note Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

**Change of Control**

If a Change of Control occurs, subject to the terms of the covenant described under this heading "*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to EUR 100,000 or integral multiples of EUR 1,000 in excess thereof, if applicable; *provided* that Senior Secured Notes of EUR 100,000 or less may only be redeemed in whole and not in part) of such Holder's Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount of the Senior Secured Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obligated to repurchase any series of Senior Secured Notes as described under this heading, *"Change of Control*," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Senior Secured Notes of such series and given notice of redemption as described under "*—Optional Redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Senior Secured Notes and given notice of redemption as described under "*—Optional Redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "*Change of Control Offer*") to each Holder of any such Senior Secured Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount of such Senior Secured Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) stating that any Senior Secured Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Senior Secured Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Senior Secured Notes Indenture, that a Holder must follow in order to have its Senior Secured Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Senior Secured Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Secured Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Senior Secured Notes or portions of the Senior Secured Notes being purchased by the Issuer in the Change of Control Offer.

A Holder willing to tender Senior Secured Notes into the Change of Control Offer shall notify its account manager of its election, who shall in turn notify the Paying Agent and the Trustee of such Holder's election. Once such tender has been accepted by the Issuer and notified to the Paying Agent, the Paying Agent shall promptly credit the bank account of such Holder the Change of Control Payment for such Senior Secured Notes so tendered and deduct the corresponding amount from such Holder's Euroclear or Clearstream (as applicable) account.

For so long as the Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Luxembourg Stock Exchange and in addition for such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders of the Senior Secured Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be sent in accordance with the rules and procedures of Euroclear or Clearstream (as applicable).

Except as described above with respect to a Change of Control, the Senior Secured Notes Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Senior Secured Notes in the event of a takeover, recapitalization or similar transaction. Holders' right to require the Issuer to repurchase Senior Secured Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set

forth in the Senior Secured Notes Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Secured Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Senior Secured Notes Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Senior Secured Notes Indenture by virtue of such compliance.

The Issuer's ability to repurchase Senior Secured Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness at the option of each lender under the Revolving Facility and would obligate the Senior Notes Issuer to make an offer to holders thereof to repurchase any Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof.

Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Senior Secured Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of "Change of Control" includes a disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Senior Secured Notes as described above.

The provisions of the Senior Secured Notes Indenture relating to the Issuer's obligation to make an offer to repurchase the Senior Secured Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding principal amount of the Senior Secured Notes.

**Certain Covenants**

***Limitation on Indebtedness***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof), (1) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would have been at least 2.0 to 1.0; and, (2) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Leverage Ratio for the Issuer and its Restricted Subsidiaries would have been no greater than 4.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("*Permitted Debt*"):

(1) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) EUR 100 million, *plus* the greater of EUR 25 million and 3.9% of Total Assets, *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing; *provided*, *however*, that, upon the completion of (x) the disposal of all or substantially all of the Acetyls Business and (y) the making of a dividend pursuant to

clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*," the maximum aggregate principal amount of Indebtedness permitted to be outstanding pursuant to this clause (1) at any time shall be reduced by a percentage equal to a fraction of which (x) the numerator is the Consolidated EBITDA of the Acetyls Business for the period of the four most recent fiscal quarters ending prior to such completion date and (y) the denominator is the Consolidated EBITDA of the Issuer, including the Acetyls Business, for the period of the four most recent fiscal quarters ending prior to such completion date; *provided further* that the Issuer or such Restricted Subsidiary shall repay and retire any Indebtedness Incurred pursuant to this clause (1) outstanding on such completion date in excess of the adjusted amount permitted to be outstanding in accordance with the preceding proviso following such completion date and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed;

(2) (a) 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 to be Incurred by another provision of this covenant; *provided* that, if the Indebtedness being guaranteed is subordinated to the Senior Secured Notes or a Note Guarantee, then the guarantee must be subordinated to the Senior Secured Notes or such Note Guarantee to the same extent as the Indebtedness being guaranteed; or (b) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Senior Secured Notes Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is a Restricted Subsidiary that is not a Guarantor, such Indebtedness is unsecured and, ((i) except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Restricted Subsidiaries and (ii) to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)) expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Secured Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;

(4) (a) Indebtedness represented by Senior Secured Notes (other than any Additional Senior Secured Notes) and the related Note Guarantees;

(b) any Indebtedness of the Issuer and its Restricted Subsidiaries (other than Indebtedness Incurred under the Revolving Facility or Indebtedness described in clause (3) of this paragraph) outstanding on the Issue Date after giving effect to the Transactions and any other Indebtedness of the Target and its subsidiaries outstanding on the Issue Date after giving *pro forma* effect to the Transactions;

(c) any Guarantees of Senior Notes (other than any Additional Senior Notes) and the Senior Notes Proceeds Loan (as of the Completion Date);

(d) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4)(a), (4)(b), (4)(c) and (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant; and

(e) Management Advances.

(5) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or a 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; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related Incurrence of Indebtedness, either (x) the Issuer would have been able to Incur EUR 1.00 of additional Indebtedness pursuant to clause (1) of the first paragraph of this covenant or (y) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time the greater of EUR 10 million and 1.6% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added tax ("*VAT*") or other tax 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 in respect of any governmental requirement, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement; *provided, however,* that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from the Acquisition Agreement and Indebtedness arising from agreements providing for customary 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); *provided* that, in connection with a disposition, the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(d) Indebtedness Incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of EUR 35 million and 5.5% of Total Assets;

(12) Indebtedness Incurred in a Qualified Receivables Financing;

(13) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) 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 Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution, an Excluded Contribution or an Excluded Amount) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution, an Excluded Contribution or an Excluded Amount) of the Issuer, in each case, subsequent to the Issue Date other than the Equity Contribution; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" in reliance thereon; and

(14) Indebtedness Incurred under local overdraft and other local Credit Facilities and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding EUR 20 million;

*provided*, *however*, that no more than EUR 35 million of Indebtedness at any time outstanding may be Incurred by a Restricted Subsidiary which is not a Guarantor under clauses (7), (11) and (14) 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) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding under the Revolving Facility on the Completion Date shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant, and Indebtedness incurred under clause (1) of the second paragraph of this covenant may not be reclassified;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (13) or (14) 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;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes

of the covenant described under this "*—Limitation on Indebtedness*." 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, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "*—Limitation on Indebtedness*," the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any EUR-denominated restriction on the Incurrence of Indebtedness, the EUR Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower EUR Equivalent), in the case of Indebtedness Incurred under a Credit Facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than EUR, and such refinancing would cause the applicable EUR-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such EUR-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of Refinancing Indebtedness; (b) the EUR-Equivalent of the principal amount of any such Indebtedness (i) outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date and (ii) of the Target and its Restricted Subsidiaries outstanding on the Completion Date shall be calculated based on the relevant currency exchange rate in effect on the Completion Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the EUR) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in EUR will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Neither the Issuer nor any Guarantor will Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Senior Secured Notes and the applicable Note Guarantee, if any, on substantially identical terms; *provided, however,* that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

***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 other payment or 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 or in Subordinated Shareholder Funding; 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, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary of the Issuer (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "*Restricted Payment*"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Issuer is not able to Incur an additional EUR 1.00 of Indebtedness pursuant to clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Completion Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10), (11), (15) or (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately after the Completion Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, *minus* 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Completion Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Completion Date (other than (v) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (w) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (x) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions or Parent Debt Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Completion Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (*plus* the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary upon such conversion or exchange); but excluding (w) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Company, (x) Net Cash Proceeds to the extent that any Restricted

Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions or Parent Debt Contributions; and

(iv) (a) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Completion Date (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) or (b) upon the full and unconditional release of a Restricted Investment that is a Guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person after the Completion Date, an amount equal to the amount of such Guarantee;

(v) in the event that an Unrestricted Subsidiary is designated as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of the amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "Permitted Investment"; and

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Completion Date from an Unrestricted Subsidiary,

*provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in any of the foregoing clauses (iv), (v) or (vi).

Notwithstanding the foregoing, any amounts (such amounts, the "*Excluded Amounts*") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clause (ii) of the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of Net Cash Proceeds or property or assets or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control pursuant to the definition thereof, (2) the purpose, or effect of, the receipt of such Net Cash Proceeds or property or assets or marketable securities was to repay Indebtedness to reduce the Consolidated Leverage Ratio of the Issuer so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such Net Cash Proceeds or property or assets or marketable securities and (3) no Change of Control Offer is made in accordance with the requirements of the Indenture.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by an officer of the Issuer, or, if such fair market value exceeds EUR 10 million, by the Board of Directors.

The foregoing provisions will not prohibit any of the following (collectively, "*Permitted Payments*"):

(1) any Restricted Payment 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 or issuance (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock, Designated Preference Shares or an Excluded Amount), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution, an Excluded Amount or a Parent Debt Contribution) of the Issuer; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially

concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness: (a) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*," but only (i) if the Issuer shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Senior Secured Notes tendered pursuant to any offer to repurchase all the Senior Secured Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; (b) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Issuer shall have first complied with the terms described under "*—Change of Control*" and purchased all Senior Secured Notes tendered pursuant to the offer to repurchase all the Senior Secured Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within, or redemption or repurchase consummated within, 60 days after the date of declaration or the giving of the redemption or repayment notice if at such date of declaration or notice such dividend or redemption or repayment, as the case may be, would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent or Special Purpose Vehicle to permit any Parent or Special Purpose Vehicle to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (x) EUR 7.5 million, *plus* EUR 2 million multiplied by the number of calendar years that have commenced since the Issue Date, plus (y) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof) plus (z) the Net Cash Proceeds from key man life insurance policies, to the extent such Net Cash Proceeds in (y) and (z) are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant and are not Excluded Contributions or Excluded Amounts;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments of fees and expenses Incurred (i) in connection with the Transactions or (ii) to the extent specified in clauses (2), (3), (5) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions, Excluded Amounts or a Parent Debt Contribution) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (i) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.0 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that in the case of this clause (ii) after giving *pro forma* effect to such loans, advances, dividends and distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.5 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of EUR 30 million and 4.7% of Total Assets;

(12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent 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 or an Officer of the Issuer);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or an Excluded Amount or a Parent Debt Contribution or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any Restricted Payment; *provided* that, on the date of any such Restricted Payment, the Consolidated Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 3.0 to 1.0 on a *pro forma* basis after giving effect thereto;

(18) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than

Disqualified Stock or Designated Preference Shares); *provided however*, that the total aggregate amount of Restricted Payments made under this clause (18) does not exceed EUR 10 million in any calendar year (with unused amounts in any calendar year being carried over in the next two succeeding calendar years);

(19) dividends, loans, distributions, advances or other payments by the Issuer or any of its Restricted Subsidiaries to or on behalf of the Senior Notes Issuer to service the substantially concurrent payment of regularly scheduled interest amounts due under any (x) Senior Notes (other than any Additional Senior Notes) or any Indebtedness Incurred to refinance, replace, exchange, renew, repay or extend any of the Senior Notes (other than any Additional Senior Notes) or (y) any Indebtedness designated as "Senior Notes" (including any Additional Senior Notes) under the Intecreditor Agreement or any Additional Intercreditor Agreement; *provided* that the Net Cash Proceeds of such Indebtedness have been contributed to the Issuer or any of its Restricted Subsidiaries and such Indebtedness has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any of its Restricted Subsidiaries Incurred in accordance with the covenant described under "*—Limitation on Indebtedness*";

(20) any dividends, distributions or other payments to any Parent or Unrestricted Subsidiary to the extent that such dividends, distributions or payments are made in order to carry out group contributions under the tax laws or regulations of an applicable jurisdiction;

(21) Restricted Payments made with the net cash proceeds received from the disposal of all or substantially all of the Acetyls Business; *provided* that on the date thereof, (x) the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 4.75 to 1.0 and (y) the Consolidated Senior Secured Leverage Ratio does not exceed 4.0 to 1.0, in each case, on a *pro forma* basis after giving effect thereto and the use of the proceeds thereof (including the payment of any dividend); and

(22) the repayment, upon the Release, of any amounts pre-funded by the Initial Investors or their Affiliates into the Escrow Account.

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 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 Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Senior Secured Notes and the Senior Secured Notes Indenture are directly secured, subject to the Agreed Security Principles, equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Senior Secured Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

***Limitation on Restrictions on Distributions from Restricted Subsidiaries***

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(b) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary,

*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 to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Facility) and any other agreement or instrument, in each case, in effect at or entered into on the Issue Date (including, without limitation, the Acquisition Agreement), (b) the Senior Secured Notes Indenture, the Senior Secured Notes, the Senior Notes Indenture, the Senior Notes, the Intercreditor Agreement or the Security Documents or (c) any other agreement or instrument with respect to the Target or any of its Subsidiaries, in each case, in effect on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the 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 entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company (as defined under "*—Merger and Consolidation*"), 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 Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however,* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(4) any encumbrance or restriction:

  (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

  (b) contained in mortgages, charges, pledges or other security agreements permitted under the Senior Secured Notes Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Senior Secured Notes Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges 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;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Senior Secured Notes Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (c) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority or any governmental licenses, concessions, franchises or permits, including restrictions or encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers or suppliers, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements or policies entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if (A) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Senior Secured Notes than (i) the encumbrances and restrictions contained in the Revolving Facility, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Issuer) or (B) the Issuer determines at the time of the Incurrence of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Senior Secured Notes or (b) constitutes an Additional Intercreditor Agreement;

(12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or an Officer of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing; or

(13) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*."

***Limitation on Sales of Assets and Subsidiary Stock***

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the assets sold (as determined by the Issuer's Board of Directors); and

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(a) cash (including any Net Cash Proceeds received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);

(b) Cash Equivalents;

(c) the assumption by the purchaser of (x) any liabilities of the Issuer or its Restricted Subsidiaries recorded on the Senior Notes Issuer's consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(d) Replacement Assets;

(e) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor, and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(g) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of EUR 15 million and 2.3% of Total Assets (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(h) a combination of the consideration specified in clauses (a) through (g) of this clause (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash of the Asset Disposition, within 365 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Issuer or such Restricted Subsidiary to:

(1) (i) prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" or any Refinancing Indebtedness in respect thereof; *provided, however*, that, in connection with any prepayment, repayment, purchase or redemption of term Indebtedness Incurred pursuant to this clause (1), the Issuer or such Restricted Subsidiary will retire such term Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed; (ii) unless included in the preceding clause (1)(i), prepay, repay, purchase or redeem Fixed Rate Notes, Floating Rate Notes and/or Indebtedness (other than Subordinated Indebtedness or Indebtedness owed to the Issuer or any Restricted Subsidiary) that is secured by a Lien on the Collateral on a *pari passu* basis with the Senior Secured Notes, with respect to such other Indebtedness, at a price of no more than 100% of the principal amount of such applicable Indebtedness and with respect to the Fixed Rate Notes or the Floating Rate Notes, at a price of no less than 100% of the principal amount of the Fixed Rate Notes or the Floating Rate Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of such prepayment, repayment, purchase or redemption; or (iii) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Issuer that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary); *provided* that the Issuer shall prepay, repay, purchase or redeem Indebtedness (other than the Senior Secured Notes) pursuant to clause (ii) only if the Issuer makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Senior Secured Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Senior Secured Notes equal to the proportion that (x) the total aggregate principal amount of Senior Secured Notes outstanding bears to (y) the total aggregate principal amount of the Senior Secured Notes outstanding plus the total aggregate principal amount outstanding of such Indebtedness (other than the Senior Secured Notes);

(2) purchase Fixed Rate Notes and/or Floating Rate Notes pursuant to an offer to all Holders of the Fixed Rate Notes or the Floating Rate Notes, as the case may be, at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) make a Restricted Payment pursuant to clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments";*

(8) consummate any combination of the foregoing; or

(9) enter into a binding commitment to apply the Net Available Cash pursuant to clause (1), (3), (4), (5) or (6) of this paragraph or a combination thereof; *provided* that, a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365 day period, if the investment has not been consummated by that date,

*provided, however*, if the assets disposed of constitute Collateral or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Collateral, the Issuer shall pledge or shall cause the applicable Restricted Subsidiary to pledge any Capital Stock or assets acquired with the Net Available Cash from such disposition (to the extent such assets were of a category of assets included in the Collateral as of 60 days after the Completion Date) referred to in this covenant in favor of the Senior Secured Notes on a first-priority basis, subject to the Agreed Security Principles.

The amount of such Net Available Cash not so used as set forth in this paragraph constitutes "*Excess Proceeds*." Pending the final application of any such Net Available Cash, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Senior Secured Notes Indenture. On the 366$^{th}$ day after an Asset Disposition or such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds EUR 15 million, the Issuer will be required within 10 Business Days thereof to make an offer ("*Asset Disposition Offer*") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness that is secured by a Lien on the Collateral on a *pari passu* basis with the Senior Secured Notes, to purchase the maximum principal amount of Senior Secured Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Senior Secured Notes in an amount equal to (and, in the case of any such Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Senior Secured Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Senior Secured Notes Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, in minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof (if applicable).

To the extent that the aggregate amount of Senior Secured Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Senior Secured Notes Indenture. If the aggregate principal amount of the Senior Secured Notes surrendered in any Asset Disposition Offer by Holders and such other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Senior Secured Notes and such Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Senior Secured Notes and such Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in EUR, such Indebtedness shall be calculated by converting any such principal amounts into their EUR Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Senior Secured Notes is denominated in a currency other than the currency in which the Senior Secured Notes are denominated, the amount thereof payable in respect of such Senior Secured Notes shall not exceed the net amount of funds in the currency in which such Senior Secured Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Senior Secured Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Issuer will purchase the principal amount of Senior Secured Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Senior Secured Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer. On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Senior Secured Notes and Pari Passu Indebtedness or portions of Senior Secured Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Senior Secured Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof (if applicable). The Issuer will deliver to the Trustee an Officer's Certificate stating that such Senior Secured Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Paying Agent shall deliver to the holders of Senior Secured Notes the

purchase price of Senior Secured Notes validly tendered and not withdrawn and arrange for the deduction of the appropriate amounts of Senior Secured Notes from such Holder's account with Euroclear or Clearstream (as applicable). Any Senior Secured Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Secured Notes pursuant to the Senior Secured Notes Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Senior Secured Notes Indenture by virtue of such compliance.

***Limitation on Affiliate Transactions***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate value in excess of EUR 5 million 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 on an arm's length basis 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;

(2) in the event such Affiliate Transaction involves an aggregate value in excess of EUR 12.5 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; and

(3) in the event such Affiliate Transaction involves an aggregate consideration in excess of EUR 20 million, the Issuer has received a written opinion (a "*Fairness Opinion*") from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*," any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under "*—Limitations on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2) and (11) of the definition thereof);

(2) any issuance, transfer 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, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary in connection with a Qualified Receivables Financing;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary of the Issuer or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) (i) the Transactions, (ii) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) under the terms of any transaction pursuant to or contemplated by, 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, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an officer 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 in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate (other than an Unrestricted Subsidiary) of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Senior Secured Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;

(11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed EUR 2 million per year and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital market transactions, acquisitions or divestitures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by a majority of the Board of Directors of the Issuer in good faith;

(12) any transactions which the Issuer or a Restricted Subsidiary delivers a written letter or opinion to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable that might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(13) pledges of Capital Stock of Unrestricted Subsidiaries; and

(14) any transaction effected as part of a Qualified Receivables Financing.

***Reports***

So long as any Senior Secured Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

(1) within 120 days after the end of the Senior Notes Issuer's fiscal year beginning with the fiscal year ending December 31, 2014, annual reports containing: (i) an operating and financial review of the audited financial statements, including a discussion of the financial condition and results of operations, and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies of the Senior Notes Issuer; (ii) *pro forma* income statement and balance sheet information of the Senior Notes Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (other than the Acquisition and unless such *pro forma* information has been provided in a previous report

pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer (or the Senior Notes Issuer) will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Senior Notes Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Senior Notes Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Senior Notes Issuer, all material affiliate transactions and a description of all material debt instruments; (v) a description of material risk factors and material subsequent events; (vi) Consolidated EBITDA; and (vii) a description of the material differences in the financial condition and results of operations between the Issuer and the Senior Notes Issuer; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) within 60 days (or, in the case of the fiscal quarter ending June 30, 2014, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Senior Notes Issuer, beginning with the quarter ending June 30, 2014, unaudited quarterly financial statements containing the following information: (i) the Senior Notes Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) *pro forma* income statement and balance sheet information of the Senior Notes Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates (other than the Acquisition and *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer (or the Senior Notes Issuer) will provide, in the case of a material acquisition, acquired company financials); (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, Consolidated EBITDA and material changes in liquidity and capital resources of the Senior Notes Issuer; (iv) a discussion of material changes in material debt instruments since the most recent report; (v) material subsequent events and any material changes to the risk factors disclosed in the most recent annual report; and (vi) any changes to the description of the material differences in the financial condition and results of operations between the Issuer and the Senior Notes Issuer; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer or Senior Notes Issuer announces publicly or any acquisition (other than the Acquisition), disposition or restructuring, merger or similar transaction that is material to the Issuer or Senior Notes Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or Senior Notes Issuer or a change in auditors of the Issuer or Senior Notes Issuer, a report containing a description of such event.

The Issuer shall have the option at any time to provide the reports set forth in (1) and (2) above as if each reference to the "Senior Notes Issuer" had been to the "Issuer."

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Senior Secured Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Senior Secured Notes copies of all reports furnished to the Trustee on the Issuer's website. All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however,* that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. To the extent comparable prior period financial information of the Senior Notes Issuer does not exist, the comparable prior period financial information of the Target and its Subsidiaries may be provided in lieu thereof. No report need include separate financial statements for any Subsidiaries of the Issuer. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles. At any time that any of the Issuer's subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "Reports" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

All reports provided pursuant to this "Reports" covenant shall be made in the English language.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

***Merger and Consolidation***

The *Issuer*

The Issuer will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada or Switzerland and the Successor Company (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Senior Secured Notes and the Senior Secured Notes Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Issuer or the Successor Company would be able to Incur at least an additional EUR 1.00 of Indebtedness pursuant to clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio for the Issuer or the Successor Company for the most recently ended four full fiscal quarters for which financial statements are available immediately preceding the date on which the transaction is consummated would not be less than it was immediately prior to giving effect to such transaction; and

(4) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Senior Secured Notes Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Senior Secured Notes Indenture but in the case of a lease of all or substantially all of its assets, the

predecessor company will not be released from its obligations under the Senior Secured Notes Indenture or the Senior Secured Notes.

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 properties or assets of a Person.

*The Guarantors*

No Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of the Senior Secured Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) may:

(1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it unless:

A. the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor substantially concurrently with such consolidation, merger, sale assignment, conveyance, transfer, lease or other disposal;

B. (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee and the Senior Secured Notes Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable; and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

C. the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Senior Secured Notes Indenture

*provided however*, that the prohibition in clauses (1), (2) and (3) above shall not apply to the extent that compliance with clauses (A) and (B)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses.

The provisions set forth in this "Merger and Consolidation" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not a Guarantor; (ii) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Senior Secured Notes, the Senior Secured Notes Indenture, the Intercreditor, any Additional Intercreditor Agreement and the Security Documents and clauses (1) and (4) under the heading "*—The Issuer*" shall apply to such transaction; (iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided*, however, that clauses (1), (2) and (4) under the heading "*—The Issuer*" or clause (3) under the heading "*—The Guarantors*," as the case may be, shall apply to any such transaction; or (v) the disposal of all or substantially all of the Acetyls Business; if the conditions set out in clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" have been satisfied.

***Suspension of Covenants on Achievement of Investment Grade Status***

If on any date following the Issue Date, the Senior Secured Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until such time, if any, at which the Senior Secured Notes cease to have Investment Grade Status (the "*Reversion Date*"), the provisions of the Senior Secured Notes Indenture summarized under the following captions will not apply to the Senior Secured Notes:

(1) "*—Limitation on Restricted Payments*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";

(4) "*—Limitation on Affiliate Transactions*";

(5) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(6) "*—Limitation on Additional Guarantees*"; and

(7) the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Issuer*,"

and, in each case, any related default provision of the Senior Secured Notes Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Senior Secured Notes Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*." In addition, the Senior Secured Notes Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Senior Secured Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Senior Secured Notes no longer having an Investment Grade Status. The Issuer shall notify the Trustee in writing that the conditions set forth in the first paragraph under this caption has been satisfied; *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. There can be no assurance that the Senior Secured Notes will ever achieve or maintain an Investment Grade Status.

***Impairment of Security Interest***

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the paragraph below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral.

Notwithstanding the foregoing, (i) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged and released in accordance with the Senior Secured Notes Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement; (ii) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein; (iii) the Issuer and its Restricted Subsidiaries may discharge and release Security Interests with respect to the Collateral in connection with the implementation of a Permitted Reorganization and (iv) the Security Interest and the related Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets); *provided, however*, that in the case of clause (i) and (iv) above, except with respect to any discharge or release in

accordance with the Senior Secured Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee, which confirms the solvency of the person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction) consent to such amendments without the need for instructions from the Holders.

***Limitation on Additional Guarantees***

Notwithstanding anything to the contrary in this covenant, no Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the Revolving Facility, any Credit Facility or any other Public Debt, in each case, of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor on the date on which such Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Senior Secured Notes Indenture pursuant to which such Restricted Subsidiary will provide an Note Guarantee; *provided, however,* that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Note Guarantee is contrary to the Agreed Security Principles or could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes, including any Swiss withholding taxes; *provided*, that in the case of Swiss withholding taxes, the Issuer has used commercially reasonable efforts to obtain a ruling providing that no withholding taxes are payable under the applicable Note Guarantee) other than reasonable out of pocket expenses. At the option of the Issuer, any Note Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Note Guarantees granted pursuant to this provision shall be released as set forth under "*—Releases of the Note Guarantees*." A Note Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Senior Secured Notes Indenture if such Guarantor had not been designated as a Guarantor. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction.

***Additional Intercreditor Agreements***

The Senior Secured Notes Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any (1) Indebtedness permitted pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or clause (1), (2), (4), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" and (2) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (1), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of the Security

Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Senior Secured Notes Indenture or the Intercreditor Agreement.

The Senior Secured Notes Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Senior Secured Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Senior Secured Notes (including Additional Senior Secured Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Senior Secured Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Officer's Certificate and an Opinion of Counsel. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Senior Secured Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Senior Secured Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Secured Notes Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Senior Secured Notes thereby; *provided, however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*" and the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement.

The Senior Secured Notes Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the listing agent for the Notes.

***Limitation on Holding Company Activities***

The Issuer may not carry on any business activity, hold any assets or Incur any Indebtedness other than:

(1) providing administrative services, strategy, legal, accounting and management services to its Affiliates of a type customarily provided by a holding company (including entering into and performing any rights or obligations under any Tax Sharing Agreements and acting as the head of a tax group) and the ownership of assets necessary to provide such services;

(2) (a) Incurring any Indebtedness or Subordinated Shareholder Funding permitted under the Senior Notes Indenture; (b) conducting any activities reasonably incidental to the Incurrence of such Indebtedness or Subordinated Shareholder Funding, including the performance of the terms and conditions thereof; and (c) the granting of Liens to secure Indebtedness, in compliance with the provisions of the Senior Secured Notes Indenture;

(3) activities undertaken with the purpose of fulfilling its obligations or exercising its rights under the Senior Notes Indenture, Senior Secured Notes Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents, any finance document relating to Indebtedness not prohibited to be Incurred under the Senior Secured Notes Indenture and any related finance documents or security documents;

(4) the ownership of (i) cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities, (ii) shares of BidCo, (iii) Permitted Investments, and (iv) other property and assets for the purpose of transferring such property and asset to any Parent or other Person;

(5) management of the Issuer's and its Subsidiaries' assets and conducting activities and entering into transactions related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries' corporate existence and any other transaction of a type customarily entered into by holding companies and their subsidiaries (including the payment of wages and the incurrence of obligations and liabilities arising by operation of law or that are typical or incidental to the activities of a holding company);

(6) any activity reasonably relating to the servicing, purchase, redemption, amendment, exchange, refinancing or retirement of the Senior Secured Notes or other Indebtedness (or other items that are specifically excluded from the definition of Indebtedness) not prohibited to be Incurred under the Senior Secured Notes Indenture;

(7) entering into and performing any rights or obligations in respect of (i) contracts and agreements with its officers, directors and employees, (ii) subscription or purchase agreements for securities or preferred equity certificates, public offering rights agreements, voting and other shareholder agreements, engagement letters, underwriting agreements, agreements with rating agencies and other agreements in respect of its securities or any offering, issuance or sale thereof and (iii) engagement letters and reliance letters in respect of legal, accounting and other advice or reports received or commissioned by it, in each case, in relation to transactions which are not prohibited under the Senior Secured Notes Indenture;

(8) listing its Capital Stock and the issuance, offering and sale of its Capital Stock, including compliance with applicable regulatory and other obligations in connection therewith; and

(9) undertaking any other activities which are not specifically listed in this covenant and which are (i) ancillary to or related to those listed in this covenant or (ii) *de minimis* in nature.

**Payments for Consent**

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Senior Secured Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Senior Secured Notes Indenture or the Senior Secured Notes unless such consideration is offered to be paid and is paid to all holders of the Senior Secured Notes that consent, waive or agree to such amendment in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Senior Secured Notes Indenture, to exclude holders of Senior Secured Notes in any jurisdiction or any category of holders of Senior Secured Notes where (1) the solicitation of such consent, waiver or amendment, including in connection with any tender or exchange offer, or (2) the payment of the consideration therefor could reasonably be interpreted as requiring the Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws or listing requirements (including, but not limited to, the United States federal securities laws and the laws of the European Union or any of its member states), which the Issuer in its sole discretion determines (acting in good faith) (a) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction) or (b) such solicitation would otherwise not be permitted under applicable law in such jurisdiction or with respect to such category of holders of Senior Secured Notes.

**Events of Default**

Each of the following is an "Event of Default" under the Senior Secured Notes Indenture:

(1) default in any payment of interest on any Senior Secured Note issued under the Senior Secured Notes Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Senior Secured Note issued under the Senior Secured Notes Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Senior Secured Notes with its other agreements contained in the Senior Secured Notes Indenture;

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced by any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries), other

than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*"),

and, (i) 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 EUR 20 million or more or (ii) such Indebtedness is incurred pursuant to clause (1) or (6) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and secured by Collateral that is, in each case, granted super senior priority rights with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement, and the Majority Super Senior Creditors (as defined in the Intercreditor Agreement or any Additional Intercreditor Agreement) have instructed the Security Agent to commence enforcement of Collateral with a fair market value in excess of EUR 20 million in circumstances where the Security Agent is permitted to take enforcement action in accordance with such instructions;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Senior Notes Issuer or the Issuer), would constitute a Significant Subsidiary (the "*bankruptcy provisions*");

(6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Senior Notes Issuer or Issuer), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of EUR 20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "*judgment default provision*");

(7) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Senior Secured Notes Indenture) with respect to Collateral having a fair market value in excess of EUR 5 million for any reason other than the satisfaction in full of all obligations under the Senior Secured Notes Indenture or the release of any such security interest in accordance with the terms of the Senior Secured Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; and

(8) any Note Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Senior Secured Notes Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Note Guarantee and any such Default continues for 10 days.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by notice to the Issuer, or, the Holders of at least 25% in principal amount of the outstanding Senior Secured Notes under the Senior Secured Notes Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Senior Secured Notes under the Senior Secured Notes Indenture 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 Senior Secured Notes because an Event of Default described in clause (4) under the definition of "*—Events of Default*" has occurred and is continuing, the declaration of acceleration of the Senior Secured Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Senior Secured Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Senior Secured Notes that became due solely because of the acceleration of the Senior Secured Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Senior Secured Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Holders of the Senior Secured Notes may not enforce the Senior Secured Notes Indenture or the Senior Secured Notes except as provided in the Senior Secured Notes Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Senior Secured Notes under the Senior Secured Notes Indenture by notice to the Trustee may, on behalf of all Holders, waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any) and rescind any such acceleration with respect to such Senior Secured Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Senior Secured Notes Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Senior Secured Notes 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 or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Senior Secured Notes Indenture or the Senior Secured Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Senior Secured Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such security or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Senior Secured Notes have not given the Trustee a 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 Senior Secured Notes 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 its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Senior Secured Notes 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 Senior Secured Notes Indenture, the Trustee will be entitled to indemnification or security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. Prior to the occurrence of an Event of Default, the Trustee will have no obligation to monitor compliance by the Issuer with the Senior Secured Notes Indenture. The Senior Secured Notes Indenture will provide that if a Default occurs and is continuing and the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being so 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 Senior Secured Note, the Trustee may withhold notice if and so long as the Trustee 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 signers thereof know of any Default or Event of Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Senior Secured Notes Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "*Initial Default*") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the 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 "*Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of this Senior Secured Notes Indenture shall be deemed to be cured upon the delivery of

any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Senior Secured Notes Indenture.

The Senior Secured Notes Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Senior Secured Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

**Amendments and Waivers**

Subject to certain exceptions, the Senior Secured Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes). If any amendment, supplement or waiver that may be made with the consent of Holders of a majority in principal amount of the Senior Secured Notes then outstanding only affects or would only affect the Holders of Fixed Rate Notes or the Floating Rate Notes, and it would not affect Holders of the Senior Secured Notes generally, only the consent of the Holders of a majority of the then outstanding principal amount of Fixed Rate Notes or Floating Rate Notes, as the case may be, shall be required. However, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Senior Secured Notes affected, then outstanding, an amendment or waiver may not, with respect to any Senior Secured Notes held by a nonconsenting Holder:

(1) reduce the principal amount of Senior Secured Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Senior Secured Note;

(3) reduce the principal of or extend the Stated Maturity of any Senior Secured Note;

(4) reduce the premium payable upon the redemption of any Senior Secured Note or change the time at which any Senior Secured Note may be redeemed, in each case as described under "*—Optional Redemption*";

(5) make any Senior Secured Note payable in money other than that stated in the Senior Secured Note;

(6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Senior Secured Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Senior Secured Notes;

(7) make any change in the provision of the Senior Secured Notes Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Senior Secured Notes in any material respect or amends the terms of such Senior Secured Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all of the security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Senior Secured Notes Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Senior Secured Notes (except pursuant to a rescission of acceleration of the Senior Secured Notes by the Holders of at least a majority in aggregate principal amount of such Senior Secured Notes and a waiver of the payment default that resulted from such acceleration);

(10) release all or substantially all of the Guarantors from their obligations under the Note Guarantees or the Senior Secured Notes Indenture, except in accordance with the terms of the Senior Secured Notes Indenture and the Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence;

*provided, however,* that if such amendment, supplement or waiver described in clauses (2), (3) and (4) above only affects or would affect Holders of the Fixed Rate Notes or the Floating Rate Notes, and does not or would not affect Holders of the Senior Secured Notes generally, only the consent of the Holders of not less than 90% of the then outstanding principal amount of Fixed Rate Notes or Floating Rate Notes, as the case may be, shall be required.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Senior Secured Notes Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Senior Secured Notes Document;

(3) add to the covenants or provide for an Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Senior Secured Notes Documents;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Issuer) for the issuance of Additional Senior Secured Notes;

(6) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness" or "—Limitation on Additional Guarantees*," to add Notes Guarantees with respect to the Senior Secured Notes, to add security to or for the benefit of the Senior Secured Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Senior Secured Notes when such release, termination, discharge or retaking or amendment is provided for under the Senior Secured Notes Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Senior Secured Notes Indenture, the Security Documents or the Senior Secured Notes to any provision of this "*Description of the Senior Secured Notes*" to the extent that such provision in this "*Description of the Senior Secured Notes*" was intended to be a verbatim recitation of a provision of the Senior Secured Notes Indenture, the Security Documents or the Senior Secured Notes;

(8) to evidence and provide for the acceptance and appointment under the Senior Secured Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor trustee or security agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Senior Secured Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders or parties to the Revolving Facility, in any property which is required by the Security Documents or the Revolving Facility (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Senior Secured Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with; or

(10) as provided in "*—Certain Covenants—Additional Intercreditor Agreements*."

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel. The consent of the Holders is not necessary under the Senior Secured Notes Indenture to approve the particular form of any proposed amendment of any Senior Secured Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Senior Secured Notes Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

**Acts by Holders**

In determining whether the Holders of the required principal amount of the Senior Secured Notes have concurred in any direction, waiver or consent, the Senior Secured Notes owned by the Issuer or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding; *provided* that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Senior Secured Notes which the Trustee knows are so owned shall be so disregarded.

**Defeasance**

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Senior Secured Notes and the Senior Secured Notes 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 Senior Secured Notes, registration of Senior Secured Notes, mutilated, destroyed, lost or stolen Senior Secured Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantors' obligations under the covenants described under "*Certain Covenants*" (other than clauses (1) and (2) under "*—Certain Covenants—Merger and Consolidation—The Issuer*") 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 provisions, the bankruptcy provisions with respect to any Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*—Events of Default*" ("*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 Senior Secured Notes may not be accelerated because of an Event of Default with respect to such Senior Secured Notes. If the Issuer exercises its covenant defeasance option with respect to the Senior Secured Notes, payment of the Senior Secured Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Issuer*"), (4), (5) (with respect only to the Significant Subsidiaries), (6), (7) or (8) under "*—Events of Default*."

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Senior Secured Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling received by the Issuer from, or published by, the U.S. Internal Revenue Service or change in applicable U.S. federal income tax law);

(2) 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;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

**Satisfaction and Discharge**

The Senior Secured Notes Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Senior Secured Notes, as expressly provided for in the Senior Secured Notes Indenture) as to all outstanding Senior Secured Notes when (1) either (a) all the Senior Secured Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Senior Secured Notes, and certain Senior Secured Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Senior Secured Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Senior Secured Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Senior Secured Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Senior Secured Notes Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Senior Secured Notes Indenture to apply the deposited money toward the payment of the Senior Secured Notes at maturity or on the redemption date, as the case may be and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (*provided* that such counsel may not be an employee of the Issuer or its Subsidiaries) each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Senior Secured Notes Indenture relating to the satisfaction and discharge of the Senior Secured Notes 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 (1), (2) and (3)).

**No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Senior Secured Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

**Concerning the Trustee and Certain Agents**

Deutsche Trustee Company Limited is to be appointed as Trustee under the Senior Secured Notes Indenture. The Senior Secured Notes Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Senior Secured Notes Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Senior Secured Notes Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Senior Secured Notes Indenture will not be construed as an obligation or duty.

The Senior Secured Notes 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 or any Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Senior Secured Notes Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, or (b) 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 Senior Secured Notes Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, Taxes or expenses Incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Senior Secured Notes Indenture.

**Notices**

Notices, warnings, summons and other communications to the holders of the Senior Secured Notes from the Trustee shall be sent via Euroclear or Clearstream (as applicable) with a copy to the Issuer and the Luxembourg Stock Exchange (to the extent required by the rules of the Luxembourg Stock Exchange). Any such notice or communication shall be deemed to be given or made when sent from Euroclear or Clearstream (as applicable). The Issuer's written notifications to the holders of Senior Secured Notes shall be sent through Euroclear or Clearstream (as applicable) with a copy to the Trustee and the Luxembourg Stock Exchange (to the extent required by the rules of the Luxembourg Stock Exchange).

Additionally, if and for so long as the Senior Secured Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Notes Issuer will publish all notices intended for the noteholders in a leading newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

**Prescription**

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Senior Secured Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Senior Secured Notes will be prescribed six years after the applicable due date for payment of interest.

**Currency Indemnity and Calculation of EUR-Denominated Restrictions**

The EUR is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with the Senior Secured Notes and the Note Guarantees including damages. Any amount received or recovered in a currency other than EUR (in the case of the Senior Secured Notes), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the EUR amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that EUR amount is less than the EUR amount expressed to be due to the recipient or the Trustee under any Senior Secured Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Senior Secured Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Senior Secured Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Senior Secured Note or any Note Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any EUR denominated restriction herein, the EUR Equivalent amount for purposes hereof that is denominated in a currency other than EUR shall be calculated based on the relevant currency exchange rate in effect on the date such non-EUR amount is Incurred or made, as the case may be.

**Listing**

Application has been made to list the Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and to admit the Senior Secured Notes to trading on the Euro MTF.

**Enforceability of Judgments**

Since substantially all the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Senior Secured Notes, may not be collectable within the United States.

**Consent to Jurisdiction and Service**

In relation to any legal action or proceedings arising out of or in connection with the Senior Secured Notes Indenture and the Senior Secured Notes, the Issuer and the Guarantors will in the Senior Secured Notes Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Senior Secured Notes Indenture will provide that the Issuer and each Guarantor, will appoint CT Corporation 111 Eighth Avenue, 13th Floor, New York, NY 10011 U.S.A., as their agent for service of process in any suit, action or proceeding with respect to the Senior Secured Notes Indenture, the Senior Secured Notes and the Note Guarantees brought in any U.S. federal or New York state court located in the City of New York.

**Governing Law**

The Senior Secured Notes Indenture and the Senior Secured Notes, 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.

For the avoidance of doubt, the provisions of articles 86 to 94-8 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the "*Luxembourg Companies Act 1915*") are excluded. No Holder may initiate proceedings against the Issuer based on article 98 of the Luxembourg Companies Act 1915. Any resolution of the Holders to amend the corporate objects of the Issuer, the form of the Issuer, to change the nationality of the Issuer and/or increasing the commitments of the shareholders of the Issuer may only be taken, and any meetings of the Holders resolving thereupon must be convened and held, in accordance with the Luxembourg Companies Act 1915 as long as any specific requirements exist in this respect in the Luxembourg Companies Act 1915 (the "*Luxembourg Law Resolutions*"). A Luxembourg Law Resolution must be passed in accordance with the requirements of the Luxembourg Companies Act 1915. There are specific quorum requirements for Luxembourg Law Resolutions set out in the Luxembourg Companies Act 1915. Certain Luxembourg Law Resolutions passed at any meeting of the Holders will be binding on all Holders, whether or not they are present at the meeting. If there cease to be specific requirements under Luxembourg law for the above matters, the resolutions on these matters will be taken in the form of extraordinary resolutions.

**Certain Definitions**

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acetyls Business*" means the business unit comprising the acetyls business of the Target and its Subsidiaries as described in the Offering Memorandum.

"*Acquisition*" means the acquisition of the Target by BidCo pursuant to the Acquisition Agreement.

"*Acquisition Agreement*" means the sale and purchase of shares in and the shareholder loan granted to the Target dated April 17, 2014 between Kallisto Einhundertste Vermögensverwaltungs-GmbH, as purchaser, and European Chemical Services S. à r.l., as seller.

"*Additional Senior* Notes" means additional Senior Notes having identical terms and conditions as the Senior Notes.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Security Principles*" means the agreed security principles appended to the Senior Facility Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the Senior Secured Notes in good faith by the Issuer.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than

operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance or transfer 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 or the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) of less than the greater of EUR 7.5 million and 1.2% of Total Assets;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment;

(9) the granting of Liens not prohibited by the covenant described above under the caption "*—Certain Covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) the licensing, sub-licensing, lease or assignment of intellectual property or other general intangibles and licenses, sub- licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or otherwise in the ordinary course of business;

(15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(16) 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;

(17) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole); *provided, further,* that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (18), does not exceed EUR 10 million;

(19) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, an issuance or sale by a Restricted Subsidiary of Preferred Stock or Redeemable Capital Stock that is permitted by the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*" or an issuance of Capital Stock by the Issuer pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(20) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" covenant; and

(21) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Senior Secured Notes Indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

"*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; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Senior Secured Notes Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). References to "Board of Directors of the Issuer" shall be construed to mean "Board of Directors" of the Issuer or "Board of Directors" of the Senior Notes Issuer, as determined by the Issuer.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Frankfurt, Germany, Luxembourg or London, United Kingdom are authorized or required by law to close.

"*Calculation Agent*" means a financial institution appointed by the Issuer to calculate the interest rate payable on the Floating Rate Notes in respect of each interest period, which shall initially be Deutsche Bank AG, London Branch.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS (as in effect on the Issue Date for purposes of determining whether a lease is a capitalized lease). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union or Switzerland or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Revolving Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of EUR 250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Japan, Norway or Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "*Asset Disposition*," the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date, and by the Target and its Subsidiaries on the Completion Date.

"*Change of Control*" means the occurrence of any of the following:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a wholly-owned Subsidiary of a Successor Parent (subject to any directors' qualifying shares or shares required by any applicable law or regulation to be held by a person other than the Issuer or another wholly-owned Subsidiary that are held by a Person other than such Successor Parent); and

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders; *provided* that, the disposal of all or substantially all of the Acetyls Business (or any part thereof) shall not constitute a Change of Control if the conditions set out in clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" have been satisfied;

*provided* that, in each case, a Change of Control shall not be deemed to have occurred if such a Change of Control is also a Specified Change of Control Event.

"*Clearstream*" means Clearstream Banking, société anonyme, as currently in effect or any successor securities clearing agency.

"*Collateral*" means any and all assets from time to time in which a security interest has been or will be granted on the Issue Date, the Completion Date and the Post-Completion Date or thereafter pursuant to any Security Document to secure the obligations under the Senior Secured Notes Indenture, the Senior Secured Notes and/or any Note Guarantee.

"*Commodity Hedging Agreements*" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Completion Date*" means the date of completion of the Acquisition.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization (excluding amortization of a prepaid cash charge or expense that was paid in a prior period) or impairment expense;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Senior Secured Notes Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or an Officer of the Issuer;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates except to the extent of dividends declared or paid on, or other cash payments in respect of, equity interests held by such third parties;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*";

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such noncash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Issuer as special, extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (other than non-cash items increasing Consolidated Net Income pursuant to clauses (1) to (13) of the definition of Consolidated Net Income and excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income; and

(11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period.

"*Consolidated Income Taxes*" means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a Restricted Subsidiary, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(6) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Funding) that was capitalized during such period;

(7) cash interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person; and

(8) interest accrued on any Indebtedness of a Parent that is Guaranteed by the Issuer or any Restricted Subsidiary to the extent (x) serviced directly or indirectly by the Issuer or any Restricted Subsidiary and (y) not already included in calculating Consolidated Interest Expense;

*minus* (i) accretion or accrual of discounted liabilities other than Indebtedness and (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, in each case, to the extent included in interest expense under IFRS.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Issuer)).

"*Consolidated Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer), including in respect of anticipated expense and cost reduction synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period; *provided, however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Consolidated Leverage Ratio:

(1) acquisitions and Investments that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from any such disposal, as determined in good faith by a responsible accounting or financial officer of the Issuer);

(3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Leverage shall be treated in accordance with IFRS; and

(7) for purposes of calculating the Consolidated EBITDA for such period, if, since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, such Person or any of its Restricted Subsidiaries, that constitutes an event that is contemplated by the definition of "Specified Change of Control Event" (any such transaction, a "*Specified Change of Control Transaction*"), and solely for the purposes of making the determination pursuant to "*Specified Change of Control Event*," Consolidated EBITDA for such period shall be calculated after giving *pro forma* effect thereto (including any anticipated expense and cost reduction synergies from cooperation and other arrangements associated with the Specified Change of Control Transaction calculated in good faith by a responsible accounting or financial officer of the Issuer) as if such Specified Change of Control Transaction (including such anticipated expense and cost reduction synergies associated with the Specified Change of Control Transaction calculated in good faith by a responsible accounting or financial officer of the Issuer) had occurred on the first day of such period.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to

restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Senior Secured Notes, the Senior Secured Notes Indenture, the Senior Notes, the Senior Notes Indenture or any Additional Intercreditor Agreement, (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary (including pursuant to the Senior Facility Agreement or the Intercreditor Agreement) and with respect to the Target and its Restricted Subsidiaries, and other restrictions with respect to such Restricted Subsidiary and with respect to the Target and its Restricted Subsidiaries that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions permitted under the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than a Guarantor), to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(12) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down; and

(13) the impact of capitalized, accrued or accreting or pay-in- kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Net Leverage Ratio*" means, with respect to the Issuer as of any date of determination, the ratio of (x) Consolidated Leverage less cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries on such date to (y) the aggregate amount of Consolidated EBITDA of the Issuer and its Restricted Subsidiaries for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, in each case, calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Leverage Ratio; *provided* that in calculating Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included in this calculation that are, or are derived from, the proceeds of Indebtedness in respect of which the *pro forma* calculation is to be made, except, for the avoidance of doubt, to the extent cash or Cash Equivalents will be expended in a transaction to which *pro forma* effect is given.

"*Consolidated Senior Secured Leverage*" means the sum of the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by an Officer or the Board of Directors of the Issuer)).

"*Consolidated Senior Secured Leverage Ratio*" means, as of any date of determination, the ratio of (x) the Consolidated Senior Secured Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Leverage 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 Facility*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Revolving Facility or any other commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, 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), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Note 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.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Deemed Interest Payments*" means the amount of interest payments, as determined in good faith by the Issuer as of the relevant date, using the interest rate in effect in respect of such Senior Secured Notes as at the date of giving the notice of redemption.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) 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, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Designated Preference Shares*" means, with respect to the Issuer or any Parent, Preferred Stock (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 Preference Shares" 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 second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Senior Secured Notes or (b) the date on which there are no Senior Secured Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*—Certain Covenants—Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Senior Secured Notes Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"*Equity Contribution*" means the equity contribution from the Initial Investors as described in the Offering Memorandum under the caption "*Use of Proceeds*."

"*Equity Offering*" means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions, Excluded Amounts or a Parent Debt Contribution) of the Issuer or any of its Restricted Subsidiaries.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank SA/NV or any successor securities clearing agency.

"*European Government Obligations*" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "A-1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency on the date of the Senior Secured Notes Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the

payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or an Excluded Amount) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer substantially concurrently with the contribution.

"*fair market value*" wherever such term is used in this "*Description of the Senior Secured Notes*" or the Senior Secured Notes Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Senior Secured Notes*" or the Senior Secured Notes Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA of such Person for the period of the four most recent fiscal quarters prior to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four fiscal quarters.

In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any Revolving Facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reduction synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions or Investments that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reduction synergies, as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from such disposition, as determined in good faith by a responsible accounting or financial officer of the Issuer);

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness) and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Leverage shall be treated in accordance with IFRS; and

(7) 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 IFRS.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the Consolidated Interest Expense of such Person for such period; plus

(2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Issuer or a Restricted Subsidiary.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantors*" means the Initial Guarantors and any Restricted Subsidiary that Guarantees the Senior Secured Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"*Holder*" means each Person in whose name the Senior Secured Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"*Holding Company*" means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply. Except as otherwise set forth in the Senior Secured Notes Indenture, all ratios and calculations based on IFRS contained in the Senior Secured Notes Indenture shall be computed in accordance with IFRS as in effect on the Issue Date.

"*Incur*" means issue, create, assume, enter into any Note Guarantee of, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a

Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, 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 been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however,* that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer of the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person;

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "*Indebtedness*" shall not include (i) Subordinated Shareholder Funding, (ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, (iii) prepayments of deposits received from clients or customers in the ordinary course of business or (iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Completion Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Senior Secured Notes Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9)) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) Contingent Obligations Incurred in the ordinary course of business, obligations under or in respect of Qualified Receivables Financings and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(2) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(3) 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 under any Tax Sharing Agreement.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Investors*" means the Permira V Funds, any Affiliate of the Permira V Funds and any funds or partnerships managed or advised (directly or indirectly) by Permira V G.P. Limited or an Affiliate thereof or an entity controlled by all or substantially all of the managing directors of such fund, and, solely in their capacity as such, any limited partner of any such partnership or fund; *provided* that any portfolio company of the foregoing, other than entities of which the Permira V Funds beneficially owns in the aggregate a majority (or more) of the Voting Stock and which are established to solely hold, directly or indirectly, interests in the Issuer shall not constitute an "Initial Investor."

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer or any Parent (the "*IPO Entity*") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated as of the Issue Date, by and among, *inter alios*, the Issuer, the Senior Notes Issuer, BidCo, the Security Agent and the Trustee, as amended from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under the caption "*—Certain Covenants—Limitation on Restricted Payments*."

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(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; 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, in each case as determined in good faith by the Board of Directors or an Officer of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade 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, Norway or Switzerland or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB—" or higher from S&P or "Baa3" 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 exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"*Investment Grade Status*" shall occur when all of the Senior Secured Notes receive both of the following:

(1) a rating of "BBB—" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means June 10, 2014.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, 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 (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this subclause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding EUR 10 million in the aggregate outstanding at any time.

"*Management Investors*" means (i) members of the management team of the Issuer or any Restricted Subsidiary investing, or committing to invest, directly or indirectly, in the Issuer as at the Completion Date and any subsequent members of the management team of the Issuer or any Restricted Subsidiary who invest directly or indirectly in the Issuer from time to time and (ii) such entity as may hold shares transferred by departing members of the management team of the Issuer or any Restricted Subsidiary for future redistribution to such management team.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*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 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;

(2) (a) other than for purposes of the covenant described under "*Limitation on Sales of Assets, and Subsidiary Stock*", all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or (b) by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition, including pension and other post-employment benefits liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such transaction.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

"*Note Guarantee*" means the guarantee by each Guarantor of the Issuer's obligations under the Senior Secured Notes Indenture and the Senior Secured Notes, executed pursuant to the provisions of the Senior Secured Notes Indenture.

"*Officer*" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Senior Secured Notes Indenture by the Board of Directors of such Person. References to "Officer of the Issuer" shall be construed to mean "Officer" of the Issuer or "Officer" of the Senior Notes Issuer, as determined by the Issuer.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of, or counsel to, the Issuer or its Subsidiaries.

"*Parent Debt Contribution*" means a contribution to the equity of the Issuer or any of its Restricted Subsidiaries or the issuance or sale of Subordinated Shareholder Funding of the Issuer pursuant to which dividends or distributions may be paid pursuant to clause (19) of the fourth paragraph under "*—Limitation on Restricted Payments*."

"*Parent*" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent 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 Senior Secured Notes 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 indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Restricted Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries, and (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent, (c) any Taxes and other fees and expenses required to maintain such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent and (d) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Restricted Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed EUR 2 million in any fiscal year;

(7) any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided, however,* that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its Subsidiaries would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries;

(8) expenses Incurred by any Parent 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 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; and

(9) costs and expenses equivalent to those set out in clauses (1) to (8) above with respect to a Special Purpose Vehicle.

"*Pari Passu Indebtedness*" means Indebtedness of the Issuer or any Guarantor which does not constitute Subordinated Indebtedness.

"*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.

"*Permira V Fund*" means each of the following:

(1) P5 Sub L.P.1, a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner, Permira V G.P. L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(2) Permira V L.P.2, a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner, Permira V G.P. L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(3) Permira Investments Limited, acting by its nominee Permira Nominees Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(4) P5 Co-Investment L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. L.P., acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(5) P5 CIS S.à r.l., a private limited liability company organized under the laws of Luxembourg, registered with the Luxembourg Trade and Companies Register with number B 178 072 with a share capital of EUR 12,500, having its registered office at 282, route de Longwy, L-1940 Luxembourg; and

(6) Permira V I.A.S L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. L.P., acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands.

"*Permitted Collateral Liens*" means Liens on the Collateral:

(a) that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of "Permitted Liens" and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(b) to secure:

(i) the Senior Secured Notes (other than any Additional Senior Secured Notes) and any related Note Guarantees;

(ii) Indebtedness permitted to be Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(iii) Indebtedness described under clause (1) of "*—Permitted Debt*," which Indebtedness may have super senior priority status in respect of the proceeds from the enforcement of the Collateral, not materially less favorable to the Holders than that accorded to the Revolving Credit Facility pursuant to the Intercreditor Agreement as in effect on the Issue Date;

(iv) Indebtedness described under clause (2) of "*—Permitted Debt*," to the extent Incurred by the Issuer or a Guarantor and to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;

(v) Indebtedness described under clause (5) of "*—Permitted Debt*" and that is incurred by the Issuer or a Guarantor; *provided* that, at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred and after giving effect to the incurrence of such Indebtedness on a *pro forma* basis, (a) the Issuer would have been able to incur EUR 1.00 of additional Senior Secured Indebtedness pursuant to clause (2) of the first paragraph of the covenant entitled "*—Limitation on Indebtedness*" or (b) the Consolidated Senior Secured Leverage Ratio for the Issuer and the Restricted Subsidiaries would not be greater than it was immediately prior to giving *pro forma* effect to such acquisition or other transaction and to the Incurrence of such Indebtedness;

(vi) Indebtedness described under clause (6) of "—*Permitted Debt*"; *provided* that to the extent permitted by the Intercreditor Agreement as in effect on the Issue Date, Hedging Obligations Incurred in compliance with the covenant entitled "—*Limitation on Indebtedness*" that are not subordinated in right of payment to the Senior Secured Notes and that are permitted under the Senior Secured Note Indenture to be secured by a Permitted Collateral Lien which ranks *pari passu* with the Lien on Collateral securing the Senior Secured Notes may have super senior priority status in respect of the proceeds from the enforcement of the Collateral, not materially less favorable to the Holders than that accorded to the Revolving Facility pursuant to the Intercreditor Agreement as in effect on the Issue Date;

(vii) Indebtedness described under clauses (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of "—*Permitted Debt*";

(viii) solely with respect to the Senior Notes Collateral, Indebtedness issued or borrowed by the Senior Notes Issuer and the Notes Guarantees in respect thereof; *provided* that such Liens rank junior to the Liens on the same Collateral securing the Senior Secured Notes and the Notes Guarantees;

(ix) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) to (viii);

*provided, further,* that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided, further* that subject to the Agreed Security Principles, all property and assets (including, without limitation, the Collateral) of the Issuer or any Restricted Subsidiary securing such Indebtedness (including any guarantees thereof) or Refinancing Indebtedness secure the Senior Secured Notes and the Senior Secured Note Indenture on a senior or *pari passu* basis (including by application of payment order, turnover or equalization provisions substantially consistent with the corresponding provisions set forth in the Intercreditor Agreement or any Additional Intercreditor Agreement), except to the extent provided in clauses (iii) and (vi) above.

"*Permitted Holders*" means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (5) 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 or any Persons mentioned in the following sentence 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 Initial Investors and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the voting Stock of the Issuer or any of its direct or indirect parent companies owned by such group. Any person or group whose acquisition of beneficial ownership constitutes (1) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Senior Secured Notes Indenture or (2) a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the 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) and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and Investments in connection with any Qualified Receivables Financing;

(5) Investments in payroll, travel, relocation, entertainment 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) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (i) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Senior Secured Notes Indenture; and with respect to the Target and its Subsidiaries, Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (i) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Senior Secured Notes Indenture;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of EUR 40 million and 6.2% of Total Assets; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Guarantees not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(16) Investments in loans under the Revolving Facility, in the Senior Secured Notes and any Additional Senior Secured Notes or in any other Indebtedness of the Issuer and its Restricted Subsidiaries;

(17) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of its Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger and Consolidation*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(18) Investments of cash held on behalf of merchants or other business counterparties in the ordinary course of business in bank deposits, time deposit accounts, certificates of deposit, bankers' acceptances, money market deposits, money market deposit accounts, bills of exchange, commercial paper, governmental obligations, investment funds, money market funds or other securities;

(19) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture; and

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation, performance and other similar deposits, in each case, in the ordinary course of business.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing Hedging Obligations permitted under the Senior Secured Notes Indenture relating to Indebtedness permitted to be Incurred under the Senior Secured Notes Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (7) of the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*" and (b) any such Lien 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;

(11) Liens arising by virtue of any statutory or common law provisions or customary standard terms relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from New York 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;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date, including with respect to the Target and its Restricted Subsidiaries;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the 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*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Guarantor;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Senior Secured Notes Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interest, 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 and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) 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;

(21) Liens created or arising in connection with a Qualified Receivables Financing;

(22) (a) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) 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 escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(24) 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;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(26) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(27) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(28) (a) Liens created for the benefit of or to secure, directly or indirectly, the Senior Secured Notes, and (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Senior Secured Notes Indenture and any Senior Indenture, (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Senior Secured Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement and (d) Liens securing Indebtedness incurred under clause (1) of the second paragraph of the covenant entitled "*—Limitation on Indebtedness*" to the extent the Agreed Security Principles would permit such Lien to be granted to such Indebtedness and not to the Notes;

(29) Liens provided that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (29) does not exceed EUR 30 million;

(30) Liens on receivables securing Indebtedness described under clause (12) of "*—Permitted Debt*";

(31) Liens on the Escrow Accounts created for the benefit of, or to secure directly or indirectly holders of the Senior Secured Notes;

(32) Liens securing Indebtedness described under clause (14) of "*—Permitted Debt*";

(33) Liens created or subsisting in order to secure any pension liabilities or partial retirement liabilities (*Altersteilzeitverpflichtungen*) incurred in order to comply with the requirements of section 8a of the German Partial Retirement Act (*Altersteilzeitgesetz*) or pursuant to section 7e of the Fourth Book of the German Social Security Code ("*SGB IV*"); and

(34) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (33); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"*Permitted Reorganization*" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intercompany receivables and payables among the Issuer and its Restricted Subsidiaries in connection therewith (a "*Reorganization*") that is made on a solvent basis (including, for the avoidance of doubt, (i) the creation of a new holding company by CABB AG and the sale of the shares of CABB Finland Oy by CABB AG to the new holding company and (ii) the merger of the Target and CABB Holding GmbH into BidCo); *provided* that: (a) all of the business and assets of the Issuer or such Restricted Subsidiaries remain owned by the Issuer or its Restricted Subsidiaries, (b) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries, (c) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral and (d) prior to any such Reorganization occurring after the date that is six months from the Issue Date, the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default is continuing or would arise as a result of such Reorganization.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of EUR 100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any Receivables Financing that meets the following conditions: (1) the Board of Directors or an Officer of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer), (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Issuer) and may include Standard Securitization Undertakings and (4) is non-recourse to the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) except to the extent of any Standard Securitization Undertakings.

The grant of a security interest in any Receivable Assets of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility (other than a Receivables Financing) or Indebtedness in respect of the Senior Secured Notes shall not be deemed a Qualified Receivables Financing.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Senior Secured Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Issuer as a replacement agency.

"*Receivable*" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit.

"*Receivables Assets*" means any Receivables of the Issuer or any of its Restricted Subsidiaries, and any assets related thereto, including all collateral securing such Receivable, all contracts and all guarantees or other obligations in respect of such Receivable, proceeds collected on such Receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions and any related Hedging Obligations, in each case, whether now existing or arising in the future.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries (i) may sell, convey or otherwise transfer any Receivable Assets to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries) or (b) any other Person (in the case of a transfer by a Receivables Subsidiary) or (ii) may grant a security interest in any Receivable Assets.

"*Receivables Repurchase Obligation*" means any obligation of a seller of Receivables Assets in a Qualified Receivables Financing to repurchase Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer 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 accounts receivable and related assets)

which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in the Senior Secured Notes Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Senior Secured Notes Indenture or Incurred in compliance with the Senior Secured Notes Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the Maturity Date of the Senior Secured Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Senior Secured Notes, such Refinancing Indebtedness is subordinated to the Senior Secured Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

*provided, however*, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

"*Related Person*" with respect to any Permitted Holder, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means:

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (*provided* such taxes are in fact paid) by any Parent by virtue of its:

(a) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Restricted Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer's Restricted Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Restricted Subsidiaries; or

(e) having made or received any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to "*—Certain Covenants—Limitation on Restricted Payments*" or

(2) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries.

"*Replacement Assets*" means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the Issuer's business or in that of the Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) as of the Issue Date or any and all other businesses that in the good faith judgment of the Board of Directors or any Officer of the Issuer are related thereto.

"*Representative*" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Revolving Facility*" means the revolving credit facility made available under the Senior Facility Agreement.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Senior Secured Notes Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Senior Secured Notes Indenture.

"*Senior Facility Agreement*" refers to the revolving credit facility agreement dated on or about May 27, 2014 between (among others) Deutsche Bank AG, London Branch, BNP Paribas Fortis SA/NV, BNP Paribas, Credit Suisse AG, London Branch and IKB Deutsche Industriebank AG as arrangers and BidCo, as the same may be further amended from time to time.

"*Senior Notes*" means any senior notes issued under the Senior Notes Indenture.

"*Senior Notes Indenture*" means the indenture governing the Senior Notes entered into, among others, Senior Notes Issuer, the Issuer, BidCo and Deutsche Trustee Company Limited, as trustee, on the Issue Date, as amended from time to time.

"*Senior Notes Issuer*" means Monitchem Holdco 2 S.A.

"*Senior Notes Proceeds Loan*" refers to the loan to be made under the loan agreement to be entered into on the Completion Date between the Senior Notes Issuer, as lender, and the Issuer, as borrower, pursuant to which the proceeds of the Senior Notes issuance will be advanced to the Issuer in order to allow the Issuer to apply the proceeds of the Notes as described in "*Use of Proceeds*," as amended, accreted or partially repaid from time to time.

"*Senior Secured Indebtedness*" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that is secured by a first-priority Lien on the Collateral and that is Incurred under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or clauses (1), (4)(a), (4)(b), (5), (7), (11), (13) or (14) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and any Refinancing Indebtedness in respect thereof.

"*Senior Secured Notes*" means the Initial Senior Secured Notes and any Additional Senior Secured Notes.

"*Senior Secured Notes Documents*" means the Senior Secured Notes (including Additional Senior Secured Notes), the Senior Secured Notes Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"*Senior Secured Notes Indenture*" means the senior secured notes indenture entered into, among others, the Issuer, the Senior Notes Issuer, BidCo and the Trustee on the Issue Date, as amended from time to time.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) or any Associates on the Issue Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Special Purpose Vehicle*" means an entity established by any Parent for the purpose of maintaining an equity incentive or compensation plan for Management Investors.

"*Specified Change of Control Event*" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that immediately prior to the occurrence of such event and

immediately thereafter and giving *pro forma* effect thereto, the Consolidated Leverage Ratio of the Issuer and its Restricted Subsidiaries would have been less than 4.25 to 1.0. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Senior Secured Notes Indenture after the Issue Date.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any security, 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, including those described in "—*Change of Control*" and the covenant under "—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Senior Secured Notes or any Note Guarantee of the Senior Secured Notes pursuant to a written agreement, including the Guarantees of any Senior Notes.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to six months after the Stated Maturity of the Senior Secured Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to six months after the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to six months after the Stated Maturity of the Senior Secured Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the six-month anniversary of the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the six months after the Stated Maturity of the Senior Secured Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the six months after the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Secured Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Holdco Liabilities" (as defined therein);

*provided* that the Senior Notes Proceeds Loan shall not constitute Subordinated Shareholder Funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled

(without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which: (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Subsidiary Guarantor*" means any Guarantor that is a Subsidiary of the Issuer.

"*Successor Parent*" with respect to any Person means any other Person with 100% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another wholly-owned Subsidiary) of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) 100% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another wholly-owned Subsidiary) of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d- 5 under the Exchange Act (as in effect on the Issue Date).

"*Swedish Newco*" means a Swedish holding company which is intended to be established following the Completion Date as a subsidiary of CABB Swiss AG in order to acquire the shares of CABB Finland Oy.

"*Target*" means CABB International GmbH.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Senior Secured Notes Indenture.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in: (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Japan, Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or (b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by: (a) any lender under the Revolving Facility; (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (1)(a) above; or (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of EUR 250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A-" by S&P or "A-3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Japan, Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB—" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of EUR 250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds (a) complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended or (b) rated "AAA" by S&P or "Aaa" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization).

"*Total Assets*" means the consolidated total assets of the Issuer and its Restricted Subsidiaries as shown on the balance sheet of such Person prepared on the basis of IFRS.

"*Transactions*" has the meaning assigned to such term in the Offering Memorandum under the heading "*The Transactions*."

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer (other than BidCo) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of 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, other than BidCo) 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*."

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the 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 foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least EUR 1.00 of additional Indebtedness under clause (1) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

## DESCRIPTION OF THE SENIOR NOTES

You will find definitions of certain capitalized terms used in this "*Description of the Senior Notes*" under the heading "*Certain Definitions*." For purposes of this "*Description of the Senior Notes*," references to the "*Issuer*" are to Monitchem Holdco 2 S.A. only and not to any of its Subsidiaries. References to "we" or "us" are to the Issuer and its Subsidiaries, taken as a whole.

The Issuer issued EUR 175 million aggregate principal amount of Senior Notes due 2022 (the "*Senior Notes*"). The Senior Notes will be issued under an indenture dated as of June 10, 2014 (the "*Senior Notes Indenture*"), between, *inter alios*, the Issuer, Monitchem Holdco 3 S.A. (the "*Senior Secured Notes Issuer*") and Kallisto Einhundertste Vermögensverwaltungs-GmbH ("*BidCo*"), as guarantors, Deutsche Trustee Company Limited, as trustee (the "*Trustee*"), Deutsche Bank AG, London Branch, as paying agent, Deutsche Bank Luxembourg S.A., as transfer agent (the "*Transfer Agent*") and registrar (the "*Registrar*"), and Wilmington Trust (London) Limited, as security agent (the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the Securities Act. The Senior Notes Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Senior Notes Indenture, the Senior Notes and the Senior Notes Escrow Agreement and refers to the Security Documents and the Intercreditor Agreement. It does not restate those agreements in their entirety. We urge you to read the Senior Notes Indenture, the Senior Notes, the Senior Notes Escrow Agreement, the Security Documents and the Intercreditor Agreement because they, and not this description, define your rights as Holders of the Senior Notes. Copies of the Senior Notes Indenture, the form of Senior Note, the Senior Notes Escrow Agreement, the Security Documents and the Intercreditor Agreement are available as set forth in this offering memorandum under the caption "*Listing and General Information*."

The proceeds of the offering of the Senior Notes sold on the Issue Date will be used by the Issuer to make the Senior Notes Proceeds Loan. The proceeds of the offering of the Senior Secured Notes sold on the Issue Date will be used by the Senior Secured Notes Issuer, together with the Equity Contribution and the amounts under the Senior Notes Proceeds Loan, to (i) fund the consideration payable for the acquisition of the shares of CABB International GmbH (the "*Target*"), (ii) repay existing indebtedness owed by the Target and its subsidiaries, (iii) pay the estimated fees and expenses incurred in connection with the Transactions and (iv), to the extent any proceeds remain, for general corporate purposes as set forth in this Offering Memorandum under the caption "*Use of Proceeds*." Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers will, concurrently with the closing of the offering of the Senior Notes on the Issue Date, deposit the gross proceeds of the offering of the Senior Notes into an escrow account (the "*Escrow Account*") pursuant to the terms of an escrow deed (the "*Escrow Agreement*") dated the Issue Date among the Issuer, the Trustee and Deutsche Bank AG, London Branch, as escrow agent (the "*Escrow Agent*"). If the Acquisition is not consummated or the other conditions to the release of the Escrowed Property (as defined below), as more fully described below under the caption "*—Escrow of Proceeds; Special Mandatory Redemption*," have not been satisfied on or prior to October 1, 2014 (the "*Escrow Longstop Date*"), or upon the occurrence of certain other events, the Senior Notes will be redeemed at a price equal to 100% of the initial issue price of the Senior Notes plus accrued and unpaid interest from the Issue Date to the Special Mandatory Redemption Date (as defined below) and Additional Amounts, if any. See "*—Escrow of Proceeds; Special Mandatory Redemption*."

Upon the initial issuance of the Senior Notes, the Senior Notes will only be obligations of the Issuer and will be guaranteed on a senior subordinated basis by the Senior Secured Notes Issuer and BidCo. Assuming the Completion Date occurs on or prior to the Escrow Longstop Date and the escrowed funds are released from the Escrow Account, certain of the Target's subsidiaries will become a party to the Senior Notes Indenture and will, subject to the Agreed Security Principles, guarantee the Senior Notes on a senior subordinated basis within 60 days of the Completion Date (except for Swedish Newco, which will guarantee the Senior Notes on a senior basis within 60 days of becoming a Restricted Subsidiary). Prior to the Completion Date, we will not control the Target or any of its subsidiaries and none of the Target nor any of its Subsidiaries will be subject to the covenants described in this "*Description of the Senior Notes*." As such, we cannot assure you that prior to the Completion Date, the Target and its subsidiaries will not engage in activities that would otherwise have been prohibited by the Senior Notes Indenture had those covenants been applicable to such entities after the Issue Date and prior to such entities becoming party to the Senior Notes Indenture.

The Senior Notes Indenture will permit the issuance of securities in an unlimited aggregate principal amount and EUR 175 million aggregate principal amount of Senior Notes will be issued on the Issue Date. Following the initial issuance of Senior Notes (the "*Initial Senior Notes*"), we may, subject to applicable law and compliance with the terms of the Senior Notes Indenture, issue additional Senior Notes having identical terms and conditions as the applicable Senior Notes (the "*Additional Senior Notes*") within the maximum aggregate principal amount of Senior Notes permitted by the Senior Notes Indenture. Except as otherwise provided for in the Senior Notes Indenture, the Initial Senior Notes and, if issued, any Additional Senior Notes will be treated as a single class for all purposes under the Senior Notes Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the

context otherwise requires, in this "*Description of the Senior Notes*," references to the "*Senior Notes*" include the Senior Notes and any Additional Senior Notes that are actually issued.

The Senior Notes Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below). The terms of the Intercreditor Agreement are important to understanding relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent.

The registered Holder of a Senior Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Senior Notes Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Senior Notes have not been, and will not be, registered under the U.S. Securities Act and are subject to certain transfer restrictions.

As of the Issue Date, all of our Subsidiaries will be "Restricted Subsidiaries" for purposes of the Senior Notes Indenture. However, under the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Senior Notes Indenture and will not guarantee the Senior Notes.

**The Senior Notes**

The Senior Notes will:

- be general senior obligations of the Issuer, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not expressly subordinated in right of payment to the Senior Notes, including the Issuer's guarantee of the Senior Secured Notes and the Issuer's guarantee of the Senior Facility Agreement and certain Hedging Obligations;
- rank senior in right of payment to any existing and future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Senior Notes;
- be effectively subordinated to any existing or future Indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Senior Notes or that is secured on a first- priority basis over property and assets that secure the Senior Notes on a second-priority basis (including the Senior Secured Notes and Indebtedness Incurred under the Senior Facility Agreement and certain Hedging Obligations), to the extent of the value of the property and assets securing such Indebtedness;
- be guaranteed by the Guarantors as described under "*—The Note Guarantees*";
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors;
- mature on June 15, 2022; and
- be represented by one or more registered Senior Notes in global registered form, but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-Entry, Delivery and Form*").

As of the Issue Date, the Issuer's only Subsidiaries will be the Senior Secured Notes Issuer and BidCo, each of which will be a "Restricted Subsidiary." Following the Completion Date, all of the operations of the Issuer will be conducted through its Subsidiaries and, therefore, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Senior Notes. Under applicable regulation of Germany, cash and cash equivalents held by the Target and its Subsidiaries can only be upstreamed to their direct or indirect parent entities, including to the Issuer for purposes of servicing the Senior Notes, to the extent that sufficient cumulative distributable profits and cumulative reserves exist within these legal entities and that they continue to meet the relevant minimum capital requirements.

As of March 31, 2014, after giving *pro forma* effect to the Transactions as if they had occurred on that date, the Issuer and its consolidated Subsidiaries would have had EUR 585 million of Indebtedness (excluding local facilities), of

which EUR 410 million would be represented by the Senior Secured Notes and EUR 175 million would be represented by the Senior Notes. In addition, there would have been EUR 100 million available for drawing under the Revolving Facility.

**The Note Guarantees**

***General***

The Senior Notes will be guaranteed (i) on the Issue Date by the Senior Secured Notes Issuer and BidCo, (ii) within 60 days of the Completion Date by the Target, CABB Holding GmbH, CABB GmbH, CABB Europe GmbH, CABB AG, CABB Finland Oy and CABB Oy and (iii) within 60 days of Swedish Newco becoming a Restricted Subsidiary, Swedish Newco (the "*Initial Guarantors*"). In addition, if required by the covenant described under "*—Certain Covenants—Limitation on Additional Guarantees,*" subject to the Intercreditor Agreement and the Agreed Security Principles, certain other Restricted Subsidiaries may provide a Note Guarantee in the future (the "*Additional Guarantors*" and, together with the Initial Guarantors, the "*Guarantors*"). The Note Guarantees will be joint and several obligations of the Guarantors.

The Note Guarantee of each Guarantor will:

- be a general senior subordinated obligation of that Guarantor, secured as set forth under "*—Security*";
- be subordinated in right of payment to that Guarantor's obligations in respect of any existing and future Senior Indebtedness, including its obligations under the Senior Facility Agreement and the Senior Secured Notes;
- rank *pari passu* in right of payment with any existing and future senior subordinated Indebtedness of that Guarantor;
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Note Guarantee;
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Note Guarantee or that is secured on a first-priority basis over property and assets that secure such Note Guarantee on a second-priority basis (including that Guarantor's guarantee of the Senior Secured Notes and Indebtedness Incurred under the Senior Facility Agreement or certain Hedging Obligations), to the extent of the value of the property and assets securing such other Indebtedness; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of such Guarantor that are not Guarantors, including obligations to trade creditors.

The obligations of a Guarantor under its Note Guarantee will be limited as necessary to prevent the relevant Note Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, "thin capitalization" rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by reference to the net assets and legal capital of the relevant Guarantor. Additionally, the Note Guarantees will be subject to certain corporate law procedures being complied with. The Note Guarantees will be further limited as required under the Agreed Security Principles which apply to and restrict the granting of guarantees and security in favor of obligations under the Revolving Facility and the Senior Notes where, among other things, any such grant would be restricted by general statutory or other legal limitations or requirements. By virtue of these limitations, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Senior Notes, or a Guarantor may have effectively no obligation under its Note Guarantee.

For the twelve months ended March 31, 2014, the Guarantors (other than the Senior Secured Notes Issuer and BidCo) represented 94.5% of the consolidated net sales, 95.7% of the total assets and 97.7% of the consolidated EBITDA of the Target and its Subsidiaries. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Senior Notes. The Senior Notes and each Note Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than the Guarantors) and minority stockholders of non-Guarantor

Restricted Subsidiaries (if any). As of March 31, 2014, after giving *pro forma* effect to the Transactions, the Issuer and its consolidated Subsidiaries would have had EUR 2.1 million of Indebtedness of Subsidiaries other than the Guarantors. Although the Senior Notes Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Senior Notes 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 Senior Notes Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

**Note Guarantees Release**

The Note Guarantee of a Guarantor will terminate and release upon:

- a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company), if the sale or other disposition does not violate the Senior Notes Indenture and the Guarantor ceases to be a Restricted Subsidiary of the Issuer as a result of the sale or other disposition;

- the sale or disposition (including by way of consolidation or merger) of all or substantially all the assets of the Guarantor (other than to the Issuer or any of its Restricted Subsidiaries), if the sale or other disposition does not violate the Senior Notes Indenture;

- the designation in accordance with the Senior Notes Indenture of the Guarantor as an Unrestricted Subsidiary;

- legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

- upon the release of the Guarantor's Note Guarantee under any Indebtedness that triggered such Guarantor's obligation to guarantee the Senior Notes under the covenant described in "*—Certain Covenants—Additional Guarantees*";

- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

- as described under "*—Amendments and Waivers*";

- in connection with the implementation of a Permitted Reorganization; or

- with respect to an entity that is not the successor Guarantor, as a result of a transaction permitted by "*—Certain Covenants—Merger and Consolidation—The Guarantors*."

The Trustee and the Security Agent shall take all necessary actions reasonably requested in writing by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee and the Security Agent without the consent of or liability to the Holders or any other action or consent on the part of the Trustee or the Security Agent.

***Subordination on the Basis of the Intercreditor Agreement***

The Note Guarantees are senior subordinated indebtedness, which means that, pursuant to the terms of the Intercreditor Agreement, the Note Guarantees rank behind, and are expressly subordinated to, all the existing and future Senior Indebtedness of the Guarantors, including any obligations under the Senior Facility Agreement and the Senior Secured Notes and any other indebtedness ranking *pari passu* therewith incurred after the Issue Date. The ability to take enforcement action against the Guarantors is subject to significant restrictions imposed by the Intercreditor Agreement, and potentially any Additional Intercreditor Agreements entered into after the Issue Date. In addition, the Note Guarantees and the collateral securing the Senior Notes and Note Guarantees are subject to release under certain circumstances, including, but not limited to, the sale of the Senior Secured Notes Issuer or BidCo pursuant to an enforcement of security over shares of the Senior Secured Notes Issuer or BidCo taken by the Security Agent acting at the direction of an instructing group of senior secured creditors. Because of the foregoing subordination provisions, it is likely that holders of Senior Indebtedness and other creditors (including trade creditors) of the Guarantors would recover disproportionately more than the holders of the Senior Notes recover in any insolvency or similar proceeding relating to

such entity. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Senior Notes after the repayment in full of all Senior Indebtedness. See "*Risk Factors—Risks Related to the Notes—The rights to enforce remedies with respect to certain Collateral securing the Senior Notes and the Senior Notes Guarantees are limited as long as any super senior or senior secured debt is outstanding*."

**Principal, Maturity and Interest**

On the Issue Date, the Issuer issued EUR 175 million in aggregate principal amount of Senior Notes. The Senior Notes will mature on June 15, 2022. The redemption price of the Senior Notes at the maturity date is 100.000%. The Senior Notes will be issued in minimum denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof.

***Interest***

Interest on the Senior Notes will accrue at the rate of 6.875% per annum. Interest on the Senior Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash semi-annually in arrears on June 15 and December 15 commencing on December 15, 2014;
- be payable to the holder of record of such Senior Notes on June 1 and December 1 immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

If the due date for any payment in respect of any Senior 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.

***Methods of Receiving Payments on the Senior Notes***

Principal, interest and premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the registered Holder thereof (being the common depositary or its nominee for Euroclear and Clearstream).

Principal, interest and premium, and Additional Amounts, if any, on any certificated securities ("*Definitive Registered Notes*") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in the City of London. In addition, interest on the Definitive Registered Notes may be paid, at the option of the Issuer, by check mailed to the address of the Holder entitled thereto as shown on the register of Holders of Senior Notes for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Senior Notes*" below.

***Paying Agent and Registrar for the Senior Notes***

The Issuer will maintain one or more Paying Agents for the Senior Notes in the City of London (including the initial Paying Agent). The Issuer will also undertake to maintain a Paying Agent in a European Union member state that will not be obligated to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC (as amended) or any other directive implementing the conclusions of the ECOFIN meeting of November 26 and 27, 2000 regarding the taxation of savings income (the "*Directive*"), or any law implementing or complying with or introduced in order to conform to, such Directive. The initial Paying Agent will be Deutsche Bank AG, London Branch (the "*Paying Agent*").

The Issuer will also maintain a registrar (the "*Registrar*") and a transfer agent (the "*Transfer Agent*"). The initial Registrar will be Deutsche Bank Luxembourg S.A. and the initial Transfer Agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of the Senior Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Senior Notes on behalf of the Issuer. A register of the Senior Notes shall be maintained at the registered office of the Issuer. In case of inconsistency between the register of the Senior Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Issuer shall prevail.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Senior Notes without prior notice to the Holders of such Senior Notes. However, for so long as Senior Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notice

of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*). The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Senior Notes.

**Transfer and Exchange**

The Senior Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- the Senior Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*144A Global Notes*"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream; and

- the Senior Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*Regulation S Global Notes*" and, together with the 144A Global Notes, the "*Global Notes*"). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "*144A Book- Entry Interests*") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "*Regulation S Book-Entry Interests*") denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Senior Notes Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Senior Notes Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book- Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of EUR 100,000 principal amount, and integral multiples of EUR 1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Senior Notes Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Senior Notes Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of EUR 100,000 in principal amount and integral multiples of EUR 1,000 in excess thereof. In connection with any such transfer or exchange, the Senior Notes Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements

and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and the Transfer Agent are not required to register the transfer or exchange of any Senior Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Senior Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Senior Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Senior Note as the owner thereof for all purposes.

**Escrow of Proceeds; Special Mandatory Redemption**

Concurrently with, or prior to, the closing of this offering of Senior Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the initial purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of this offering of the Senior Notes sold on the Issue Date into the Escrow Account. The Escrow Account, together with the Escrowed Property, will be pledged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Senior Notes, pursuant to an escrow charge dated the Issue Date between the Issuer, the Escrow Agent and the Trustee (the "*Escrow Charge*"). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds released in accordance with the Escrow Agreement) are referred to, collectively, as the "*Escrowed Property*."

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall rely, without further investigation, to the effect that:

- the security documents, legal opinions, certificates and other documents substantially in the form as those attached as appendices to the Escrow Agreement (or in the form as agreed between the Issuer and the initial purchasers following the date thereof) will be delivered in accordance with the terms of the Escrow Agreement;

- the Equity Contribution has been made, and the Acquisition is required to be completed on the terms set forth in the Acquisition Agreement, promptly following release of the Escrowed Property, except for any changes or other modifications that will not, individually or when taken as whole, have a materially adverse effect on the holders of the Senior Notes;

- immediately after consummation of the Acquisition, the Issuer will own, directly or indirectly, the entire share capital of the Target (subject to notarization of the share transfer if required); and

- as of the Completion Date, there is no Default or Event of Default under clause (5) of the first paragraph under the heading titled "*Events of Default*."

Upon the Release, the balance of the Escrow Account shall be reduced to zero, and the Escrowed Property shall be released in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, (d) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Issuer or (e) a Default or Event of Default arises under clause (5) of the first paragraph under the heading titled "*Events of Default*" below on or prior to the Escrow Longstop Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem all

of the Senior Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the aggregate issue price of the Senior Notes, plus accrued but unpaid interest from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and Additional Amounts, if any.

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than two Business Days following the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Senior Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Senior Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, a Permira V Fund will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Senior Notes, pursuant to a guarantee it will provide. In the alternative, a Permira V Fund shall deposit in the applicable Escrow Account on the Issue Date an amount equal to the accrued and unpaid interest through the Escrow Longstop Date. See "*Risk Factors—Risks Related to the Transactions—If the conditions to the escrow are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes*."

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Senior Notes a security interest over the Escrow Account and the Escrowed Property. Receipt by the Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption (*provided* funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Senior Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

**Security**

***General***

On the Issue Date, the Senior Notes will be secured by a first-ranking security interest in the Escrowed Property (the "*Issue Date Collateral*").

On the Completion Date, subject to the terms of the security documents, the Senior Notes will be secured by second-priority security interests (subject to the provisions of the Intercreditor Agreement) over the share capital of the Senior Secured Notes Issuer and BidCo and the Issuer's receivables owing from the Senior Secured Notes Issuer, including under the Senior Notes Proceeds Loan (collectively, the "*Completion Date Collateral*" and, together with the Issue Date Collateral, the "*Collateral*").

The assets that comprise the Completion Date Collateral will also secure on a first-ranking basis the Senior Secured Notes, the Revolving Facility and certain Hedging Obligations.

Notwithstanding the foregoing and the provisions of the covenant described below under "*—Certain Covenants—Limitation on Liens*," certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles.

As described above, the Completion Date Collateral will also secure the liabilities under the Senior Secured Notes, the Revolving Facility, certain Hedging Obligations and any Additional Senior Notes and may also secure certain future Indebtedness. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the holders of the Senior Notes. No appraisals of the Collateral have been made in connection with this issuance of Senior Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all.

***Priority***

The relative priority with regard to the security interests in the Completion Date Collateral that are created by the Security Documents (the "*Security Interests*" and each, a "*Security Interest*") as between (a) the lenders under the

Revolving Facility, (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Security Agent and the Holders of the Senior Secured Notes under the Senior Secured Notes Indenture, (d) the Trustee, the Security Agent and the Holders of the Senior Notes under the Senior Notes Indenture and (e) the creditors of certain other Indebtedness permitted to be secured by the Completion Date Collateral, respectively, is established by the terms of the Intercreditor Agreement, the Revolving Facility, the Senior Secured Notes Indenture, the Senior Notes Indenture, the Security Documents and the security documents relating to the Revolving Facility and such Hedging Obligations, which provide, among other things, that the obligations under the Revolving Facility, certain Hedging Obligations and the Senior Secured Notes are secured equally and ratably by first priority Security Interests over the Completion Date Collateral and the Senior Notes are secured by second priority Security Interests over the Completion Date Collateral. In addition, pursuant to the Intercreditor Agreements or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See "*—Release of Liens*," "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*."

***Security Documents***

Under the Security Documents, the Issuer and the Initial Guarantors have granted, or will grant, security over the Collateral to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Senior Notes, the Note Guarantees and the Senior Notes Indenture. The Security Documents have been, or will be, entered into by the relevant security provider and the Security Agent as agent for the secured parties. When entering into the Security Documents, the Security Agent has acted in its own name, but for the benefit of the secured parties (including itself, the Trustee and the holders of Senior Notes from time to time). Under the Intercreditor Agreement, the Security Agent will also act as an agent of the lenders under the Revolving Facility and the counterparties under certain Hedging Obligations created in favor of such parties.

The Senior Notes Indenture and the Intercreditor Agreement provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the holders of the Senior Notes. As a consequence of such contractual provisions, holders of the Senior Notes will not be entitled to take enforcement action in respect of the Collateral securing the Senior Notes, except through the Trustee under the Senior Notes Indenture, who will (subject to the provisions of the Senior Notes Indenture) provide instructions to the Security Agent in respect of the enforcement of the Collateral.

The Senior Notes Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Senior Notes and the Senior Notes Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Senior Notes and the Senior Notes Indenture have been discharged. However, the Security Interests with respect to the Senior Notes and the Senior Notes Indenture may be released under certain circumstances as provided under "*—Release of Liens*."

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents.

Subject to the terms of the Senior Notes Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Senior Notes, to freely operate the property and assets constituting Collateral and to collect, invest and dispose of any income therefrom (including any and all dividends, distributions or similar cash and non-cash payments in respect of Capital Stock of the Guarantors that is part of the Collateral).

***Enforcement of Security Interest***

The Senior Notes Indenture and the Intercreditor Agreement restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Revolving Facility, certain hedge counterparties or holders of the Senior Notes or the Senior Secured Notes. In general, the rights of the Security Agent (acting on its behalf or on behalf of the holders of the Senior Notes) to take enforcement action under the Security Documents in respect of the Completion Date Collateral are subject to certain standstill provisions, payment blockage and other limits on enforcement. The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Senior Notes Indenture and the Intercreditor Agreement.

The creditors under the Revolving Facility, the counterparties to Hedging Obligations secured by the Collateral, the holders of the Senior Secured Notes and the Trustee have, and by accepting a Senior Note, each Holder will be deemed to have, appointed the Security Agent to act as their respective agent under the Intercreditor Agreement and the

security documents securing such Indebtedness, including the Security Documents. The creditors under the Revolving Facility, the holders of Senior Secured Notes, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have, and by accepting a Senior Note, each Holder will be deemed to have, authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the relevant Security Agent on its behalf.

***Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound***

The Senior Notes Indenture will provide that it will be subject to the provisions of the Intercreditor Agreement and that the Issuer and the Trustee will be authorized (without any further consent of the holders of the Senior Notes) to enter into the Intercreditor Agreement and to give effect to its provisions.

The Senior Notes Indenture will also provide that each holder of the Senior Notes, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*."

***Release of Liens***

The Issuer and its Subsidiaries will be entitled to release the Security Interests in respect of the Collateral under any one or more of the following circumstances:

(1) other than the existing Security Interest in respect of shares of Capital Stock of the Issuer, in connection with any sale or other disposition of Collateral to a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*—Certain Covenants—Limitation on Sale of Assets and Subsidiary Stock*" or is otherwise permitted in accordance with the Senior Notes Indenture;

(2) in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the Senior Notes Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and Waivers*";

(4) upon payment in full of principal, interest and all other obligations on the Senior Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Notes Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary;

(6) the implementation of a Permitted Reorganization;

(7) in connection with the granting of Liens on such property or assets, which may include Collateral, or the sale or transfer of such property or assets, which may include Collateral, in each case pursuant to a Qualified Receivables Financing; or

(8) as otherwise permitted in accordance with the Senior Notes Indenture.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*—Certain Covenants—Impairment of Security Interest*."

The Security Agent and the Trustee will take all necessary action reasonably requested in writing by the Issuer to effectuate any release of Collateral securing the Senior Notes and the Note Guarantees, in accordance with the provisions of the Senior Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document subject to any customary protections and indemnifications. Each of the releases set forth above shall be effected by the relevant Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release).

**Optional Redemption**

Except as described below and except as described under "*—Redemption for Taxation Reasons,*" the Senior Notes are not redeemable until June 15, 2017.

On and after June 15, 2017, the Issuer may otherwise redeem all or, from time to time, part of the Senior Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

| Year | Redemption Price |
|---|---|
| 2017 | 105.156% |
| 2018 | 103.438% |
| 2019 | 101.719% |
| 2020 and thereafter | 100.000% |

Prior to June 15, 2017, the Issuer may on any one or more occasions redeem in the aggregate up to 40% of the original principal amount of the Senior Notes issued under the Senior Notes Indenture (including the original principal amount of any Additional Senior Notes), upon not less than 10 or more than 60 days' notice, with funds in an aggregate amount (the "*Redemption Amount*") not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price (expressed as a percentage of principal amount) of 106.875% plus the interest rate applicable to such Senior Notes so redeemed as of the date of the applicable redemption notice, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 60% of the original principal amount of the Senior Notes (including the original principal amount of any Additional Senior Notes) issued under the Senior Notes Indenture remain outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

In addition, prior to June 15, 2017, the Issuer may redeem all or, from time to time, a part of the Senior Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Senior Notes, as the case may be, plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

"*Applicable Premium*" means, with respect to any Senior Note on any redemption date prior to June 15, 2017, the greater of:

x) 1% of the principal amount of such Senior Note; and

y) the excess (to the extent positive) of:

a. the present value at such redemption date of (i) 105.156% of the principal amount of such Senior Notes, plus (ii) the Deemed Interest Payments due on such Senior Note from the commencement of the

current Interest Period to and including, June 15, 2017, computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

b. the outstanding principal amount of such Senior Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of Applicable Premium shall not be an obligation or duty of the Trustee or any Agent.

"*Bund Rate*" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Board of Directors or an Officer of the Issuer) most nearly equal to the period from the redemption date to June 15, 2017; *provided*, *however*, that if the period from the redemption date to June 15, 2017 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to June 15, 2017 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

***General***

We may repurchase the Senior Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under "*—Selection and Notice*."

If the Issuer effects an optional redemption of Senior Notes, it will, for so long as Senior Notes are listed on any securities exchange and the rules of such an exchange so require, inform the exchange of such optional redemption and confirm the aggregate principal amount of Senior Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Senior Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Senior Notes will be subject to redemption by the Issuer.

In connection with any redemption of Senior Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

***Sinking Fund***

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Senior Notes.

***Selection and Notice***

If less than all of the Senior Notes are to be redeemed at any time, the Paying Agent or the Registrar will select Senior Notes for redemption on a *pro rata* basis or in accordance with the procedures of Clearstream or Euroclear (as applicable), unless otherwise required by law or applicable stock exchange or depository requirements. Neither the Paying Agent nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

For so long as the Senior Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Luxembourg Stock Exchange and in addition for such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders of the Senior Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be sent in accordance with the rules and procedures of the Clearstream or Euroclear (as applicable). On and after the redemption date, interest ceases to accrue on the Senior Notes or the part of the Senior Notes called for redemption.

If any Senior Note is to be redeemed in part only, the notice of redemption that relates to that Senior Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new

Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Senior Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior Notes or portions of Senior Notes called for redemption.

**Redemption for Taxation Reasons**

The Issuer may redeem the Senior Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders of the Senior Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "*—Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice)

(each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"), a Payor (as defined below) is, or on the next interest payment date in respect of the Senior Notes would be, required to pay Additional Amounts with respect to the Senior Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be publicly announced and become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Senior Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Senior Notes Indenture, with respect to a change or amendment occurring after the time such successor Person becomes a party to the Senior Notes Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "*—Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of the Senior Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that the Payor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

**Withholding Taxes**

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "*Payor*") in respect of the Senior Notes or with respect to any Note Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Senior Note is made or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction in which a Payor is incorporated or organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax

(each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"), will at any time be required by law to be made from any payments made by or on behalf of the Payor or the relevant Paying Agent with respect to any Senior Note or any Note Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments, after such withholding, or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Senior Note or the receipt of any payment or the exercise or enforcement of rights under such Senior Note, the Senior Notes Indenture, a Note Guarantee, the Intercreditor Agreement, any Additional Intercreditor Agreement or a Security Document;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Senior Note to comply with a reasonable written request of the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of the Senior Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Senior Note been presented on the last day of such 30 day period);

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Senior Notes or with respect to any Note Guarantee;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(6) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the Directive, the Agreement between the European Community and the Swiss Confederation dated October 26, 2004 providing for measures equivalent to those laid down in the Directive (the "Swiss Agreement") or any law implementing, or complying with, or introduced in order to conform to the, such Directive or the Swiss Agreement;

(7) any Taxes imposed in connection with a Senior Secured Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Taxes by presenting the relevant Senior Secured Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(8) where such withholding or deduction is required pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto;

(9) any Taxes that are required to be deducted or withheld on a payment by a Guarantor incorporated in Switzerland and/or having its registered office in Switzerland and/or qualifying as a Swiss resident pursuant to art 9 of the

Swiss Withholding Tax Act (a "Swiss Guarantor") as Swiss withholding tax under the Swiss Federal Act on the Withholding Tax of 13 October 1965 (Bundesgesetz über die Verrechnungssteuer);

(10) any Taxes payable pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, in particular, the principle to have a person other than the Issuer withhold or deduct tax;

(11) any Taxes payable pursuant to an agreement between Switzerland and another country on final withholding taxes levied by Swiss paying agents in respect of persons resident in the other country on income of such person on Notes booked or deposited with a Swiss paying agent (*Abgeltungssteuer*); or

(12) any combination of the items (1) through (11) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Senior Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner directly held such Senior Notes.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld to each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the relevant Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Senior Note or any Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Senior Notes Indenture, the Senior Notes or this "*Description of the Senior Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Senior Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Senior Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and indemnify the Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, registration, enforcement of, or receipt of payments with respect to any Senior Notes, any Note Guarantee, the Senior Notes Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Senior Notes after this issuance of Senior Notes).

The foregoing obligations will survive any termination, defeasance or discharge of the Senior Notes Indenture, any transfer by a Holder or beneficial owner, and will apply mutatis mutandis to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Senior Notes (or any Note Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

**Change of Control**

If a Change of Control occurs, subject to the terms of the covenant described under this heading "*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to EUR 100,000 or integral multiples of EUR 1,000 in excess thereof, if applicable; *provided* that Senior Notes of EUR 100,000 or less may only be redeemed in whole and not in part) of such Holder's Senior Notes at a purchase price in cash equal to 101% of the principal amount of the Senior Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obligated to repurchase any Senior Notes as described under this heading, *"Change of Control*," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Senior Notes and given notice of redemption as described under "*—Optional Redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Senior Notes and given notice of redemption as described under "*—Optional Redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "*Change of Control Offer*") to each Holder of any such Senior Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Senior Notes at a purchase price in cash equal to 101% of the principal amount of such Senior Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) stating that any Senior Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Senior Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Senior Notes Indenture, that a Holder must follow in order to have its Senior Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Senior Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Senior Notes or portions of the Senior Notes being purchased by the Issuer in the Change of Control Offer.

A Holder willing to tender Senior Notes into the Change of Control Offer shall notify its account manager of its election, who shall in turn notify the Paying Agent and the Trustee of such Holder's election. Once such tender has been accepted by the Issuer and notified to the Paying Agent, the Paying Agent shall promptly credit the bank account of such Holder the Change of Control Payment for such Senior Notes so tendered and deduct the corresponding amount from such Holder's Euroclear or Clearstream (as applicable) account.

For so long as the Senior Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notice of redemption in accordance with the prevailing rules of the Luxembourg Stock Exchange and in addition for such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders of the

Senior Notes by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be sent in accordance with the rules and procedures of Euroclear or Clearstream (as applicable).

Except as described above with respect to a Change of Control, the Senior Notes Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Senior Notes in the event of a takeover, recapitalization or similar transaction. Holders' right to require the Issuer to repurchase Senior Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Notes Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Senior Notes Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Senior Notes Indenture by virtue of such compliance.

The Issuer's ability to repurchase Senior Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness at the option of each lender under the Revolving Facility and would obligate the Senior Secured Notes Issuer to make an offer to holders thereof to repurchase any Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof.

Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Senior Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of "Change of Control" includes a disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Senior Notes as described above.

The provisions of the Senior Notes Indenture relating to the Issuer's obligation to make an offer to repurchase the Senior Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding principal amount of the Senior Notes.

**Certain Covenants**

***Limitation on Indebtedness***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would have been at least 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("*Permitted Debt*"):

(1) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) EUR 100 million, *plus* the greater of EUR 25 million and 3.9% of Total Assets, *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing; *provided*, *however*, that, upon the completion of (x) the disposal of all or substantially all of the Acetyls Business and (y) the making of a dividend pursuant to clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*," the maximum aggregate principal amount of Indebtedness permitted to be outstanding pursuant to this clause (1) at any time shall be reduced by a percentage equal to a fraction of which (x) the numerator is the Consolidated EBITDA of the Acetyls Business for the period of the four most recent fiscal quarters ending prior to such completion date and (y) the denominator is the Consolidated EBITDA of the Issuer, including the Acetyls Business, for the period of the four most recent fiscal quarters ending prior to such completion date; *provided further* that the Issuer or such Restricted Subsidiary shall repay and retire any Indebtedness Incurred pursuant to this clause (1) outstanding on such completion date in excess of the adjusted amount permitted to be outstanding in accordance with the preceding proviso following such completion date and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed;

(2) (a) 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 to be Incurred by another provision of this covenant; *provided* that, if the Indebtedness being guaranteed is subordinated to the Senior Notes or a Note Guarantee, then the guarantee must be subordinated to the Senior Notes or such Note Guarantee to the same extent as the Indebtedness being guaranteed; or (b) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Senior Notes Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is a Restricted Subsidiary that is not a Guarantor, such Indebtedness is unsecured and, ((i) except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Restricted Subsidiaries and (ii) to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)), expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;

(4) (a) Indebtedness represented by Senior Notes (other than any Additional Senior Notes) and the related Note Guarantees;

(b) any Indebtedness of the Issuer and its Restricted Subsidiaries (other than Indebtedness Incurred under the Revolving Facility or Indebtedness described in clause (3) of this paragraph) outstanding on the Issue Date (including the Senior Secured Notes and related Guarantees) after giving effect to the Transactions and any other Indebtedness of the Target and its subsidiaries outstanding on the Issue Date after giving pro forma effect to the Transactions;

(c) any Guarantees of Senior Secured Notes (other than any Additional Senior Secured Notes);

(d) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4)(a), (4)(b), (4)(c) and (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant; and

(e) Management Advances.

(5) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or a 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; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related Incurrence of Indebtedness, either (x) the Issuer would have been able to Incur EUR 1.00 of additional Indebtedness pursuant to clause (1) of the first paragraph of this covenant or (y) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time the greater of EUR 10 million and 1.6% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added tax ("*VAT*") or other tax 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 in respect of any governmental requirement, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement; *provided*, *however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from the Acquisition Agreement and Indebtedness arising from agreements providing for customary 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); *provided* that, in connection with a disposition, the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(d) Indebtedness Incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of EUR 35 million and 5.5% of Total Assets;

(12) Indebtedness Incurred in a Qualified Receivables Financing;

(13) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) 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 Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, an Excluded Contribution or an Excluded Amount) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, an Excluded Contribution or an Excluded Amount) of the Issuer, in each case, subsequent to the Issue Date other than the Equity Contribution; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" in reliance thereon; and

(14) Indebtedness Incurred under local overdraft and other local Credit Facilities and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding EUR 20 million;

*provided*, *however*, that no more than EUR 35 million of Indebtedness at any time outstanding may be Incurred by a Restricted Subsidiary which is not a Guarantor under clauses (7), (11) and (14) 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) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding under the Revolving Facility on the Completion Date shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant, and Indebtedness incurred under clause (1) of the second paragraph of this covenant may not be reclassified;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (13) or (14) 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;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "*—Limitation on Indebtedness*." 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, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "*—Limitation on Indebtedness*," the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any EUR-denominated restriction on the Incurrence of Indebtedness, the EUR Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower EUR Equivalent), in the case of Indebtedness Incurred under a Credit Facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than EUR, and such refinancing would cause the applicable EUR-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such EUR-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of Refinancing Indebtedness; (b) the EUR-Equivalent of the principal amount of any such Indebtedness (i) outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date and (ii) of the Target and its Restricted Subsidiaries outstanding on the Completion Date shall be calculated based on the relevant currency exchange rate in effect on the Completion Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the EUR) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in EUR will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Neither the Issuer nor any Guarantor will Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless (a) in the case of the Issuer, such Indebtedness is also contractually subordinated in right of payment to the Senior Notes on substantially identical terms or (b) in the case of any Guarantor, such Indebtedness is *pari passu* in right of payment with the Note Guarantee of the Senior Notes; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

***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 other payment or 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 or in Subordinated Shareholder Funding; 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, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary of the Issuer (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "*Restricted Payment*"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Issuer is not able to Incur an additional EUR 1.00 of Indebtedness pursuant to clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Completion Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10), (11), (15) or (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately after the Completion Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, *minus* 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Completion Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Completion Date (other than (v) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (w) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (x) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Completion Date of any

Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (*plus* the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary upon such conversion or exchange); but excluding (w) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Company, (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (y) Excluded Contributions; and

(iv) (a) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Completion Date (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) or (b) upon the full and unconditional release of a Restricted Investment that is a Guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person after the Completion Date, an amount equal to the amount of such Guarantee;

(v) in the event that an Unrestricted Subsidiary is designated as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of the amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "Permitted Investment"; and

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Completion Date from an Unrestricted Subsidiary,

*provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in any of the foregoing clauses (iv), (v) or (vi).

Notwithstanding the foregoing, any amounts (such amounts, the "*Excluded Amounts*") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clause (ii) of the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of Net Cash Proceeds or property or assets or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control pursuant to the definition thereof, (2) the purpose, or effect of, the receipt of such Net Cash Proceeds or property or assets or marketable securities was to repay Indebtedness to reduce the Consolidated Leverage Ratio of the Issuer so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such Net Cash Proceeds or property or assets or marketable securities and (3) no Change of Control Offer is made in accordance with the requirements of the Indenture.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by an officer of the Issuer, or, if such fair market value exceeds EUR 10 million, by the Board of Directors.

The foregoing provisions will not prohibit any of the following (collectively, "*Permitted Payments*"):

(1) any Restricted Payment 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 or issuance (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock, Designated Preference Shares or an Excluded Amount), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or an Excluded Amount) of the Issuer; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness: (a) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*," but only (i) if the Issuer shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Senior Notes tendered pursuant to any offer to repurchase all the Senior Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; (b) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Issuer shall have first complied with the terms described under "*—Change of Control*" and purchased all Senior Notes tendered pursuant to the offer to repurchase all the Senior Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within, or redemption or repurchase consummated within, 60 days after the date of declaration or the giving of the redemption or repayment notice if at such date of declaration or notice such dividend or redemption or repayment, as the case may be, would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent or Special Purpose Vehicle to permit any Parent or Special Purpose Vehicle to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (x) EUR 7.5 million, *plus* EUR 2 million multiplied by the number of calendar years that have commenced since the Issue Date, plus (y) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof) plus (z) the Net Cash Proceeds from key man life insurance policies, to the extent such Net Cash Proceeds in (y) and (z) are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant and are not Excluded Contributions or Excluded Amounts;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments of fees and expenses Incurred (i) in connection with the Transactions or (ii) to the extent specified in clauses (2), (3), (5) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions or Excluded Amounts) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (i) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.0 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that in the case of this clause (ii) after giving *pro forma* effect to such loans, advances, dividends and distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.5 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of EUR 30 million and 4.7% of Total Assets;

(12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent 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 or an Officer of the Issuer);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or an Excluded Amount or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any Restricted Payment; *provided* that, on the date of any such Restricted Payment, the Consolidated Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 3.0 to 1.0 on a *pro forma* basis after giving effect thereto;

(18) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the

Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares); *provided however*, that the total aggregate amount of Restricted Payments made under this clause (18) does not exceed EUR 10 million in any calendar year (with unused amounts in any calendar year being carried over in the next two succeeding calendar years);

(19) [Reserved];

(20) any dividends, distributions or other payments to any Parent or Unrestricted Subsidiary to the extent that such dividends, distributions or payments are made in order to carry out group contributions under the tax laws or regulations of an applicable jurisdiction;

(21) Restricted Payments made with the net cash proceeds received from the disposal of all or substantially all of the Acetyls Business, provided that on the date thereof, the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 4.75 to 1.0 on a *pro forma* basis after giving effect thereto and the use of proceeds thereof (including the payment of any dividend); and

(22) the repayment, upon the Release, of any amounts pre- funded by the Initial Investors or their Affiliates into the Escrow Account.

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 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 Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Senior Notes and the Senior Notes Indenture are directly secured, subject to the Agreed Security Principles, equally and ratably with, junior to, in the case of Liens with respect to Senior Indebtedness, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Senior Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

***Limitation on Restrictions on Distributions from Restricted Subsidiaries***

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(b) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary,

*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 to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Facility) and any other agreement or instrument, in each case, in effect at or entered into on the Issue Date (including, without limitation, the Acquisition Agreement), (b) the Senior Secured Notes Indenture, the Senior Secured Notes, the Senior Notes Indenture, the Senior Notes, the Intercreditor Agreement or the Security Documents or (c) any other agreement or instrument with respect to the Target or any of its Subsidiaries, in each case, in effect on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the 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 entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company (as defined under "*—Merger and Consolidation*"), 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 Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(4) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, charges, pledges or other security agreements permitted under the Senior Notes Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Senior Notes Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges 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;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Senior Notes Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (c) of the preceding paragraph or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority or any governmental licenses, concessions, franchises or permits, including restrictions or encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers or suppliers, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements or policies entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if (A) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Senior Notes than (i) the encumbrances and restrictions contained in the Revolving Facility, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Issuer) or (B) the Issuer determines at the time of the Incurrence of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Senior Notes or (b) constitutes an Additional Intercreditor Agreement;

(12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or an Officer of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing; or

(13) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*."

***Limitation on Sales of Assets and Subsidiary Stock***

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the assets sold (as determined by the Issuer's Board of Directors); and

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(a) cash (including any Net Cash Proceeds received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);

(b) Cash Equivalents;

(c) the assumption by the purchaser of (x) any liabilities of the Issuer or its Restricted Subsidiaries recorded on the Issuer's consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Disposition;

(d) Replacement Assets;

(e) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor, and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(g) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of EUR 15 million and 2.3% of Total Assets (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(h) a combination of the consideration specified in clauses (a) through (g) of this clause (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash of the Asset Disposition, within 395 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Issuer or such Restricted Subsidiary to:

(1) (i) prepay, repay, purchase or redeem any Senior Indebtedness of the Issuer or a Restricted Subsidiary or any Refinancing Indebtedness in respect thereof; *provided, however*, that, in connection with any prepayment, repayment, purchase or redemption of term Indebtedness Incurred pursuant to this clause (i), the Issuer or such Restricted Subsidiary will retire such term Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed; (ii) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidary of the Issuer that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary); or (iii) prepay, repay, purchase or redeem any Pari Passu Indebtedness (other than Indebtedness owed to the Issuer or any Restricted Subsidiary); *provided* that the Issuer shall prepay, repay, purchase or redeem Pari Passu Indebtedness pursuant to this clause (iii) only if the Issuer makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Senior Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Senior Notes equal to the proportion that (x) the total aggregate principal amount of Senior Notes outstanding bears to (y) the total aggregate principal amount of the Senior Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness (other than the Senior Notes);

(2) purchase Senior Notes pursuant to an offer to all Holders of the Senior Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) make a Restricted Payment pursuant to clause (21) of the fourth paragraph of the covenant described under "— *Limitation on Restricted Payments";*

(8) consummate any combination of the foregoing; or

(9) enter into a binding commitment to apply the Net Available Cash pursuant to clause (1), (3), (4), (5) or (6) of this paragraph or a combination thereof; *provided* that, a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 395 day period, if the investment has not been consummated by that date.

The amount of such Net Available Cash not so used as set forth in this paragraph constitutes "*Excess Proceeds*." Pending the final application of any such Net Available Cash, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Senior Notes Indenture. On the 396th day after an Asset Disposition or such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds EUR 15 million, the Issuer will be required within 10 Business Days thereof to make an offer ("*Asset Disposition Offer*") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Senior Notes and any such Pari Passu

Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Senior Notes in an amount equal to (and, in the case of any such Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Senior Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Senior Notes Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, in minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof (if applicable).

To the extent that the aggregate amount of Senior Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Senior Notes Indenture. If the aggregate principal amount of the Senior Notes surrendered in any Asset Disposition Offer by Holders and such other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Senior Notes and such Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Senior Notes and such Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in EUR, such Indebtedness shall be calculated by converting any such principal amounts into their EUR Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Senior Notes is denominated in a currency other than the currency in which the Senior Notes are denominated, the amount thereof payable in respect of such Senior Notes shall not exceed the net amount of funds in the currency in which such Senior Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Senior Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Issuer will purchase the principal amount of Senior Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Senior Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer. On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Senior Notes and Pari Passu Indebtedness or portions of Senior Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Senior Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof (if applicable). The Issuer will deliver to the Trustee an Officer's Certificate stating that such Senior Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Paying Agent shall deliver to the holders of Senior Notes the purchase price of Senior Notes validly tendered and not withdrawn and arrange for the deduction of the appropriate amounts of Senior Notes from such Holder's account with Euroclear or Clearstream (as applicable). Any Senior Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Notes pursuant to the Senior Notes Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Senior Notes Indenture by virtue of such compliance.

***Limitation on Affiliate Transactions***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate value in excess of EUR 5 million 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 on an arm's length basis 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;

(2) in the event such Affiliate Transaction involves an aggregate value in excess of EUR 12.5 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; and

(3) in the event such Affiliate Transaction involves an aggregate consideration in excess of EUR 20 million, the Issuer has received a written opinion (a "*Fairness Opinion*") from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*," any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under "*—Limitations on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2) and (11) of the definition thereof);

(2) any issuance, transfer 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, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary in connection with a Qualified Receivables Financing;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary of the Issuer or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) (i) the Transactions, (ii) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) under the terms of any transaction pursuant to or contemplated by, 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, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an officer 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 in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate (other than an Unrestricted Subsidiary) of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the

Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Senior Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;

(11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed EUR 2 million per year and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital market transactions, acquisitions or divestitures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by a majority of the Board of Directors of the Issuer in good faith;

(12) any transactions which the Issuer or a Restricted Subsidiary delivers a written letter or opinion to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable that might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(13) pledges of Capital Stock of Unrestricted Subsidiaries; and

(14) any transaction effected as part of a Qualified Receivables Financing.

***Reports***

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

(1) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ending December 31, 2014, annual reports containing: (i) an operating and financial review of the audited financial statements, including a discussion of the financial condition and results of operations, and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies of the Issuer; (ii) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (other than the Acquisition and unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; (v) a description of material risk factors and material subsequent events and (vi) Consolidated EBITDA; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) within 60 days (or, in the case of the fiscal quarter ending June 30, 2014, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Issuer, beginning with the quarter ending June 30, 2014, unaudited quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates (other than the Acquisition and *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials); (iii) an

operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, Consolidated EBITDA and material changes in liquidity and capital resources of the Issuer; (iv) a discussion of material changes in material debt instruments since the most recent report and (v) material subsequent events and any material changes to the risk factors disclosed in the most recent annual report; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition (other than the Acquisition), disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Senior Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Senior Notes copies of all reports furnished to the Trustee on the Issuer's website. All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. To the extent comparable prior period financial information of the Senior Notes Issuer does not exist, the comparable prior period financial information of the Target and its Subsidiaries may be provided in lieu thereof. No report need include separate financial statements for any Subsidiaries of the Issuer. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles. At any time that any of the Issuer's subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "Reports" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

All reports provided pursuant to this "Reports" covenant shall be made in the English language.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

***Merger and Consolidation***

*The Issuer*

The Issuer will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada or Switzerland and the Successor Company (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Senior Notes and the Senior Notes Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having

been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Issuer or the Successor Company would be able to Incur at least an additional EUR 1.00 of Indebtedness pursuant to clause (1) of the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio for the Issuer or the Successor Company for the most recently ended four full fiscal quarters for which financial statements are available immediately preceding the date on which the transaction is consummated would not be less than it was immediately prior to giving effect to such transaction; and

(4) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Senior Notes Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Senior Notes Indenture but in the case of a lease of all or substantially all of its assets, the predecessor company will not be released from its obligations under the Senior Notes Indenture or the Senior Notes.

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 properties or assets of a Person.

*The Guarantors*

No Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of the Senior Notes Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) may:

(1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it unless:

A. the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor substantially concurrently with such consolidation, merger, sale assignment, conveyance, transfer, lease or other disposal;

B. (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee and the Senior Notes Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable; and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

C. the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Senior Notes Indenture

*provided however*, that the prohibition in clauses (1), (2) and (3) above shall not apply to the extent that compliance with clauses (A) and (B)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses.

The provisions set forth in this "Merger and Consolidation" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not a Guarantor; (ii) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Senior Notes, the Senior Notes Indenture, the Intercreditor, any Additional Intercreditor Agreement and the Security Documents and clauses (1) and (4) under the heading "*—The Issuer*" shall apply to such transaction; (iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided*, however, that clauses (1), (2) and (4) under the heading "*—The Issuer*" or clause (3) under the heading "*—The Guarantors*," as the case may be, shall apply to any such transaction; or (v) the disposal of all or substantially all of the Acetyls Business; if the conditions set out in clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" have been satisfied.

***Suspension of Covenants on Achievement of Investment Grade Status***

If on any date following the Issue Date, the Senior Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until such time, if any, at which the Senior Notes cease to have Investment Grade Status (the "*Reversion Date*"), the provisions of the Senior Notes Indenture summarized under the following captions will not apply to the Senior Notes:

(1) "*—Limitation on Restricted Payments*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";

(4) "*—Limitation on Affiliate Transactions*";

(5) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(6) "*—Limitation on Additional Guarantees*"; and

(7) the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and Consolidation—The Issuer*,"

and, in each case, any related default provision of the Senior Notes Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Senior Notes Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*." In addition, the Senior Notes Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Senior Notes cease to

have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Senior Notes no longer having an Investment Grade Status. The Issuer shall notify the Trustee in writing that the conditions set forth in the first paragraph under this caption has been satisfied; *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. There can be no assurance that the Senior Notes will ever achieve or maintain an Investment Grade Status.

***Impairment of Security Interest***

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the paragraph below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral.

Notwithstanding the foregoing, (i) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged and released in accordance with the Senior Notes Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement; (ii) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein; (iii) the Issuer and its Restricted Subsidiaries may discharge and release Security Interests with respect to the Collateral in connection with the implementation of a Permitted Reorganization and (iv) the Security Interest and the related Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets); *provided, however*, that in the case of clause (i) and (iv) above, except with respect to any discharge or release in accordance with the Senior Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee, which confirms the solvency of the person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction) consent to such amendments without the need for instructions from the Holders.

***Limitation on Additional Guarantees***

Notwithstanding anything to the contrary in this covenant, no Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the Revolving Facility, any Credit Facility or any other Public Debt, in each case, of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor on the date on which such Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Senior Notes Indenture pursuant to which such Restricted Subsidiary will provide an Note Guarantee; *provided, however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Note Guarantee is contrary to the Agreed Security Principles or could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes, including any Swiss withholding taxes; *provided*, that in the case of Swiss withholding taxes, the Issuer has used commercially reasonable efforts to obtain a ruling providing that no withholding taxes are payable under the applicable Note Guarantee) other than reasonable out of pocket expenses. At the option of the Issuer, any Note Guarantee may contain limitations on Guarantor liability to the extent

reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Note Guarantees granted pursuant to this provision shall be released as set forth under "*—Releases of the Note Guarantees*." A Note Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Senior Notes Indenture if such Guarantor had not been designated as a Guarantor. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Note Guarantee in accordance with these provisions, subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction.

***Additional Intercreditor Agreements***

The Senior Notes Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any (1) Indebtedness permitted pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or clause (1), (2), (4), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" and (2) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (1), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of the Security Interests; provided that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Senior Notes Indenture or the Intercreditor Agreement.

The Senior Notes Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Senior Secured Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Senior Notes (including Additional Senior Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Senior Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Officer's Certificate and an Opinion of Counsel. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Senior Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Senior Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Notes Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Senior Notes thereby; *provided, however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*" and the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Notes Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of

the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the listing agent for the Notes.

***Limitation on Holding Company Activities***

The Issuer may not carry on any business activity, hold any assets or Incur any Indebtedness other than:

(1) providing administrative services, strategy, legal, accounting and management services to its Affiliates of a type customarily provided by a holding company (including entering into and performing any rights or obligations under any Tax Sharing Agreements and acting as the head of a tax group) and the ownership of assets necessary to provide such services;

(2) (a) Incurring any Indebtedness or Subordinated Shareholder Funding permitted under the Senior Notes Indenture; (b) conducting any activities reasonably incidental to the Incurrence of such Indebtedness or Subordinated Shareholder Funding, including the performance of the terms and conditions thereof; and (c) the granting of Liens to secure Indebtedness, in compliance with the provisions of the Senior Notes Indenture;

(3) activities undertaken with the purpose of fulfilling its obligations or exercising its rights under the Senior Notes Indenture, Senior Secured Notes Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents, any finance document relating to Indebtedness not prohibited to be Incurred under the Senior Notes Indenture and any related finance documents or security documents;

(4) the ownership of (i) cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities, (ii) shares of the Senior Secured Notes Issuer, (iii) Permitted Investments, and (iv) other property and assets for the purpose of transferring such property and asset to any Parent or other Person;

(5) management of the Issuer's and its Subsidiaries' assets and conducting activities and entering into transactions related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries' corporate existence and any other transaction of a type customarily entered into by holding companies and their subsidiaries (including the payment of wages and the incurrence of obligations and liabilities arising by operation of law or that are typical or incidental to the activities of a holding company);

(6) any activity reasonably relating to the servicing, purchase, redemption, amendment, exchange, refinancing or retirement of the Senior Secured Notes or other Indebtedness (or other items that are specifically excluded from the definition of Indebtedness) not prohibited to be Incurred under the Senior Notes Indenture;

(7) entering into and performing any rights or obligations in respect of (i) contracts and agreements with its officers, directors and employees, (ii) subscription or purchase agreements for securities or preferred equity certificates, public offering rights agreements, voting and other shareholder agreements, engagement letters, underwriting agreements, agreements with rating agencies and other agreements in respect of its securities or any offering, issuance or sale thereof and (iii) engagement letters and reliance letters in respect of legal, accounting and other advice or reports received or commissioned by it, in each case, in relation to transactions which are not prohibited under the Senior Notes Indenture;

(8) listing its Capital Stock and the issuance, offering and sale of its Capital Stock, including compliance with applicable regulatory and other obligations in connection therewith; and

(9) undertaking any other activities which are not specifically listed in this covenant and which are (i) ancillary to or related to those listed in this covenant or (ii) *de minimis* in nature.

**Payments for Consent**

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Senior Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Senior Notes Indenture or the Senior Notes unless such consideration is offered to be paid and is paid to all holders of the Senior Notes that consent, waive or agree to such amendment in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Senior Notes Indenture, to exclude holders of Senior Notes in any jurisdiction or any category of holders of Senior Notes where (1) the solicitation of such consent, waiver or amendment, including in connection with any tender or exchange offer, or (2) the payment of the consideration therefor could reasonably be interpreted as requiring the Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities

laws or listing requirements (including, but not limited to, the United States federal securities laws and the laws of the European Union or any of its member states), which the Issuer in its sole discretion determines (acting in good faith) (a) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction) or (b) such solicitation would otherwise not be permitted under applicable law in such jurisdiction or with respect to such category of holders of Senior Notes.

**Events of Default**

Each of the following is an "Event of Default" under the Senior Notes Indenture:

(1) default in any payment of interest on any Senior Note issued under the Senior Notes Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Senior Note issued under the Senior Notes Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Senior Notes with its other agreements contained in the Senior Notes Indenture;

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced by any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*"),

and, (i) 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 EUR 20 million or more;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary (the "*bankruptcy provisions*");

(6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of EUR 20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "*judgment default provision*");

(7) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Senior Notes Indenture) with respect to Collateral having a fair market value in excess of EUR 5 million for any reason other than the satisfaction in full of all obligations under the Senior Notes Indenture or the release of any such security interest in accordance with the terms of the Senior Notes Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; and

(8) any Note Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Senior Notes Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Note Guarantee and any such Default continues for 10 days.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by notice to the Issuer, or, the Holders of at least 25% in principal amount of the outstanding Senior Notes under the Senior Notes Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Senior Notes under the Senior Notes Indenture 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 Senior Notes because an Event of Default described in clause (4) under the definition of "*—Events of Default*" has occurred and is continuing, the declaration of acceleration of the Senior Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Senior Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Senior Notes that became due solely because of the acceleration of the Senior Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Senior Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Holders of the Senior Notes may not enforce the Senior Notes Indenture or the Senior Notes except as provided in the Senior Notes Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Senior Notes under the Senior Notes Indenture by notice to the Trustee may, on behalf of all Holders, waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any) and rescind any such acceleration with respect to such Senior Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Senior Notes Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Senior Notes 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 or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Senior Notes Indenture or the Senior Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Senior Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such security or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Senior Notes have not given the Trustee a 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 Senior Notes 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 its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Senior Notes 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 Senior Notes Indenture, the Trustee will be entitled to indemnification or security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. Prior to the occurrence of an Event of Default, the Trustee will have no obligation to monitor compliance by the Issuer with the Senior Notes Indenture. The Senior Notes Indenture will provide that if a Default occurs and is continuing and the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being so 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 Senior Note, the Trustee may withhold notice if and so long as the Trustee 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 signers thereof know of any Default or Event of Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Senior Notes Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "*Initial Default*") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the 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 "*Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of this Senior Notes Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Senior Notes Indenture.

The Senior Notes Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Senior Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

**Amendments and Waivers**

Subject to certain exceptions, the Senior Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Senior Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Senior Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Notes). However, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Senior Notes affected, then outstanding, an amendment or waiver may not, with respect to any Senior Notes held by a nonconsenting Holder:

(1) reduce the principal amount of Senior Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Senior Note;

(3) reduce the principal of or extend the Stated Maturity of any Senior Note;

(4) reduce the premium payable upon the redemption of any Senior Note or change the time at which any Senior Note may be redeemed, in each case as described under "*—Optional Redemption*";

(5) make any Senior Note payable in money other than that stated in the Senior Note;

(6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Senior Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Senior Notes;

(7) make any change in the provision of the Senior Notes Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Senior Notes in any material respect or amends the terms of such Senior Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all of the security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Senior Notes Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Senior Notes (except pursuant to a rescission of acceleration of the Senior

Notes by the Holders of at least a majority in aggregate principal amount of such Senior Notes and a waiver of the payment default that resulted from such acceleration);

(10) release all or substantially all of the Guarantors from their obligations under the Note Guarantees or the Senior Notes Indenture, except in accordance with the terms of the Senior Notes Indenture and the Intercreditor Agreement; or

(11) 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, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Senior Notes Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Senior Notes Document;

(3) add to the covenants or provide for an Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Senior Notes Documents;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Issuer) for the issuance of Additional Senior Notes;

(6) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Indebtedness" or "—Limitation on Additional Guarantees*," to add Notes Guarantees with respect to the Senior Notes, to add security to or for the benefit of the Senior Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Senior Notes when such release, termination, discharge or retaking or amendment is provided for under the Senior Notes Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Senior Notes Indenture, the Security Documents or the Senior Notes to any provision of this "*Description of the Senior Notes*" to the extent that such provision in this "*Description of the Senior Notes*" was intended to be a verbatim recitation of a provision of the Senior Notes Indenture, the Security Documents or the Senior Notes;

(8) to evidence and provide for the acceptance and appointment under the Senior Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the trustee or security agent to any Senior Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the relevant Security Agent for the benefit of the Holders or parties to the Revolving Facility, in any property which is required by the Security Documents or the Revolving Facility (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the relevant Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Senior Notes Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with; or

(10) as provided in "*—Certain Covenants—Additional Intercreditor Agreements*."

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel. The consent of the Holders is not necessary under the Senior Notes Indenture to approve the particular form of any proposed amendment of any Senior Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any

amendment or waiver under the Senior Notes Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

**Acts by Holders**

In determining whether the Holders of the required principal amount of the Senior Notes have concurred in any direction, waiver or consent, the Senior Notes owned by the Issuer or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding; *provided* that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Senior Notes which the Trustee knows are so owned shall be so disregarded.

**Defeasance**

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Senior Notes and the Senior Notes 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 Senior Notes, registration of Senior Notes, mutilated, destroyed, lost or stolen Senior Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantors' obligations under the covenants described under "*Certain Covenants*" (other than clauses (1) and (2) under "*—Certain Covenants—Merger and Consolidation—The Issuer*") 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 provisions, the bankruptcy provisions with respect to any Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*—Events of Default*" ("*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 Senior Notes may not be accelerated because of an Event of Default with respect to such Senior Notes. If the Issuer exercises its covenant defeasance option with respect to the Senior Notes, payment of the Senior Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*—Certain Covenants—Merger and Consolidation—The Issuer*"), (4), (5) (with respect only to the Significant Subsidiaries), (6), (7) or (8) under "*—Events of Default*."

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Senior Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Senior Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling received by the Issuer from, or published by, the U.S. Internal Revenue Service or change in applicable U.S. federal income tax law);

(2) 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;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

**Satisfaction and Discharge**

The Senior Notes Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Senior Notes, as expressly provided for in the Senior Notes Indenture) as to all outstanding Senior Notes when (1) either (a) all the Senior Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Senior Notes, and certain Senior Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Senior Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Senior Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Senior Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Senior Notes Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Senior Notes Indenture to apply the deposited money toward the payment of the Senior Notes at maturity or on the redemption date, as the case may be and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (*provided* that such counsel may not be an employee of the Issuer or its Subsidiaries) each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Senior Notes Indenture relating to the satisfaction and discharge of the Senior Notes 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 (1), (2) and (3)).

**No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Senior Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

**Concerning the Trustee and Certain Agents**

Deutsche Trustee Company Limited is to be appointed as Trustee under the Senior Notes Indenture. The Senior Notes Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Senior Notes Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Senior Notes Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Senior Notes Indenture will not be construed as an obligation or duty.

The Senior Notes 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 or any Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Senior Notes Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, or (b) 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 Senior Notes Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, Taxes or expenses Incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Senior Notes Indenture.

**Notices**

Notices, warnings, summons and other communications to the holders of the Senior Notes from the Trustee shall be sent via Euroclear or Clearstream (as applicable) with a copy to the Issuer and the Luxembourg Stock Exchange (to the extent required by the rules of the Luxembourg Stock Exchange). Any such notice or communication shall be deemed to be given or made when sent from Euroclear or Clearstream (as applicable). The Issuer's written notifications to the holders of Senior Notes shall be sent through Euroclear or Clearstream (as applicable) with a copy to the Trustee and the Luxembourg Stock Exchange (to the extent required by the rules of the Luxembourg Stock Exchange).

Additionally, if and for so long as the Senior Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish all notices intended for the noteholders in a leading newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

**Prescription**

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Senior Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Senior Notes will be prescribed six years after the applicable due date for payment of interest.

**Currency Indemnity and Calculation of EUR-Denominated Restrictions**

The EUR is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with the Senior Notes and the Note Guarantees including damages. Any amount received or recovered in a currency other than EUR (in the case of the Senior Notes), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the EUR amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that EUR amount is less than the EUR amount expressed to be due to the recipient or the Trustee under any Senior Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Senior Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Senior Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Senior Note or any Note Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any EUR denominated restriction herein, the EUR Equivalent amount for purposes hereof that is denominated in a currency other than EUR shall be calculated based on the relevant currency exchange rate in effect on the date such non-EUR amount is Incurred or made, as the case may be.

**Listing**

Application has been made to list the Senior Notes on the Official List of the Luxembourg Stock Exchange and to admit the Senior Notes to trading on the Euro MTF.

**Enforceability of Judgments**

Since substantially all the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Senior Notes, may not be collectable within the United States.

**Consent to Jurisdiction and Service**

In relation to any legal action or proceedings arising out of or in connection with the Senior Notes Indenture and the Senior Notes, the Issuer and the Guarantors will in the Senior Notes Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Senior Notes Indenture will provide that the Issuer and each Guarantor will appoint CT Corporation, 111 Eighth Avenue, 13th Floor, New York, NY 10011 U.S.A., as their agent for service of process in any suit, action or proceeding with respect to the Senior Notes Indenture, the Senior Notes and the Note Guarantees brought in any U.S. federal or New York state court located in the City of New York.

**Governing Law**

The Senior Notes Indenture and the Senior Notes, 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. For the avoidance of doubt, the provisions of articles 86 to 94-8 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the "*Luxembourg Companies Act 1915*") are excluded. No Holder may initiate proceedings against the Issuer based on article 98 of the Luxembourg Companies Act 1915. Any resolution of the Holders to amend the corporate objects of the Issuer, the form of the Issuer, to change the nationality of the Issuer and/or increasing the commitments of the shareholders of the Issuer may only be taken, and any meetings of the Holders resolving thereupon must be convened and held, in accordance with the Luxembourg Companies Act 1915 as long as any specific requirements exist in this respect in the Luxembourg Companies Act 1915 (the "*Luxembourg Law Resolutions*"). A Luxembourg Law Resolution must be passed in accordance with the requirements of the Luxembourg Companies Act 1915. There are specific quorum requirements for Luxembourg Law Resolutions set out in the Luxembourg Companies Act 1915. Certain Luxembourg Law Resolutions passed at any meeting of the Holders will be binding on all Holders, whether or not they are present at the meeting. If there cease to be specific requirements under Luxembourg law for the above matters, the resolutions on these matters will be taken in the form of extraordinary resolutions.

**Certain Definitions**

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acetyls Business*" means the business unit comprising the acetyls business of the Target and its Subsidiaries as described in the Offering Memorandum.

"*Acquisition*" means the acquisition of the Target by BidCo pursuant to the Acquisition Agreement.

"*Acquisition Agreement*" means the sale and purchase of shares in and the shareholder loan granted to the Target dated April 17, 2014 between Kallisto Einhundertste Vermögensverwaltungs-GmbH, as purchaser, and European Chemical Services S. à r.l., as seller.

"*Additional Senior Secured Notes*" means additional Senior Notes having identical terms and conditions as the Senior Secured Notes.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreed Security Principles*" means the agreed security principles appended to the Senior Facility Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the Senior Notes in good faith by the Issuer.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets

(each referred to for the purposes of this definition as a "disposition") by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

(5) transactions permitted under "*—Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance or transfer 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 or the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) of less than the greater of EUR 7.5 million and 1.2% of Total Assets;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment;

(9) the granting of Liens not prohibited by the covenant described above under the caption "*—Certain Covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) the licensing, sub-licensing, lease or assignment of intellectual property or other general intangibles and licenses, sub- licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or otherwise in the ordinary course of business;

(15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(16) 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;

(17) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole); *provided*, *further*, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (18), does not exceed EUR 10 million;

(19) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, an issuance or sale by a Restricted Subsidiary of Preferred Stock or Redeemable Capital Stock that is permitted by the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*" or an issuance of Capital Stock by the Issuer pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(20) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; provided that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" covenant; and

(21) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Senior Notes Indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

"*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; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Senior Notes Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). References to "Board of Directors of the Issuer" shall be construed to mean "Board of Directors" of the Issuer or "Board of Directors" of the Senior Secured Notes Issuer, as determined by the Issuer.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Frankfurt, Germany, Luxembourg or London, United Kingdom are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS (as in effect on the Issue Date for purposes of determining whether a lease is a capitalized lease). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union or Switzerland or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Revolving Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of EUR 250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Japan, Norway or Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "*Asset Disposition*," the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date, and by the Target and its Subsidiaries on the Completion Date.

"*Change of Control*" means the occurrence of any of the following:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a wholly-owned Subsidiary of a Successor Parent (subject to any directors' qualifying shares or shares required by any applicable law or regulation to be held by a person other than the Issuer or another wholly-owned Subsidiary that are held by a Person other than such Successor Parent); and

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders; *provided* that, the disposal of all or substantially all of the Acetyls Business (or any part thereof) shall not constitute a Change of Control if the conditions set out in clause (21) of the fourth paragraph of the covenant described under "*—Limitation on Restricted Payments*" have been satisfied;

*provided* that, in each case, a Change of Control shall not be deemed to have occurred if such a Change of Control is also a Specified Change of Control Event.

"*Clearstream*" means Clearstream Banking, *société anonyme*, as currently in effect or any successor securities clearing agency.

"*Collateral*" means any and all assets from time to time in which a security interest has been or will be granted on the Issue Date, the Completion Date or thereafter pursuant to any Security Document to secure the obligations under the Senior Notes Indenture, the Senior Notes and/or any Note Guarantee.

"*Commodity Hedging Agreements*" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Completion Date*" means the date of completion of the Acquisition.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization (excluding amortization of a prepaid cash charge or expense that was paid in a prior period) or impairment expense;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Senior Notes Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or an Officer of the Issuer;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates except to the extent of dividends declared or paid on, or other cash payments in respect of, equity interests held by such third parties;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*";

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such noncash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Issuer as special, extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (other than non-cash items increasing Consolidated Net Income pursuant to clauses (1) to (13) of the definition of Consolidated Net Income and excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income; and

(11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period.

"*Consolidated Income Taxes*" means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a Restricted Subsidiary, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(6) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Funding) that was capitalized during such period; and

(7) cash interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person;

*minus* (i) accretion or accrual of discounted liabilities other than Indebtedness, and (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, in each case, to the extent included in interest expense under IFRS.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Issuer)).

"*Consolidated Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer), including in respect of anticipated expense and cost reduction synergies to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period; *provided, however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Consolidated Leverage Ratio:

(1) acquisitions and Investments that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or

financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from any such disposal, as determined in good faith by a responsible accounting or financial officer of the Issuer);

(3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Leverage shall be treated in accordance with IFRS; and

(7) for purposes of calculating the Consolidated EBITDA for such period, if, since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, such Person or any of its Restricted Subsidiaries, that constitutes an event that is contemplated by the definition of "Specified Change of Control Event" (any such transaction, a "*Specified Change of Control Transaction*"), and solely for the purposes of making the determination pursuant to "*Specified Change of Control Event*," Consolidated EBITDA for such period shall be calculated after giving *pro forma* effect thereto (including any anticipated expense and cost reduction synergies from cooperation and other arrangements associated with the Specified Change of Control Transaction calculated in good faith by a responsible accounting or financial officer of the Issuer) as if such Specified Change of Control Transaction (including such anticipated expense and cost reduction synergies associated with the Specified Change of Control Transaction calculated in good faith by a responsible accounting or financial officer of the Issuer) had occurred on the first day of such period.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Senior Secured Notes, the Senior Secured Notes Indenture, the Senior Notes, the Senior Notes Indenture or any Additional Intercreditor Agreement, (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary (including pursuant to the Senior Facility Agreement or the Intercreditor Agreement) and with respect to the Target and its Restricted Subsidiaries and other restrictions with respect to such

Restricted Subsidiary and with respect to the Target and its Restricted Subsidiaries that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions permitted under the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*," except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than a Guarantor), to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(12) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down; and

(13) the impact of capitalized, accrued or accreting or pay-in- kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Net Leverage Ratio*" means, with respect to the Issuer as of any date of determination, the ratio of (x) Consolidated Leverage less cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries on such date to (y) the aggregate amount of Consolidated EBITDA of the Issuer and its Restricted Subsidiaries for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial

statements of the Issuer are available, in each case, calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Leverage Ratio; *provided* that in calculating Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included in this calculation that are, or are derived from, the proceeds of Indebtedness in respect of which the *pro forma* calculation is to be made, except, for the avoidance of doubt, to the extent cash or Cash Equivalents will be expended in a transaction to which *pro forma* effect is given.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds: (a) for the purchase or payment of any such primary obligation; or (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Revolving Facility or any other commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, 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), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Note 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.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Deemed Interest Payments*" means the amount of interest payments, as determined in good faith by the Issuer as of the relevant date, using the interest rate in effect in respect of such Senior Notes as at the date of giving the notice of redemption.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) 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, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"*Designated Preference Shares*" means, with respect to the Issuer or any Parent, Preferred Stock (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 Preference Shares" 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 second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Senior Notes or (b) the date on which there are no Senior Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*—Certain Covenants—Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Senior Notes Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"*Equity Contribution*" means the equity contribution from the Initial Investors as described in the Offering Memorandum under the caption "Use of Proceeds."

"*Equity Offering*" means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions, Excluded Amounts or a Parent Debt Contribution) of the Issuer or any of its Restricted Subsidiaries.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank SA/NV or any successor securities clearing agency.

"*European Government Obligations*" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "A-1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency on the date of the Senior Notes Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or an Excluded Amount) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer substantially concurrently with the contribution.

"*fair market value*" wherever such term is used in this "*Description of the Senior Notes*" or the Senior Notes Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise

specifically provided in this "*Description of the Senior Notes*" or the Senior Notes Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA of such Person for the period of the four most recent fiscal quarters prior to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four fiscal quarters.

In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any Revolving Facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reduction synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions or Investments that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reduction synergies, as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a pro forma basis as if such disposition occurred on the first day of such period (taking into account anticipated cost savings resulting from such disposition, as determined in good faith by a responsible accounting or financial officer of the Issuer);

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness) and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Leverage shall be treated in accordance with IFRS; and

(7) 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 IFRS.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the Consolidated Interest Expense of such Person for such period; plus

(2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Issuer or a Restricted Subsidiary.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantors*" means the Initial Guarantors and any Restricted Subsidiary that Guarantees the Senior Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"*Holder*" means each Person in whose name the Senior Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"*Holding Company*" means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply. Except as otherwise set forth in the Senior Notes Indenture, all ratios and calculations based on IFRS contained in the Senior Notes Indenture shall be computed in accordance with IFRS as in effect on the Issue Date.

"*Incur*" means issue, create, assume, enter into any Note Guarantee of, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, 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 been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer of the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person;

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "*Indebtedness*" shall not include (i) Subordinated Shareholder Funding, (ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, (iii) prepayments of deposits received from clients or customers in the ordinary course of business or (iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Completion Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Senior Notes Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9)) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) Contingent Obligations Incurred in the ordinary course of business, obligations under or in respect of Qualified Receivables Financings and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(2) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(3) 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 under any Tax Sharing Agreement.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Investors*" means the Permira V Funds, any Affiliate of the Permira V Funds and any funds or partnerships managed or advised (directly or indirectly) by Permira V G.P. Limited or an Affiliate thereof or an entity controlled by all or substantially all of the managing directors of such fund, and, solely in their capacity as such, any

limited partner of any such partnership or fund; *provided* that any portfolio company of the foregoing, other than entities of which the Permira V Funds beneficially owns in the aggregate a majority (or more) of the Voting Stock and which are established to solely hold, directly or indirectly, interests in the Issuer shall not constitute an "Initial Investor."

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer or any Parent (the "*IPO Entity*") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated as of the Issue Date, by and among, *inter alios*, the Issuer, the Senior Notes Guarantors, the Security Agent and the Trustee, as amended from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under the caption "*—Certain Covenants—Limitation on Restricted Payments*."

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(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; 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, in each case as determined in good faith by the Board of Directors or an Officer of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade 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, Norway or Switzerland or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB–" or higher from S&P or "Baa3" 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 exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"*Investment Grade Status*" shall occur when the Senior Notes receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means June 10, 2014.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, 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 (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this subclause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding EUR 10 million in the aggregate outstanding at any time.

"*Management Investors*" means (i) members of the management team of the Issuer or any Restricted Subsidiary investing, or committing to invest, directly or indirectly, in the Issuer as at the Completion Date and any subsequent members of the management team of the Issuer or any Restricted Subsidiary who invest directly or indirectly in the Issuer from time to time and (ii) such entity as may hold shares transferred by departing members of the management team of the Issuer or any Restricted Subsidiary for future redistribution to such management team.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*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 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking

into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;

(2) (a) other than for purposes of the covenant described under "*Limitation on Sales of Assets and Subsidiary Stock*" all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or (b) by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition, including pension and other post-employment benefits liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such transaction.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

"*Note Guarantee*" means the guarantee by each Guarantor of the Issuer's obligations under the Senior Notes Indenture and the Senior Notes, executed pursuant to the provisions of the Senior Notes Indenture.

"*Officer*" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Senior Notes Indenture by the Board of Directors of such Person. References to "Officer of the Issuer" shall be construed to mean "Officer" of the Issuer or "Officer" of the Senior Secured Notes Issuer, as determined by the Issuer.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of, or counsel to, the Issuer or its Subsidiaries.

"*Parent*" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent 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 Senior Notes 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 indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Restricted Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries, and (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent, (c) any Taxes and other fees and expenses required to maintain such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent and (d) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Restricted Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed EUR 2 million in any fiscal year;

(7) any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided, however*, that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its Subsidiaries would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries;

(8) expenses Incurred by any Parent 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 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; and

(9) costs and expenses equivalent to those set out in clauses (1) to (8) above with respect to a Special Purpose Vehicle.

"*Pari Passu Indebtedness*" means (a) with respect to the Issuer, any Indebtedness that ranks equally in right of payment with the Senior Notes and (b) with respect to the Guarantors, any Indebtedness that ranks equally in right of payment with the Note Guarantees and, in each case, is secured by a Lien on all or a portion of the Collateral.

"*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.

"*Permira V Fund*" means each of the following:

(1) P5 Sub L.P.1, a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner, Permira V G.P. L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(2) Permira V L.P.2, a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner, Permira V G.P. L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(3) Permira Investments Limited, acting by its nominee Permira Nominees Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(4) P5 Co-Investment L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. L.P., acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands;

(5) P5 CIS S.à r.l., a private limited liability company organized under the laws of Luxembourg, registered with the Luxembourg Trade and Companies Register with number B 178 072 with a share capital of EUR 12,500, having its registered office at 282, route de Longwy, L-1940 Luxembourg; and

(6) Permira V I.A.S L.P., a limited partnership registered in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 (as amended), acting by its general partner Permira V G.P. L.P., acting by its general partner Permira V G.P. Limited whose registered office is at Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands.

"*Permitted Collateral Liens*" means Liens on the Collateral:

(a) that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of "Permitted Liens" and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(b) to secure:

(i) the Senior Notes (other than any Additional Senior Notes) and any related Note Guarantee;

(ii) Indebtedness permitted to be incurred under (a) the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness,* (b) Indebtedness that is permitted to be incurred under clauses (1), (2) (in the case of (2) to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11), (13) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(iii) the Senior Secured Notes (other than any Additional Senior Secured Notes) and any related Guarantees;

(iv) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) to (iii);

*provided, further,* that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement and *provided, further*, that such Lien ranks (a) equal to all other Liens on such Collateral securing Senior Indebtedness of the Issuer or such Guarantor, as applicable, if such Indebtedness is Senior Indebtedness of the Issuer or the Guarantor, as applicable, or (b) equal to or junior to the Liens securing the Notes.

"*Permitted Holders*" means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (5) 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 or any Persons mentioned in the following sentence 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 Initial Investors and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the voting Stock of the Issuer or any of its direct or indirect parent companies owned by such group. Any person or group whose acquisition of beneficial ownership constitutes (1) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Senior Notes Indenture or (2) a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the 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) and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all of its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and Investments in connection with any Qualified Receivables Financing;

(5) Investments in payroll, travel, relocation, entertainment 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) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (i) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Senior Notes Indenture; and with respect to the Target and its Subsidiaries, Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (i) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Senior Notes Indenture;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of EUR 40 million and 6.2% of Total Assets; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*—Certain Covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Guarantees not prohibited by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(16) Investments in loans under the Revolving Facility, in the Senior Notes and any Additional Senior Notes or in any other Indebtedness of the Issuer and its Restricted Subsidiaries;

(17) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of its Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger and Consolidation*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(18) Investments of cash held on behalf of merchants or other business counterparties in the ordinary course of business in bank deposits, time deposit accounts, certificates of deposit, bankers' acceptances, money market deposits, money market deposit accounts, bills of exchange, commercial paper, governmental obligations, investment funds, money market funds or other securities;

(19) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture; and

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation, performance and other similar deposits, in each case, in the ordinary course of business.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary securing any Senior Indebtedness and any Guarantee thereof permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; and liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing any Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted by the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing Hedging Obligations permitted under the Senior Notes Indenture relating to Indebtedness permitted to be Incurred under the Senior Notes Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price

of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (7) of the covenant described above under "*—Certain Covenants—Limitation on Indebtedness*" and (b) any such Lien 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;

(11) Liens arising by virtue of any statutory or common law provisions or customary standard terms relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from New York 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;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date, including with respect to the Target and its Restricted Subsidiaries;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the 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*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Guarantor;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Senior Notes Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interest, 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 and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) 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;

(21) Liens created or arising in connection with a Qualified Receivables Financing;

(22) (a) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) 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 escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(24) 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;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(26) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party;

(27) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(28) (a) Liens created for the benefit of or to secure, directly or indirectly, the Senior Notes, and (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Senior Notes Indenture and the Senior Secured Notes Indenture and (c) Indebtedness incurred under clause (1) of the second paragraph of the covenant entitled "*—Limitation on Indebtedness*";

(29) Liens *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (29) does not exceed EUR 30 million;

(30) Liens on receivables securing Indebtedness described under clause (12) of "*—Permitted Debt*";

(31) Liens on the Escrow Account created for the benefit of, or to secure directly or indirectly, holders of the Senior Notes and liens on any escrow account created for the benefit of, or to secure directly or indirectly, holders of the Senior Secured Notes;

(32) Liens securing Indebtedness described under clause (14) of "*—Permitted Debt*";

(33) Liens created or subsisting in order to secure any pension liabilities or partial retirement liabilities (*Altersteilzeitverpflichtungen*) incurred in order to comply with the requirements of section 8a of the German Partial Retirement Act (*Altersteilzeitgesetz*) or pursuant to section 7e of the Fourth Book of the German Social Security Code ("*SGB IV*"); and

(34) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (33); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

"*Permitted Reorganization*" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intercompany receivables and payables among the Issuer and its Restricted Subsidiaries in connection therewith (a "*Reorganization*") that is made on a solvent basis (including, for the avoidance of doubt, (i) the creation of a new holding company by CABB AG and the sale of the shares of CABB Finland Oy by CABB AG to the new holding company and (ii) the merger of the Target and CABB Holding GmbH into BidCo); *provided* that: (a) all of the business and assets of the Issuer or such Restricted Subsidiaries remain owned by the Issuer or its Restricted Subsidiaries, (b) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries, (c) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral and (d) prior to any such Reorganization occurring after the date that is six months from the Issue Date, the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that no Default is continuing or would arise as a result of such Reorganization.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of EUR 100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any Receivables Financing that meets the following conditions: (1) the Board of Directors or an Officer of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer), (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Issuer) and may include Standard Securitization Undertakings and (4) is non-recourse to the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) except to the extent of any Standard Securitization Undertakings.

The grant of a security interest in any Receivable Assets of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility (other than a Receivables Financing) or Indebtedness in respect of the Senior Notes shall not be deemed a Qualified Receivables Financing.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Senior Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Issuer as a replacement agency.

"*Receivable*" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit.

"*Receivables Assets*" means any Receivables of the Issuer or any of its Restricted Subsidiaries, and any assets related thereto, including all collateral securing such Receivable, all contracts and all guarantees or other obligations in respect of such Receivable, proceeds collected on such Receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions and any related Hedging Obligations, in each case, whether now existing or arising in the future.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries (i) may sell, convey or otherwise transfer any Receivable Assets to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries) or (b) any other Person (in the case of a transfer by a Receivables Subsidiary) or (ii) may grant a security interest in any Receivable Assets.

"*Receivables Repurchase Obligation*" means any obligation of a seller of Receivables Assets in a Qualified Receivables Financing to repurchase Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense,

dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer 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 accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in the Senior Notes Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Senior Notes Indenture or Incurred in compliance with the Senior Notes Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the Maturity Date of the Senior Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Senior Notes, such Refinancing Indebtedness is subordinated to the Senior Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

*provided, however*, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

"*Related Person*" with respect to any Permitted Holder, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means:

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (*provided* such taxes are in fact paid) by any Parent by virtue of its:

   (a) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Restricted Subsidiaries);

   (b) issuing or holding Subordinated Shareholder Funding;

   (c) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer's Restricted Subsidiaries;

   (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Restricted Subsidiaries; or

   (e) having made or received any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to "*—Certain Covenants—Limitation on Restricted Payments*" or

(2) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries.

"*Replacement Assets*" means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the Issuer's business or in that of the Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) as of the Issue Date or any and all other businesses that in the good faith judgment of the Board of Directors or any Officer of the Issuer are related thereto.

"*Representative*" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Revolving Facility*" means the revolving credit facility made available under the Senior Facility Agreement.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Senior Notes Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Senior Notes Indenture.

"*Senior Facility Agreement*" refers to the revolving credit facility agreement dated on or about May 27, 2014 between (among others) Deutsche Bank AG, London Branch, BNP Paribas Fortis SA/NV, BNP Paribas, Credit Suisse AG, London Branch and IKB Deutsche Industriebank AG as arrangers and BidCo, as the same may be further amended from time to time.

"*Senior Indebtedness*" means, whether outstanding on the Issue Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Issuer (only with respect to a Guarantee by the Issuer of Senior Indebtedness of a Guarantor) or any Guarantor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or such Guarantor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided*, *however*, that Senior Indebtedness will not include:

(a) any Indebtedness Incurred in violation of the Senior Notes Indenture;

(b) any obligation of the Issuer or any Guarantor to any Restricted Subsidiary;

(c) any liability for taxes owed or owing by the Issuer or any Restricted Subsidiary;

(d) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities);

(e) any Indebtedness, Guarantee or obligation of the Issuer or any Guarantor that is expressly subordinate or junior in right of payment to any other Indebtedness, Guarantee or obligation of the Issuer or such Guarantor;

(f) any Indebtedness, Guarantee or obligation of any Guarantor that is *pari passu* in right of payment with the Note Guarantee of such Guarantor; or

(g) any Capital Stock.

"*Senior Notes*" means the Initial Senior Notes and any Additional Senior Notes.

"*Senior Notes Documents*" means the Senior Notes (including Additional Senior Notes), the Senior Notes Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"*Senior Notes Indenture*" means the indenture governing the Senior Notes entered into, among others, the Issuer and the Trustee on the Issue Date, 2014 as amended from time to time.

"*Senior Notes Proceeds Loan*" refers to the loan to be made under the loan agreement to be entered into on the Completion Date between the Issuer, as lender, and the Senior Secured Notes Issuer, as borrower, pursuant to which the proceeds of the Senior Notes issuance will be advanced to the Senior Secured Notes Issuer in order to allow the Senior Secured Notes Issuer to apply the proceeds of the Notes as described in "*Use of Proceeds*," as amended, accreted or partially repaid from time to time.

"*Senior Secured Notes*" means any senior secured notes issued under the Senior Secured Notes Indenture.

"*Senior Secured Notes Indenture*" means the indenture governing the Senior Secured Notes entered into, among others, the Senior Secured Notes Issuer and Deutsche Trustee Company Limited, as trustee, on the Issue Date, as amended from time to time.

"*Senior Secured Notes Issuer*" means Monitchem Holdco 3 S.A.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Restricted Subsidiaries (including the Target and its Restricted Subsidiaries) or any Associates on the Issue Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Special Purpose Vehicle*" means an entity established by any Parent for the purpose of maintaining an equity incentive or compensation plan for Management Investors.

"*Specified Change of Control Event*" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that immediately prior to the occurrence of such event and immediately thereafter and giving *pro forma* effect thereto, the Consolidated Leverage Ratio of the Issuer and its Restricted Subsidiaries would have been less than 4.25 to 1.0. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Senior Notes Indenture after the Issue Date.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any security, 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, including those described in "—*Change of Control*" and the covenant under "—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Senior Notes or any Note Guarantee of the Senior Notes pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to six months after the Stated Maturity of the Senior Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to six months after the Stated Maturity of the Senior Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to six months after the Stated Maturity of the Senior Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the six month anniversary of the Stated Maturity of the Senior Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to

the six months after the Stated Maturity of the Senior Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the six months after the Stated Maturity of the Senior Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Investor Liabilities" (as defined therein).

"*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.

"*Subsidiary Guarantor*" means any Guarantor that is a Subsidiary of the Issuer.

"*Successor Parent*" with respect to any Person means any other Person with 100% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another wholly-owned Subsidiary) of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) 100% of the total voting power of the Voting Stock (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another wholly-owned Subsidiary) of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Swedish Newco*" means a Swedish holding company which is intended to be established following the Completion Date as a subsidiary of CABB Swiss AG in order to acquire the shares of CABB Finland Oy.

"*Target*" means CABB International GmbH.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Senior Notes Indenture.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in: (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Japan, Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or (b) direct obligations of any country recognized by the

United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by: (a) any lender under the Revolving Facility; (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (1)(a) above; or (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of EUR 250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A-" by S&P or "A-3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Japan, Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB–" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of EUR 250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds (a) complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended or (b) rated "AAA" by S&P or "Aaa" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization).

"*Total Assets*" means the consolidated total assets of the Issuer and its Restricted Subsidiaries as shown on the balance sheet of such Person prepared on the basis of IFRS.

"*Transactions*" has the meaning assigned to such term in the Offering Memorandum under the heading "*The Transactions*."

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer (other than BidCo) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of 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, other than BidCo) 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*."

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the 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 foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least EUR 1.00 of additional Indebtedness under clause (1) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

## BOOK-ENTRY, DELIVERY AND FORM

### General

Each series of Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Notes**"). Each series of Notes sold to non- U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the Rule 144A Global Note, the "**Global Notes**"). The Global Notes were deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes (the "**Rule 144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, the Notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or "holders" of Notes under the respective Indenture for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the respective Indenture. Accordingly, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book- Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the respective Indenture.

Neither we nor either of the Trustees nor any of their respective agents will have any responsibility, or be liable, for any aspect of the records, or for payments made, relating to the Book-Entry Interests.

### Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuers that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the "**Definitive Registered Notes**"), and to distribute such Definitive Registered Notes to their participants.

### Definitive Registered Notes

Under the terms of the respective Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

(1) if Euroclear or Clearstream notifies the relevant Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the relevant Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the respective Indenture.

Euroclear and Clearstream have advised the Issuers that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that the relevant Issuer issues or

causes to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event described in clauses (1) and (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or the relevant Issuer, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the relevant Indenture, unless that legend is not required by the relevant Indenture or applicable law.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, the relevant Issuer will issue and the relevant Trustee or an authenticating agent appointed by the relevant Trustee will authenticate a replacement Definitive Registered Note if the relevant Trustee's and the relevant Issuer's requirements are met. The relevant Issuer or the relevant Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the relevant Trustee and the relevant Issuer to protect the relevant Issuer, the relevant Trustee or the relevant Paying Agent appointed pursuant to the relevant Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuers may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by an Issuer pursuant to the provisions of the relevant Indenture, the relevant Issuer in their discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

To the extent permitted by law, each of the Issuers, the Trustees, the Registrars, the Transfer Agents and the Paying Agents shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Registrar, and such registration is a means of evidencing title to the Notes.

The Issuers will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream.

**Redemption of Global Notes**

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, or their respective nominees, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). Each of the Issuers understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of its Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

**Payments on Global Notes**

Each of the Issuers will make payments of any amounts owing in respect of the relevant Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the relevant Paying Agent. The Paying Agent will, in turn make said payments to or to the order of the common depositary or its nominee for Euroclear and Clearstream. Euroclear and/or Clearstream will distribute such payments to participants in accordance with their respective customary procedures. Each of the Issuers will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Senior Secured Notes—Additional Amounts*" and "*Description of the Senior Notes—Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Senior Secured Notes—Additional Amounts*" and "*Description of the Senior Notes—Additional Amounts*" above, the relevant Issuer will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book- Entry Interest, as the case may be, absent such withholding or deduction. Each of the

Issuers expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the respective Indentures, each of the Issuers, the Trustees, the Security Agents, the Registrars, the Transfer Agents and the Paying Agents will treat the registered holders of the Global Notes (for example, Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuers, the Trustees, the Security Agents, the Registrars, the Transfer Agents and the Paying Agents or any of its agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book- Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or

- Euroclear, Clearstream or any participant or indirect participant.

**Currency of Payment for the Global Notes**

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear and/or Clearstream in euro.

**Transfers**

Transfers between participants in Euroclear and/or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the relevant Regulation S Global Note and a corresponding increase in the principal amount of the relevant Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book- Entry Interests in a Global Note only as described under "*Description of the Senior Secured Notes—Transfer*" and "*Description of the Senior Notes—Transfer*" and, if required, only if the transferor first delivers to the relevant Trustee a written certificate (in the form provided in the relevant Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be

subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book- Entry Interest.

**Information Concerning Euroclear and Clearstream**

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. Each of the Issuers provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the Initial Purchasers are responsible for those operations or procedures.

Each of the Issuers understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

**Global Clearance and Settlement Under the Book-Entry System**

The Notes represented by the Global Notes are expected to be listed on the LxSE and admitted for trading on the LxSE's Euro MTF Market. The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common code numbers for the Notes are set out under "*Listing and General Information—Clearing Information*." Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuers, the Trustees, the Registrars, the Transfer Agents or the Paying Agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

**Initial Settlement**

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

**Secondary Market Trading**

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

## TAXATION

### Certain German Tax Considerations

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Offering Memorandum, which are subject to change, possibly with retroactive or retrospective effect.*

***PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE, LOCAL OR CHURCH TAXES, UNDER THE TAX LAWS OF GERMANY AND ANY COUNTRY OF WHICH THEY ARE RESIDENT OR WHOSE TAX LAWS APPLY TO THEM FOR OTHER REASONS.***

***Withholding Tax***

For German tax residents (*i.e.* persons whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany), interest payments will be subject to German withholding tax if the Notes are held in custody with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**", *auszahlende Stelle*). The withholding tax rate is 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%). Individuals subject to church tax may apply in writing for church tax also to be levied by way of withholding. Absent such application, such individuals must include their investment income in their income tax return and will then be assessed for church tax. In relation to investment income received after December 31, 2014, an electronic information system for church withholding tax purposes will apply, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the holders will be assessed for church tax.

The same treatment applies to capital gains (*i.e.*, the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal and the cost of acquisition) and interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*) derived by an individual holder who is a German tax resident irrespective of any holding period provided that the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. If interest coupons or interest claims are disposed of separately (*i.e.*, without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or collection of interest claims if the Notes have been disposed of separately.

To the extent that the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition, upon their disposal, redemption, repayment or assignment withholding tax applies at a rate of 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%, plus church tax, if applicable) on 30% of the disposal proceeds (plus Accrued Interest, if any), unless the current Disbursing Agent has been provided with evidence of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Union, the European Economic Area or certain other countries in accordance with Article 17 (2) of the Council Directive 2003/48/EC dated June 3, 2003 on the Taxation of Savings Income in the form of interest payments (the "**EU Savings Directive**") (*e.g.*, Switzerland or Andorra). If the withholding tax on a disposal, redemption, repayment or assignment of the Notes has been calculated on the basis of 30% of the disposal proceeds (rather than from the actual gain), a German tax resident individual holder may, and in case the actual gain is higher than 30% of the disposal proceeds must, also apply for an assessment on the basis of its actual acquisition costs.

In computing any German withholding tax, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realized by the individual holder of the Notes via the Disbursing Agent (*e.g.*, losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions, the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder in the custodial account with the Disbursing Agent.

Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take a maximum annual allowance (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples

and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) into account when computing the amount of tax to be withheld from the gross payment to be made by the Disbursing Agent. No withholding tax will be deducted if the holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent tax authorities.

German withholding tax will generally not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporate holder who is a German resident (including via a commercial partnership, as the case may be, and provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax authorities) while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and losses incurred). The same may apply where the Notes form part of a trade or business (of an individual or of a commercial partnership) subject to further requirements being met.

Non-residents of Germany are, in general, not subject to German withholding tax on investment income and the solidarity surcharge thereon. However, where the interest or capital gain is subject to German taxation (as outlined below under "—Taxation of Current Income and Capital Gains—Non-Tax Residents") and the Notes are held in a custodial account with a Disbursing Agent, withholding tax will be levied under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty (*Doppelbesteuerungsabkommen*).

***Taxation of Current Income and Capital Gains***

*Tax Residents*

This subsection "*—Tax Residents*" refers to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Income derived from capital investments under the Notes held by an individual holder who is tax resident in Germany is in general subject to German income tax at a flat-tax rate of 25% (plus solidarity surcharge and church tax, if applicable, thereon) (*Abgeltungsteuer*) if the Notes are held as private investment (*Privatvermögen*). Individual holders who are tax resident in Germany are entitled to a maximum annual allowance (*Sparer- Pauschbetrag*) of €801 (€1,602 for married couples and for partners in accordance with the registered partnership law filing jointly), whereby actually incurred higher expenses directly attributable to a capital investment are not deductible.

The personal income tax liability of an individual holder who is tax resident in Germany on income from capital investments under the Notes will, in principle, be satisfied by the tax withheld (as described under "*—Withholding Tax*" above). To the extent that withholding tax has not been levied, such as in the case of Notes kept in custody abroad or of no Disbursing Agent being involved in the payment process or if the withholding tax on disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than the actual gain), the individual holder must include its interest income and capital gains derived from the Notes in its annual tax return and will then also be taxed at a rate of 25% (plus solidarity surcharge and, where applicable, church tax thereon). Further, an individual holder may apply for a taxation of all investment income of a given year at its lower individual tax rate based upon an assessment to tax with any amounts over-withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted. Losses incurred with respect to the Notes may only be offset with investment income of the individual holder realized in the same or following assessment periods.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated October 9, 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent that the waiver does not qualify as a hidden capital contribution, shall not be treated as a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver are not tax-deductible if the Notes are held as private investment (*Privatvermögen*). The same rules should apply according to that tax decree, if the Notes expire worthless so that losses may not be tax- deductible at all. Losses suffered in a sale of Notes will only be recognized according to the view of the tax authorities if the proceeds received in the sale exceed the respective transaction costs.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property, the withholding tax, if any, will not satisfy the personal or corporate income tax liability. Rather, the income is subject to individual or corporate income tax (plus solidarity surcharge and, where applicable, church tax). Where Notes form part of a trade or business, interest (including Accrued Interest) and capital gains must be taken into account as income. The respective holder must include income and related (business) expenses in the annual tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited as advance payment against the personal or corporate income tax liability of the holder or, to the extent exceeding this personal or corporate income tax liability, be refunded. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax (*Gewerbesteuer*). The trade tax liability depends on the municipal trade tax factor (*Gewerbesteuerhebesatz*)

applicable to the investor. If the holder is an individual or an individual partner of a partnership, the trade tax may generally be completely or partly credited against the personal income tax pursuant to a lump sum tax credit method.

*Non-Tax Residents*

This subsection "*—Non-Tax Residents*" refers to persons who are not tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, and place of effective management and control is not located in Germany).

Interest and capital gains (which include Accrued Interest) from the disposal, redemption, repayment or assignment of the Notes received by holders who are not tax-resident in Germany are generally not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German source income.

***Inheritance and Gift Tax***

A gratuitous transfer of Notes by reason of death or as a gift will be subject to German inheritance or gift tax if the decedent or donor or the heir, donee or other beneficiary is at the time of the transfer a resident or deemed to be a resident of Germany. If neither the holder nor the recipient is a resident or deemed to be a resident of Germany at the time of the transfer, no German inheritance or gift taxes will be levied unless the Notes are attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

***Other Taxes***

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

***EU Savings Tax Directive***

Under Council Directive 2003/48/EC on the taxation of savings income ("**EU Savings Directive**"), EU member states are required to provide to the tax authorities of other EU member states details of certain payments of interest or similar income paid or secured by a person established in an EU member state to or for the benefit of an individual resident in another EU member state or certain limited types of entities established in another EU member state.

On March 24, 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. EU member states are required to apply these new requirements from January 1, 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those EU member states which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

***The proposed Financial Transactions Tax (FTT)***

The European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain ("**Participating Member States**").

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) under certain circumstances.

Pursuant to the current proposal, the FTT could apply under certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a Participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

**Certain Luxembourg Tax Considerations**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

*Withholding tax*

Under Luxembourg general tax laws currently in force, interest payments (including accrued but unpaid interest) and principal made to non-residents of Luxembourg in the context of the holding, disposal, redemption or repurchase of the Notes which are not profit-sharing will not be subject to any Luxembourg withholding tax unless they fall within the scope of the Luxembourg laws of June 21, 2005, as amended, (the "**Savings Laws**") implementing the EU Savings Directive 2003/48/EC on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), which entered into effect on July 1, 2005 (see below "*EU Savings Directive*").

Under the Savings Laws, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favour of automatic information exchange under the Savings Directive.

In addition, as regards Luxembourg resident individuals, the Luxembourg law of December 23, 2005, as amended, (the "**Relibi Law**") provides for a 10 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income, to the extent such income is paid or allocated by a Luxembourg paying agent within the meaning of this law.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10%.

In addition, pursuant to the Relibi Law, Luxembourg resident individuals who are the beneficial owners of savings income paid or ascribed by a paying agent established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the European Union Savings Directive (Council directive 2003/48/EC) can opt to self declare and pay a 10 per cent. tax on these savings income. This 10 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of June 21, 2005 and December 23, 2005 is assumed by the Luxembourg paying agent.

*Other Taxes and Duties*

Under current Luxembourg tax law and current administrative practice, it is not necessary that the Notes be notarized, filed, recorded or enrolled with any court or other authority in Luxembourg, or that any stamp, transfer, capital, registration or similar tax be paid on or in relation to the execution and delivery of the Notes in accordance therewith or the performance of the Issuer's obligations under the Notes, except that in case of court proceedings in a Luxembourg court (including but not limited to a Luxembourg insolvency proceeding), registration of the Notes or of the financial documents may be ordered by the court, in which case the Notes or of the financial documents will be respectively subject to a fixed duty of EUR 12 or an *ad valorem* duty. Registration would in principle further be ordered, and the same registration duties could be due, when the Notes are produced, either directly or by way of reference, before an official authority ("*autorité constituée*") in Luxembourg or in the case of a registration of the Notes on a voluntary basis.

*VAT*

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of a redemption amount or principal under the Notes or the transfer of a Note; provided that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

*Net Wealth tax*

Luxembourg net wealth tax will not be levied on holders of the Notes unless:

(i) Such corporate Noteholder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions and to the exception of the following entities that are net wealth tax exempt, being (i) undertakings for collective investment (UCITS) within the meaning of the law of December 17, 2010 as amended, (ii) investment company in risk capital (SICAR) within the meaning of the law dated June 15, 2004, as amended, (iii) securitization entities within the meaning of the law dated March 22, 2004 as amended, (iv) special investment funds (SIF) within the meaning of the law of February 13, 2007, as amended and (vi) private wealth management companies (SPF) within the meaning of the law dated May 11, 2007 as amended; or

(ii) The relevant Note is attributable to an enterprise or part thereof, which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg;

As regards Luxembourg resident individuals, the Luxembourg law of December 23, 2005 has abrogated the net wealth tax.

*Capital gains tax*

A holder of Notes who derives income from such Note or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital gains realised on the sale or disposal, in any form whatsoever, of the Notes (subject to the application of the laws of June 21, 2005 and December 23, 2005, as amended) unless:

(i) Such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or

(ii) Such income or gain is attributable to an enterprise or part thereof, which is carried on through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg.

(iii) Except if, such holder is a corporate holder of Notes that is governed by the law of May 11, 2007 on family estate management companies, as amended, or by the law of December 17, 2010 on undertakings for collective investment, as amended, or by the law of February 13, 2007 on specialised investment funds, as amended.

***EU Savings Directive***

Under the EU Savings Directive, each EU Member State is required to provide to the tax authorities of another EU Member State details of payments of interest or other similar income (in the meaning of the EU Savings Directive) paid by a paying agent (in the meaning of the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a "residual entity" (as defined in Article 4.2 of the EU Savings Directive) established in that other EU Member State. For a transitional period, however, Austria and Luxembourg may instead (unless during that period they elect otherwise) operate a withholding tax system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favour of automatic information exchange under the EU Savings Directive. On March 18, 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.

On March 24, 2014, the Council of the European Union adopted a directive amending and broadening the scope of the Savings Directive (the "**Amending Savings Directive**"). Member States are required to apply these new requirements from January 1, 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also apply a "look through approach" to certain payments where an individual resident in a Member State is regarded as the beneficial owner of that payment for the purposes of the Directive. This approach may apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

**Certain U.S. Federal Income Tax Considerations**

**TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

The following is a discussion of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes by a U.S. holder (defined below), but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the Code, Treasury regulations issued thereunder (the "Treasury Regulations"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the "IRS") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders (as defined below) whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities (or investors in such entities), persons liable for alternative minimum tax and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at their "issue price" (the first price at which a substantial amount of the applicable series of Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

**Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income, and state, local, non-U.S. or other tax laws.**

***Payments of Interest***

It is expected, and the following discussion assumes, that the Notes will be treated as issued without original issue discount for U.S. federal income tax purposes. Accordingly, payments of interest on a Note (including additional amounts and any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in certain cases, general category income.

A U.S. holder of Notes that uses the cash method of accounting for tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A cash basis U.S. holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposal of the foreign currency received.

A U.S. holder of Notes that uses the accrual method of accounting for tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the foreign currency accrued for such year determined by translating such amount into U.S. dollars at the average spot rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. holder of Notes that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of such payment, determined at the spot rate on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S. source and generally will not be treated as an adjustment to interest income or expense.

Any non-U.S. withholding tax paid by a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their independent tax advisors regarding the availability of foreign tax credits.

***Sale, Exchange, Retirement or other Taxable Disposition of Notes***

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to the holder. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date. If the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Note at the spot rate on the settlement date of the purchase.

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid interest, which will be taxable as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described above) and the U.S. holder's adjusted tax basis in the Note. The amount realized on the sale, exchange, retirement or other taxable disposition of a Note for an amount of foreign currency will generally be the U.S. dollar value of that amount based on the spot rate on the date payment is received or the Note is disposed of. If the Note is traded on an established securities market, a cash basis taxpayer (and, if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the amount realized on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Gain or loss recognized by a U.S. holder upon the sale, exchange or other taxable disposition of a Note that is attributable to changes in currency exchange rates relating to the principal thereof will be ordinary income or loss and will be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date of the sale, exchange, retirement or other taxable disposition, and the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date the U.S. holder acquired the Note. The foregoing exchange gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder in excess of foreign currency gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of the sale, exchange, retirement or other taxable disposition. In the case of an individual U.S. holder, any such gain may be eligible for preferential U.S. federal income tax rates if that U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

***Exchange of Foreign Currencies***

A U.S. holder will have a tax basis in any foreign currency received as interest or upon the sale, exchange, retirement or other taxable disposition of a Note, equal to the U.S. dollar value thereof at the "spot rate" on the date the interest is received or, in the case of a payment received in consideration of the sale, exchange, retirement or other taxable disposition, on the date used to compute exchange gain or loss with respect to such disposition (as discussed above under "*—Sale, Exchange, Retirement or Other Taxable Disposition of Notes*"). Any gain or loss realized by a U.S. holder on a sale or other disposition of the foreign currency, including their exchange for U.S. dollars, will be ordinary income or loss and generally will be income from sources within the United States for U.S. foreign tax credit purposes.

***Tax Return Disclosure Requirement***

Treasury Regulations issued under the Code meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note to the extent that any such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of an applicable threshold amount. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

***Information Reporting and Backup Withholding***

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

***Information with Respect to Foreign Financial Assets***

Certain U.S. holders who are individuals and who hold an interest in "specified foreign financial assets" (as defined in section 6038D of the Code) are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

**Certain Finnish Tax Consequences**

*The following is a general discussion of certain Finnish tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all Finnish tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Finland currently in force and as applied on the date of this Offering Memorandum, which are subject to change, possibly with retroactive effect. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of the Notes under the tax laws of Finland and any country of which they are residents or whose tax laws apply to them for other reasons.*

***Payments of Interest***

Payments of interest on a Note are not subject to withholding tax in Finland provided that the recipient is not resident in Finland for tax purposes, unless the Note relates to business carried on in Finland (through a permanent establishment in Finland), in which case the interest is included within the taxable profits of that permanent establishment (as described below).

For physical persons that are resident in Finland for tax purposes and for Finnish estates of deceased persons, interest on a Note constitutes capital income. The tax rate applicable to capital income is at present 30 per cent. The tax rate for the part of capital income which exceeds EUR 40,000 per year is 32 per cent (it should be noted that there are plans currently to increase the higher tax rate to 33 per cent and to reduce the threshold to EUR 30,000 as of 2015). If the interest on a Note is paid to a physical person that is resident in Finland for tax purposes or to a Finnish estate of a deceased person by a Finnish Disbursing Agent, interest on a Note may be subject to withholding tax at a rate of 30 per cent.

If the recipient of the interest paid on a Note is a corporation residing in Finland for tax purposes or a Finnish permanent establishment of a non- resident corporation, such interest is subject to taxation either as income from business activities (business income source) or from passive assets (other income source) of the recipient corporation. Taxable income of a Finnish corporation is determined separately for business activities and other activities, both of which are taxed at a flat rate of 20 per cent.

***Taxable Disposition of Notes***

Investors that are not resident in Finland for tax purposes are not subject to Finnish tax on capital gains arising from the transfer of Notes, unless the transfer of Notes relates to business carried on in Finland through a permanent establishment with which that Investor's participation in the Notes is effectively connected.

Where a Note is sold by a physical person resident in Finland for tax purposes, or by a Finnish estate of deceased person prior to the due date, any capital gains and payment of accrued interest is taxable at the tax rate applicable to capital income.

Capital gains arising from a sale of assets are, however, exempted from tax if the total amount of the sales prices of the assets sold by the note holder does not exceed EUR 1,000 in a tax year. Capital losses arising from the transfer of notes are deductible only from capital gains arising from the sale of assets in the same year or during the following five years. The capital losses will not, however, be tax deductible if the total amount of the acquisition prices of the assets sold by the note holder does not exceed EUR 1,000 in a tax year.

Where a Note is sold by a Finnish resident corporation or by a Finnish permanent establishment of a non-resident corporation, any sales price is included either in the income from business activities or income from passive assets of the Finnish resident corporation. The acquisition cost of the Note sold is deductible either from business or other income depending on which assets the Note belonged to at the time the Note were sold. In general, a capital loss arising from the transfer of a Note attributable to business activities is deductible from business income. A loss of business activities can be carried forward for ten tax years. Capital losses attributable to other income can only be offset against capital gains arising from the transfer of passive assets and can be carried forward only for five tax years.

The Note holders are advised to consult their own tax advisers concerning their tax reporting obligations and the overall tax consequences of their ownership of the Notes.

***Other Taxes***

No stamp, issue or registration taxes or such duties will be payable in Finland in connection with the issuance, delivery or execution of the Notes.

No wealth tax is currently levied in Finland.

**Certain Swiss Tax Considerations**

*The following is a general discussion of certain tax consequences under the tax laws of the Switzerland of the acquisition, ownership and disposal of the Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Switzerland currently in force and as applied on the date of this Offering Memorandum, which are subject to change, possibly with retroactive or retrospective effect. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposal of the Notes.*

***Withholding Tax***

Payments by the Issuers of interest on, and repayment of principal of, the Notes, will not be subject to Swiss federal withholding tax, provided that the Issuers are at all times resident and managed outside Switzerland.

On August 24, 2011, the Swiss Federal Council (*Bundesrat*) proposed draft legislation for a revised Swiss withholding tax regime. For bonds, this draft legislation foresees a shift from the current withholding tax system at source to a paying agent tax system with regard to certain interest payments. Therefore, if this legislation or similar legislation were enacted, Swiss paying agents, such as for instance banks in Switzerland, would be required to deduct Swiss federal withholding tax at a rate of 35% on certain payments to an individual resident in Switzerland or to any other person resident abroad (*i.e.*, outside Switzerland). If indeed such a tax were to be deducted or withheld with respect to (interest) payment under the Notes, neither the Issuers nor a paying agent nor any other person would, pursuant to the terms of the Notes, be obliged to pay additional amounts for this tax.

***Stamp Tax***

The issue and redemption of the Notes by the Issuer are not subject to Swiss federal issuance stamp tax (*Emissionsabgabe*).

Purchases or sales of Notes (with a maturity in excess of 12 months), where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax legislation) is a party, or acts as an intermediary, to the transaction, may be subject to Swiss federal transfer stamp tax (*Umsatzabgabe*) at a rate of up to 0.3% of the purchase price of the Notes. Where both, the seller and the purchaser, of the Notes are non- residents of Switzerland or the Principality of Liechtenstein, no Swiss federal transfer stamp tax is payable.

***Income Tax***

*Notes held by non-Swiss holders*

Payments by the Issuers of interest and repayment of principal to, and gain realized on the sale or redemption of the Notes by, a holder of Notes who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

*Notes held by Swiss holders as private assets (Privatvermögen)*

Individuals who reside in Switzerland and who hold the Notes as private assets are required to include all payments of interest in respect of the Notes by the Issuer, in their personal income tax return and will be taxable on any net taxable income (including the payments of interest in respect of the Notes) for the relevant tax period.

*Notes held as Swiss business assets (Geschäftsvermögen)*

Individuals who hold the Notes as part of their business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding the Notes as part of a permanent establishment or fixed place of business in Switzerland are in general taxed according to Swiss statutory accounting principles (*Massgeblichkeitsprinzip*) for purposes of Swiss federal, cantonal and municipal income taxes. Interest and capital gains realized on the sale or redemption of the Notes are part of their taxable business profit and subject to Swiss federal, cantonal and municipal income taxes. The same also applies to individuals who, for income tax purposes, qualify as so-called professional securities dealers (*gewerbsmässige Wertschriftenhändler*).

***Foreign Final Withholding Tax***

On January 1, 2013 treaties on final withholding taxes between the Switzerland and the United Kingdom and between Switzerland and Austria entered into force. The treaties, *inter alia*, require a Swiss paying agent to levy final withholding tax at specified rates in respect of an individual resident in the United Kingdom or resident in Austria, as applicable, on interest or capital gain paid, or credited to an account, relating to the Notes. The final withholding tax substitutes the United Kingdom or Austrian income tax, as applicable, on such income of interest or capital gain. If such final withholding tax is levied, Swiss withholding tax can be reclaimed by the Swiss paying agent on account of the holder of the Notes. Such a person may, however, in lieu of the final withholding tax, opt for voluntary disclosure of the interest or capital income to the tax authority of his or her country of residency. Note that Switzerland may conclude similar treaties with other European countries.

***EU Savings Tax***

On October 26, 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the European Directive 2003/48/EC of June 3, 2003 on the taxation of savings income in the form of interest payments (the "**EU-Swiss Savings Tax Agreement**"). The agreement came into force as of July 1, 2005.

In accordance with this agreement respectively the Swiss law implementing this agreement, Swiss paying agents have to withhold tax at a rate of 35 per cent. on certain interest payments to a beneficial owner who is an individual and resident of an EU member state, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding. Currently, payments under the Notes are not subject to such withholding tax. On May 14, 2013 the European Council gave a mandate to the European Commission to negotiate an amendment of the EU-Swiss Savings Tax Agreement.

## CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the Notes by employee benefit plans that are subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, and entities whose underlying assets are considered to include "plan assets" of such employee benefit plans, plans, accounts or arrangements (pursuant to Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor) (each, an "**ERISA Plan**"). Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code; however, such plans may be subject to non-U.S., federal, state, or local laws or regulations that are substantially similar to Title I of ERISA or Section 4975 of the Code ("**Similar Laws**") or which otherwise affect their ability to invest in the Notes. Any fiduciary of such a governmental, church or non-U.S. plan considering an investment in the Notes (together with ERISA Plans, "**Plans**") should determine the need for, and, if necessary, the availability of, any exemptive relief under such laws or regulations.

### General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of an ERISA Plan and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation with respect to the assets of such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

### Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. Such transactions are referred to as "prohibited transactions" and include, without limitation, (1) a direct or indirect extension of credit to a party in interest or to a disqualified person, (2) the sale or exchange of any property between an ERISA Plan and a party in interest or a disqualified person, or (3) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any plan assets.

A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition, holding and/or disposition of Notes by an ERISA Plan with respect to which we, the Initial Purchasers, the Trustee, the agents and our and their respective affiliates are considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Similar Laws governing the investment and management of the assets of governmental plans, certain church plans and non-U.S. plans which are not subject to ERISA and the Code may contain fiduciary responsibility and prohibited transaction requirements similar to those under Title I of ERISA and Section 4975 of the Code. Accordingly, fiduciaries of such Plans, in consultation with their counsel, should consider the impact of Similar Laws on investments in the Notes and the considerations discussed above, to the extent applicable.

Because of the foregoing, the Notes should not be purchased or held by any person investing "plan assets" of any Plan, unless such acquisition, holding and subsequent disposition will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws. Accordingly, by acceptance of a Note, each purchaser and subsequent transferee will be deemed to have represented and agreed that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes or an interest therein constitutes assets of any Plan or (ii) the acquisition, holding and disposition by such purchaser or transferee of the Notes or an interest therein will not constitute or result in a non- exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The foregoing discussion is necessarily general in nature, is not intended to be all-inclusive, and should not be construed as legal advice or a legal opinion. Further, no assurance can be given that future legislation, administrative rulings, court decisions or regulatory action will not modify the conclusions set forth in this discussion. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes (and holding the Notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable.

## PLAN OF DISTRIBUTION

The Senior Secured Notes Issuer agreed to sell to the Initial Purchasers, and the Initial Purchasers agreed to purchase from the Senior Secured Notes Issuer, the entire principal amount of the Senior Secured Notes. In addition, the Senior Notes Issuer agreed to sell to the Initial Purchasers, and the Initial Purchasers agreed to purchase from the Senior Notes Issuer, the entire principal amount of the Senior Notes. Each of the sales were made pursuant to a purchase agreement among the Senior Secured Notes Issuer, the Senior Notes Issuer, BidCo and the Initial Purchasers dated May 30, 2014 (the "**Purchase Agreement**").

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase the Senior Secured Notes and the Senior Notes from the Senior Secured Notes Issuer and the Senior Notes Issuer, respectively, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all the Notes if they purchase any of them.

The Initial Purchasers initially propose to offer the Notes for resale at the respective issue prices that appear on the cover of this Offering Memorandum. After the initial offering of the Notes, the Initial Purchasers may change the prices at which the Notes are offered and any other selling terms at any time without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates, including in respect of sales into the United States. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Senior Secured Notes and the Senior Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel and our counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the offering may be terminated.

The Purchase Agreement provides that we will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. We have agreed not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any debt securities of, or guaranteed by, the Issuers and BidCo, and (as of the Completion Date) the Guarantors or any of their subsidiaries that are substantially similar to the Notes during the period from the date of the Purchase Agreement until the date falling 60 days after May 30, 2014 without the prior written consent of the Initial Purchasers.

The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A and to certain persons in offshore transactions in reliance on Regulation S. Until 40 days after the later of (i) the commencement of this offering and (ii) the issue date of the Notes, an offer or sale of the Notes initially sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "*Important Information About This Offering Memorandum*" and "*Notice to Investors*."

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuers or any Guarantor; and

- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes, the distribution of this Offering Memorandum and resale of the Notes. See "*Notice to Investors*."

The Senior Secured Notes Issuer, the Senior Notes Issuer and the Guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. The Issuers have applied, through their listing agent, to list the Notes on the Official List of the Luxembourg Stock Exchange and trade the Notes on the Euro MTF market, however, the Issuers cannot assure you that the listing will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market making activity will be subject to the limits imposed by the Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk Factors—Risks Related to the Notes—There may never be an active trading market for the Notes, in which case your ability to sell the Notes may be limited*."

Delivery of the Notes was made against payment on the Notes on June 10, 2014, which was seven business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T + 7"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers (if any) who wished to trade the Notes on May 30, 2014 or the following three business days were required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wished to make such trades should have consulted their own advisors.

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

In connection with the offering, the Stabilizing Manager, or a person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also over-allot the offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk factors—Risks related to the Notes—There may never be an active trading market for the Notes, in which case your ability to sell the Notes may be limited*."

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the offering of the Notes is made and, if commenced, may be discontinued at any time at the sole discretion of the Initial Purchasers. If these activities are commenced, they must end no later than the earlier of 30 days after the date of issuance of the Notes and 60 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business, for which they have received or may receive customary fees and commissions. The Initial Purchasers or their affiliates may also receive allocations of the Notes. In addition, the Initial Purchasers or their respective affiliates are lenders under our New Revolving Credit Facility and have committed to provide bridge financing in connection with the financing of the Acquisition in the event the Offerings are not consummated, and such entities may act as counterparties in the hedging

arrangements we expect to enter into in connection with the Transactions, and will receive customary fees for their services in such capacities. The Initial Purchasers or their affiliates also may enter into hedging arrangements with us in connection with the Transactions.

In the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and short positions in such securities and instruments.

## TRANSFER RESTRICTIONS

*You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes and the Notes Guarantees offered hereby.*

The Notes and the Notes Guarantees are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgements, representations to and agreements with the relevant Issuer and the Initial Purchasers:

(1) You understand and acknowledge that:

(a) the Notes have not been registered under the U.S. Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the U.S. Securities Act or any other securities laws; and

(b) 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 U.S. Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraphs 5 and 6 below.

(2) You acknowledge that this Offering Memorandum relates to an offering that is exempt from registration under the U.S. Securities Act or any other applicable securities laws 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 U.S. Securities Act) of the relevant Issuer, that you are not acting on our behalf and that either:

(a) you are a "qualified institutional buyer" (as defined in Rule 144A under the U.S. 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

(b) you are not a "U.S. person" (as defined in Regulation S under the U.S. 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 none of the Issuers, the Guarantors, the Initial Purchasers or any person representing the Issuers, the Guarantors or the Initial Purchasers has made any representation to you with respect to the relevant Issuer, the Guarantors or the offering of the Notes, other than the information contained in this Offering Memorandum. Accordingly, you acknowledge that no representation or warranty is made by the Initial Purchasers or any person representing the Initial Purchasers as to the accuracy or completeness of such materials. You represent that you are relying only on this Offering Memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning the Group 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 the Group and the Initial Purchasers.

(5) You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the U.S. Securities Act or any state securities laws, 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 U.S. 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 the relevant Issuer, the Guarantors or any subsidiaries thereof;

(b) under a registration statement that has been declared effective under the U.S. 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 U.S. Securities Act;

(e) under any other available exemption from the registration requirements of the U.S. 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 or account's control and to compliance with any applicable state securities laws and any applicable local laws and regulations.

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:

(a) the above restrictions on resale will apply from the closing date until the date that is one year (in the case of Rule 144A Notes) after the later of the closing date, the closing 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 closing 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;

(b) if a holder of Notes proposes to resell or transfer Notes under clause (e) above before the applicable Resale Restriction Period ends, the seller must deliver to the Issuer and the Trustee a letter from the purchaser in the form set forth in the Indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is acquiring the Notes not for distribution in violation of the U.S. Securities Act;

(c) the Issuer, the Registrar and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under clauses (4)(d) and (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer, the Registrar and the Trustee; and

(e) each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

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 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 ISSUER OR ANY AFFILIATE OF THE 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) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. 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 IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS 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 U.S. SECURITIES ACT.

BY ITS ACQUISITION OF THIS SECURITY, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) no portion of the assets used by such holder to acquire and hold this security or interest therein constitutes assets of any "employee benefit plan" subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**"), any plan, individual retirement account or arrangement subject to Section 4975 of the United States Internal Revenues Code of 1986, as amended (the "**Code**"), an entity whose underlying assets are considered to include "plan assets" of such employee benefit plans, plans, accounts or arrangements or a governmental plan, church plan or non-U.S. plan, subject to provisions under any federal, state, local, non U.S. laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Laws**") or (2) the acquisition, holding and dispositions of this security or interest therein will not constitute or result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(8) You represent and warrant that either (i) no portion of the assets used by you to acquire and hold such Notes or interest therein constitutes assets of any "employee benefit plan" subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**"), any plan, individual retirement account or other arrangement subject to Section 4975 of the United States Internal Revenues Code of 1986, as amended (the "**Code**"), an entity whose underlying assets are considered to include "plan assets" of such employee benefit plans, plans, accounts or arrangements or a governmental plan, church plan or non- U.S. plan, subject to provisions under any federal, state, local, non U.S. laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Laws**") or (ii) the acquisition, holding and dispositions of this security or interest therein will not constitute or result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

(9) You acknowledge until 40 days following the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the U.S. Securities Act.

(10) You acknowledge that the Trustee will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.

(11) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes are no longer accurate,

you will promptly notify the Issuer 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.

(12) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors or any of the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution.*"

## LEGAL MATTERS

Certain legal matters relating to the validity of the Notes, the Notes Guarantees and certain other legal matters are being passed upon for us by Latham & Watkins (London) LLP, with respect to matters of U.S. federal and New York state law, and by Latham & Watkins LLP, with respect to matters of German law. Certain legal matters relating to the Offering will be passed upon for the Initial Purchasers by Cravath, Swaine & Moore LLP, with respect to matters of U.S. federal and New York state law, and by Allen & Overy LLP, with respect to matters of German law.

## INDEPENDENT AUDITORS

The Audited Consolidated Financial Statements included in this Offering Memorandum have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft ("**KPMG**"), independent auditors, as stated in their report appearing herein. Additionally, the financial statements for CABB International GmbH for the year ended December 31, 2011 have been audited by KPMG.

Each of the respective auditor's reports of KPMG on the Audited Consolidated Financial Statements refers to the respective group management report. The group management reports are not reprinted in this Offering Memorandum.

The examination of and the auditor's report upon such group management report are required under IFRS auditing standards. This examination was not made in accordance with generally accepted auditing or attestation standards in the United States of America. Accordingly, KPMG does not express any opinion on this information or on the combined or consolidated financial statements included in this Offering Memorandum, in each case in accordance with U.S. generally accepted auditing standards or U.S. attestation standards.

## AVAILABLE INFORMATION

Each purchaser of Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes or the Notes Guarantees offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either us or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any such request with respect to the Notes should be directed to Holdco 2 at 282, route de Longwy, L-1940 Luxembourg, Grand Duchy of Luxembourg.

We are currently not subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to each of the Indentures, we will agree to furnish periodic information to the holders of the Notes. See "*Description of the Senior Secured Notes—Certain Covenants—Reports*" and "*Description of the Senior Notes—Certain Covenants—Reports*." Copies of the Indentures (which includes the form of the Notes) and the Intercreditor Agreement may also be obtained by request to the relevant Issuer.

So long as the Notes are admitted to trading on the Euro MTF Market and to listing on the Official List of the Luxembourg Stock Exchange, and the rules and regulations of such stock exchange so require, copies of such information will also be available for review during the normal business hours on any business day at the specified office of the listing agent in Luxembourg.

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuers and the Guarantors are or will be limited liability companies established under the laws of the Federal Republic of Germany, Luxembourg, Finland, Switzerland and Sweden.

The majority of the Issuers' and the Guarantors' directors, officers and other executives are expected to be neither residents nor citizens of the United States. Furthermore, the majority of the Issuers' and the Guarantors' assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, the Issuers or the Guarantors or to enforce against them, the Issuers or the Guarantors judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws despite the fact that, pursuant to the terms of the Indentures, the respective Issuer and the respective Guarantors have appointed, or will appoint, an agent for the service of process in New York. It may be possible for investors to effect service of process within Germany upon those persons or the Issuers or over the Issuers' respective subsidiaries provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

Each of the Issuers and the Guarantors have been advised by their German counsel, that there is doubt that a lawsuit based upon U.S. federal or state securities laws could be brought in an original action in Germany and that a foreign judgment based upon U.S. securities laws would be enforced in Germany. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based on United States federal or state securities laws, would not be automatically enforceable in Germany.

### Germany

We have been advised by our German counsel that there is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable, either in whole or in part, in Germany. A conclusive judgment by a U.S. federal or state court, however, may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of the U.S. judgment by a German court is conditional upon a number of factors, including the following:

- U.S. courts could take jurisdiction of the case in accordance with the principles of jurisdictional competence according to German law;
- the document commencing the proceedings was duly served and made known to the defendant in a timely manner that allowed for adequate defense, or in case of noncomplicance with such requirement, (i) the defendant does not invoke such noncompliance or (ii) has nevertheless appeared in the proceedings;
- the judgment is not contrary to (i) any judgment which became *res judicata* rendered by a German court or (ii) any judgment which became *res judicata* rendered by a foreign court which is recognized in Germany and the procedure leading to the respective judgment does not contradict any such judgment under (i) and (ii) or a proceeding previously commenced in Germany;
- the effects of its recognition will not be in conflict with material principles of German law, including, without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are regarded to be in conflict with material principles of German law;
- the reciprocity of enforcement of judgments is guaranteed; and
- the judgment became *res judicata* in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an *exequatur* decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable. Enforcement is also

subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditors' rights generally. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

Furthermore, German civil procedure differs substantially from U.S. civil procedure in a number of aspects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

If the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuers or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

**Finland**

Certain Guarantors are organized under the laws of Finland.

We have been advised by our Finnish counsel that there is no treaty on the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters between the United States and Finland. Courts in Finland will not automatically recognize and enforce a final judgment rendered by a U.S. court.

Under Finnish law, a Finnish title for execution (*i.e.*, a Finnish court judgment) is required for such recognition and enforcement; in seeking a Finnish court judgment or order to such effect, a judgment of a U.S. court will constitute circumstantial evidence of the questions of fact in the case concerned and evidence of the governing law as applied to the matter in dispute. The application by a Finnish court of foreign law in a matter brought before it is subject to (a) the foreign law not being contrary to such mandatory rules of Finnish law that due to their public nature or general interest would be considered applicable irrespective of the agreed choice of law; and (b) the application of the foreign law not resulting in an outcome contrary to the public policy (*ordre public*) of the Finnish legal system.

As to types of damages awarded, punitive or exemplary damages are unenforceable under Finnish law and a Finnish court may only award damages to the extent that they form compensation of actual losses and damages as proven by the claimant. A feature of the Finnish civil procedure is that the burden of proof with respect to any claims presented lies, with certain rare exceptions, with the claimant. A party to legal proceedings in Finland is also ordinarily expected to plead its case primarily on the basis of the evidence in its own possession.

U.S. notions of discovery, including the expectation that broadly defined categories of documents and information in the possession of third parties will be readily accessible for use as evidence, are not recognized under Finnish law. The availability of documentation in the possession of counterparties or third parties is limited, and a party seeking to obtain such documents is required to be able to specify such documents with relative precision. Depositions are also a form of taking evidence unknown to Finnish law. In Finland, witness testimony is usually only taken at a separate oral main hearing (comparable to a U.S. trial) after the preparatory phase of the proceedings.

Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization or moratorium as well as other similar mandatory laws affecting creditor's rights generally.

**Luxembourg**

Each of the Issuers are incorporated under the laws of Luxembourg and all of the managers and executive officers of the Issuers are non-residents of the United States. Furthermore, a substantial portion of the assets of the Issuers is located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuers, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws.

We have been advised by our Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S.

court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to Section 678 of the New Luxembourg Code of Civil Procedure. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is final and enforceable (*exequatur*) in the United States;
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under applicable U.S. Federal or state jurisdictions rules, and the jurisdiction of the U.S. court is recognized by Luxembourg private international and local law;
- the U.S. court has applied the substantive law as designated by Luxembourg conflict of laws rules;
- the U.S. judgment does not contravene international public policy or order as understood under the laws of Luxembourg;
- the U.S. court has acted in accordance with its own procedural laws;
- the U.S. judgment was granted following proceedings where the counterparty had the opportunity to appear, and if it appeared, to present a defense; and
- the U.S. judgment was not granted pursuant to an evasion of Luxembourg law (*fraude à la loi luxembourgeoise*).

Subject to the above conditions, Luxembourg courts tend not to review the merits of a foreign judgment, although there is no statutory prohibition.

We have also been advised by our Luxembourg counsel that if an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law (i) if the choice of such law was not made bona fide and (ii) if its application contravenes Luxembourg public policy or is manifestly incompatible with Luxembourg international policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought. Also, an exequatur may be refused in respect of punitive damages.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than Euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes all claims or debts would be converted into Euro.

**Sweden**

We have been advised by Swedish counsel that enforceability of a judgment rendered by a foreign court in civil and commercial matters, is generally considered conditional upon that enforceability of such judgment is expressly provided for under Swedish law or upon a treaty providing for the reciprocal recognition and enforcement of judgments. The United States and Sweden do not have a convention or treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and Sweden are both parties to the New York Convention on Arbitral Awards). This means that a judgment rendered by any federal or state court in the United States based on civil liability would not be directly enforceable in Sweden.

In order to enforce any such judgment in Sweden, proceedings must therefore be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in Sweden, or an administrative tribunal or executive or other public authority of the Kingdom of Sweden. In such an action, a judgment rendered by any federal or state court in the United States may be regarded as evidence in respect of, for example, factual circumstances or the content of U.S. law.

We have further been advised by Swedish counsel that it is not established by law or court precedent that a power of attorney or an appointment of an agent (including any agent for service of process), can be made irrevocable. Therefore, any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers.

**Switzerland**

We have been advised by our Swiss counsel that there is doubt as to the enforceability of U.S. judgments in Switzerland, or the applicability of U.S. federal or state securities laws in an action brought before a Swiss court. The United States and Switzerland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment by any U.S. federal or state court for payment, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Switzerland. A final judgment by a U.S. federal or state court, however, may be recognized in Switzerland in an action before a court of competent jurisdiction in accordance with the proceeding set forth by the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*) and the Swiss Federal Act on Civil Procedure (*Schweizerische Zivilprozessordnung*). In such an action, a Swiss court generally would not reinvestigate the merits of the original matter decided by a U.S. court. The recognition and enforcement of a U.S. judgment by a Swiss court would be conditional upon a number of conditions including those set out in articles 25 et seqq. of the Swiss Federal Act on International Private Law (*Bundesgesetz über das international Privatrecht*), which include:

- The U.S. court having had jurisdiction over the original proceedings from a Swiss perspective;
- The judgment being final under U.S. federal or state law, and no ordinary legal remedy being available against such judgment;
- The defendant having had the chance to defend herself or himself against any unduly or untimely served complaint except for a defendant having unconditionally consented to the original proceeding before the respective court;
- The original proceeding not having been conducted under a violation of material principles of Swiss civil proceedings law, in particular the right to be heard;
- The matter (*Verfahren*) resulting in the judgment of the U.S. court not being consistent with the matter (*Verfahren*) pending before a Swiss court, provided such Swiss matter was pending before a Swiss court prior to the U.S. court entered its proceedings; and
- The enforcement of the judgment by the U.S. court not being manifestly incompatible with Swiss public policy (*schweizerischer Ordre public*).

Subject to the foregoing, purchasers of the Notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Switzerland. We cannot, however, assure you that any attempts to enforce judgments in Switzerland will be successful; in particular, it is uncertain whether a Swiss court would recognize U.S. jurisdiction if the defendant did not enter an appearance before a U.S. court during the substantive proceedings in the sense of art. 6 of the Swiss Federal Act on International Private Law (*Bundesgesetz über das internationale Privatrecht*). Furthermore, it is probable that a Swiss court, if substantive proceedings were commenced in Switzerland, would not apply U.S. federal or state securities laws. In addition, the recognition and enforcement of punitive damages awards might be denied by Swiss courts as incompatible with Swiss public policy (*schweizerischer Ordre public*). Alternatively, a Swiss court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the depositions of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. In Switzerland, no such pre-trial discovery process exists. Instead, a Swiss court would decide upon the claims for which evidence is required from the parties and the related burden of proof.

## CERTAIN LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE NOTES GUARANTEES AND THE COLLATERAL AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

*The validity and enforceability of the Collateral will be subject to certain limitations on enforcement and may be limited under applicable law or subject to certain defenses that may limit its validity and enforceability. The following is a brief description of limitations on the validity and enforceability of the Notes Guarantees and the Collateral and of certain insolvency law considerations in the jurisdictions in which Notes Guarantees or Collateral are being provided. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes, the Notes Guarantees or other security interests. Proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Notes Guarantees and the security interests on the Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. Please see "Risk Factors—Risks Related to Our Structure and the Financing", "Risk Factors—Risks Related to the Notes" and "Risk Factors—Risks Related to Our Financial Profile." If additional collateral is required to be granted in the future pursuant to the Indenture, such collateral will also be subject to limitations and enforceability and validity, which may differ from those discussed below.*

### European Union

The Issuers and all but one of the Guarantors are organized under the laws of member states of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "**EU Insolvency Regulation**"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the member state (other than Denmark) where the company concerned has its "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "center of main interests" is a question of fact on which the courts of the different member states may have differing and even conflicting views. Furthermore, "center of main interests" is not a static concept and may change from time to time. Although under Article 3(1) of the EU Insolvency Regulation there is a rebuttable presumption that a company would have its respective "center of main interests" in the member state in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "center of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." The European Court of Justice has ruled in a recent judgment that a debtor company's main center of interests must be determined by attaching greater importance to the place of the company's central administration, as may be established by objective factors which are ascertainable by third parties. Where the bodies responsible for the management and supervision of a company are in the same place as its registered office and the management decisions of the company are taken, in a manner that is ascertainable by third parties, in that place, the presumption, that the center of the company's main interests is located in that place, shall be irrebuttable. Where a company's central administration is, however, not in the same place as its registered office, the presence of company assets and existence of contracts for the financial exploitation of those assets in a member state other than that in which the registered office is situated cannot be regarded as sufficient factors to rebut the above mentioned presumption, unless a comprehensive assessment of all relevant factors makes it possible to establish, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other member state. The factors to be taken into account include, in particular, all places in which the debtor company pursues economic activities and all those in which it holds assets, in so far as they are ascertainable by third parties.

If the center of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation, with these proceedings governed by the *lex fori concursus, i.e.* the local laws of the court opening such main insolvency proceeding. Insolvency proceedings opened in one member state under the EU Insolvency Regulation are to be recognized in the other member states (other than Denmark), although secondary proceedings may be opened in another member state. If the "center of main interests" of a debtor is in one member state (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another member state (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other member state. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other member state. If the company does not have an establishment in any other member state, no court of any other member state has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

**Germany**

***Insolvency***

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor and/or a creditor files a petition for the opening of insolvency proceedings (*Antrag auf Eröffnung des Insolvenzverfahrens*). Insolvency proceedings must be initiated by the debtor and can be initiated by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or in the event of illiquidity (*Zahlungsunfähigkeit*).

A debtor is over-indebted when its liabilities exceed the value of its assets unless, based on the prevailing circumstances, a continuation of the business is predominantly likely (*überwiegend wahrscheinlich*).

A company is considered to be illiquid if it is unable to pay its debts when they fall due. In addition, only the debtor can file for the opening of insolvency proceedings in case of impending illiquidity (*drohende Zahlungsunfähigkeit*), if there is the imminent risk for the Issuer of being unable to pay its debts as and when they fall due, whereas impending illiquidity does not give rise to an obligation for the management of the debtor to file for insolvency proceedings.

If a GmbH (*Gesellschaft mit beschränkter Haftung*) or any other company not having an individual as a personally liable shareholder gets into a situation of illiquidity and/or over-indebtedness, the managing director(s) or under circumstances the shareholders of such company must file a petition for the opening of insolvency proceedings without undue delay but in any event no later than three weeks after such company has become illiquid and/or over-indebted. The management of a debtor can be exposed to criminal sanctions as well as damage claims in the event that filings for insolvency are delayed or not made at all.

If a company faces imminent illiquidity and/or is over-indebted it may also file for a preliminary protection scheme (*Schutzschirmverfahren*) unless—from a third party perspective—there is no reasonable chance of a successful restructuring. In such case and upon request of the debtor, the court will appoint a preliminary custodian (*vorläufiger Sachwalter*) and prohibit enforcement measures (other than with respect to immoveable assets). It may also implement other preliminary measures to protect the debtor from creditor enforcement actions for up to three months. During that period, the debtor must prepare an insolvency plan which will ideally be implemented in formal "debtor-in- possession" proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

The insolvency proceedings are court-controlled, and, upon receipt of the insolvency petition, the insolvency court may take preliminary protective measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. As part of such protective measures the court may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary administrator depend on the decision of the court. The duties of the preliminary administrator may be, in particular, to safeguard and preserve the debtor's property and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Depending on the decision of the court, even the right to manage and dispose of the business and assets of the debtor may pass to the preliminary insolvency administrator. This only applies, where the debtor has not applied for so-called self- administration (*Eigenverwaltung*), in which event the court will only appoint a preliminary custodian (*vorläufiger Sachwalter*), who will supervise the management of the affairs by the debtor. During preliminary insolvency proceedings, a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) generally will be appointed by the court if the debtor satisfies two of the following three requirements:

- a balance sheet total in excess of €4,840,000 (after deducting an equity shortfall if the debtor is over-indebted);
- revenues of at least €9,680,000 in the 12 months prior to the last day of the financial year preceding the filing; and/or
- 50 or more employees on an annual-average basis.

The requirements apply to the entity subject to the proceedings without taking into account the assets of other group companies. The preliminary creditors' committee will be able to participate in certain important decisions taken during the preliminary insolvency proceedings. It will, for example, have the power to influence the following: the selection of a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or an insolvency administrator (*Insolvenzverwalter*), orders for "self- administration" proceedings (*Anordnung der Eigenverwaltung*), and the appointment of a preliminary custodian (*vorläufiger Sachwalter*). The court opens formal insolvency proceedings (*Insolvenzeröffnung*) if certain formal requirements are met (in particular, but not limited to, evidence being provided of

an existing cause of insolvency) and there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open main insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of the insolvency proceedings, an insolvency administrator (*Insolvenzverwalter*) is usually appointed by the court who has full administrative and disposal authority over the debtor's assets unless debtor-in-possession (*Eigenverwaltung*) are ordered. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's operations or may deem it necessary to wind down the Issuer. Satisfaction of these liabilities as preferential debts of the estate (*Masseverbindlichkeiten*) will be preferred to any insolvency liabilities created by the debtor prior to the opening of insolvency proceedings.

For the holders of the Notes, the most important consequences of such opening of formal insolvency proceedings against a company subject to the German insolvency regime would be the following:

- the right to administer and dispose of assets of the German subsidiary of the Issuer would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate, unless debtor-in-possession proceedings (*Eigenverwaltung*) are ordered;

- if the court does not order debtor-in-possession proceedings (*Eigenverwaltung*), disposals effected by management of the German subsidiary of the Issuer after the opening of formal insolvency proceedings are null and void by operation of law;

- if, during the final month preceding the date of filing for insolvency proceedings, a creditor in the insolvency proceedings acquires through execution (*e.g.*, attachment) a security interest in part of the debtor's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings; and

- claims against the German subsidiary of the Issuer may generally only be pursued in accordance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*).

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This may also relate to agreements that are not governed by German law.

Any person that has a right to segregation (*Aussonderung*), *i.e.*, the relevant asset of this person does not constitute part of the insolvency estate, does not participate in the insolvency proceedings; the claim for segregation must be enforced in the course of ordinary court proceedings against the insolvency administrator.

All other creditors, whether secured or unsecured (unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*) as opposed to a preferential right (*Absonderungsrecht*)) who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors other than creditors with preferred claims (*Absonderung der Masseverbindlichkeit*) is subject to an automatic stay once the insolvency proceedings have been opened (and, if so ordered by a court, also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). Unsecured creditors may file their claims in the insolvency proceedings and will be paid on a pro rata basis from the insolvency estate (to the extent sufficient assets are available). Certain secured creditors have preferential rights regarding the enforcement of their security interests, but German insolvency law imposes certain restrictions on their ability to enforce their security interests outside the insolvency proceedings and in many cases the insolvency administrator will have the sole right to enforce the security. Whether or not a secured creditor remains entitled, after the initiation of insolvency proceedings, to enforce security granted to it by the relevant debtor depends on the type of security.

The insolvency administrator generally has the sole right (i) to realize any moveable assets within its possession which are subject to preferential rights (*Absonderungsrechte*) (*e.g.*, pledges over movable assets and rights (*Mobiliarpfandrechte*) transfer by way of security (*Sicherungsübereignung*)) as well as (ii) to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). If such enforcement right is vested in the insolvency administrator, the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets

(*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds (plus VAT (if any)), are paid to the creditor holding the relevant security interest in the relevant collateral up to an amount equal to its secured claims. The unencumbered assets of the debtor serve to satisfy the costs of the insolvency proceeding (*Massekosten*) first and afterwards the preferred creditors of the insolvency estate (*Massegläubiger*). Typically, liabilities resulting from acts of the insolvency administrator after commencement of formal insolvency proceedings constitute liabilities of the insolvency estate. Thereafter, all other claims (insolvency claims (*Insolvenzforderungen*)), in particular claims of unsecured creditors, will be satisfied on a pro rata basis if and to the extent there is cash remaining in the insolvency estate (*Insolvenzmasse*). A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules.

Under German insolvency laws, it is possible to implement a debt-to- equity swap through an insolvency plan. However, it will not be possible to force a creditor into a debt-to-equity swap with regards to the debt owed to it by the debtor if it does not consent to such swap. Creditors secured by pledges over shares in subsidiaries of the debtor are entitled to preferential satisfaction with regard to the proceeds realized in an enforcement process which has to be effected by means of a public auction outside the insolvency process. However, in the absence of authoritative case law, it is uncertain whether the secured creditors are entitled to initiate the enforcement process in respect of the pledged shares on their own or, as far as the pledged assets are part of any insolvency estate, whether the insolvency administrator has standing to realize the pledges on behalf of and for the benefit of the secured creditors. Even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the secured creditor retains the right of preferred satisfaction with regard to the disposal proceeds (*Absonderungsrecht*). Consequently, the enforcement proceeds minus certain contributory charges as described above are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts will be allocated to the insolvency estate (*Insolvenzmasse*) and would, after deduction of the costs of the insolvency proceedings (as described above) and after satisfaction of certain preferential liabilities be distributed among the non-preferential unsecured creditors, including, to the extent their claims exceed the enforcement proceeds of the security interests, the holders of the Notes. If a German subsidiary or a subsidiary subject to German insolvency proceedings grants security over its assets to creditors other than the holders of the Notes, such security may result in a preferred treatment of creditors secured by such security. The proceeds resulting from such collateral securing creditors other than the holders of the Notes may not be sufficient to satisfy the holders of the Notes under the Notes Guarantees granted by the German Guarantors after satisfaction of such secured creditors.

The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator from using a moveable asset that is subject to this right. The insolvency administrator, however, must compensate the creditor for any loss of value resulting from such use. It may take several years before an insolvency dividend, if any, is distributed to unsecured creditors. An alternative distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and requires, in principle, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In the case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (*i.e.*, there is no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and *vis-à-vis* each entity have to be dealt with separately.

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors. Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrators opts for performance.

***Limitation on Enforcement***

CABB International GmbH, CABB Holding GmbH, CABB GmbH and CABB Europe GmbH (the "**German Guarantors**") are incorporated in Germany in the form of a limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH***)** and any security (including a guarantee) granted by such a GmbH is subject to certain provision of the Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung or GmbHG*).

As a general rule, sections 30 and 31 of the GmbHG ("**Sections 30 and 31**") prohibit a GmbH from disbursing its assets to its (direct or indirect) shareholders to the extent that the amount of the GmbH's net assets determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*) (*i.e.*, assets minus liabilities and liability reserves) is or would fall below, or increases or would increase an existing shortfall of, the amount of its stated share capital (*Begründung oder Vertiefung einer Unterbilanz*). The Notes Guarantees and any other security granted by a GmbH in order to secure the liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to secure the liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31 and to protect management from personal liability, it is standard market practice for credit agreements, indentures, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees or security interest agree to enforce the guarantees or security interest against the German subsidiary only to the extent that such enforcement would not result in the GmbH's net assets falling below, or increasing an existing shortfall of, its stated share capital (provided that the determination and calculation of such shortfall is subject to certain adjustments and exemptions). Accordingly, any security and Guarantee provided by a (direct or indirect) subsidiary of the Issuer in the legal form of a GmbH incorporated or established in Germany will contain such limitation language in the manner described. This could lead to a situation in which the respective Guarantee or security granted by a GmbH cannot be enforced at all.

German capital maintenance rules are subject to evolving case law. Future court rulings may further limit the access of a shareholder to assets of its subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the German (direct or indirect) subsidiaries of the Issuer to make payments under the Notes Guarantees, of the beneficiaries of the Notes Guarantees to enforce the Notes Guarantees or of the secured parties to enforce the collateral.

Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (*i.e.*, a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security interest granted by a German (direct or indirect) subsidiary of the Issuer. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero. German capital maintenance rules are subject to ongoing court decisions. Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the Issuer to make payment on the Notes, of the subsidiaries to make payments on the guarantees, of the secured parties to enforce the collateral or of the beneficiaries of the guarantees to enforce the guarantees.

In addition, the enforcement of the Notes Guarantees and security interests granted by subsidiaries of the Issuer may be limited under its respective terms to the extent that it would lead to the illiquidity (*Zahlungsunfähigkeit*) of the Issuer granting such Guarantee or security interest.

***Parallel Debt; Security Interests***

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such security interests cannot be held for the benefit of a third party by a pledgee which does not itself hold the secured claim. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the security agent under German law, the Intercreditor Agreement provides for the creation of a "parallel debt." Pursuant to such parallel debt, the security agent becomes the holder of a claim equal to the sum of any amounts payable by any obligors under, in particular, the Notes and the Indenture (the "**Parallel Debt Obligation**"). The pledges governed by German law will directly and exclusively secure the Parallel Debt Obligation, rather than secure the obligations under the Notes or the holders of the Notes directly. The Parallel Debt Obligation is in the same amount and payable at the same time as the obligations of the Issuer and the Security Providers under the Notes and the Notes Guarantees (the "**Principal Obligations**"), and any payment in respect of the Principal Obligations will discharge the corresponding Parallel Debt Obligation and any payment in respect of the Parallel Debt Obligation will discharge the corresponding Principal Obligations. Although the security agent will have, pursuant to the parallel debt, a claim against the Issuer and the Security Providers for the full principal amount of the Notes, there are no published court decisions confirming the validity of the parallel debt structure and of the pledges granted under German law to secure such parallel debt, and hence there is no certainty that German courts will uphold such pledges. Therefore, the ability of the security agent to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the security agent.

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the security agent the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting

the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (*i.e.*, the right to request the court to impose a stay on proceedings initiated by other creditors).

***Hardening Periods and Fraudulent Transfer***

In the event of insolvency proceedings with respect to a company, which would be based on and governed by the insolvency laws of Germany, the security interests granted as well as a guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

On the basis of these rules, an insolvency administrator may challenge (*anfechten*) transactions which are deemed detrimental to insolvency creditors and which were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest (including guarantees). The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the commencement of insolvency proceedings. If the Notes, the Notes Guarantees or the security were avoided, holders of the Notes would only have a general unsecured claim in insolvency proceedings in the amount of their original investment and the holders of the Notes would be under an obligation to repay the amounts received by the insolvency estate or to waive such Guarantee or security interest.

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which terms also include the provision of security or the repayment of debt) may be avoided in the following cases:

- any act (*Rechtshandlung*) granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction for a debt (*Befriedigung*) if such act was taken (i) during the last three months prior to the filing of the petition for the opening of insolvency proceedings, provided that the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor knew of such illiquidity (or of the circumstances that imperatively suggested that the debtor was illiquid) at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings, if the creditor knew of the debtor's illiquidity or the filing of such petition (or of circumstances that imperatively suggested such illiquidity or filing);

- any act (*Rechtshandlung*) granting an insolvency creditor, or enabling an insolvency creditor, to obtain security or satisfaction for a debt to which such creditor was not entitled, or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction, if (i) such act was taken during the last month prior to the filing of the petition for the opening of insolvency proceedings or after such filing, (ii) such act was taken during the second or third month prior to the filing of the petition and the debtor was illiquid at such time, or (iii) such act was taken during the second or third month prior to the filing of the petition for the opening of insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that imperatively suggested such detrimental effect);

- a transaction (*Rechtsgeschäft*) by the debtor that is directly detrimental to the insolvency creditors or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, if it was entered into (i) during the three months prior to the filing of the petition for the opening of insolvency proceedings and the debtor was illiquid at the time of such transaction and the counterparty to such transaction knew of the illiquidity at such time, or (ii) after the filing of the petition for the opening of insolvency proceedings and the counterparty to such transaction knew of either the debtor's illiquidity or such filing at the time of the transaction;

- any act (*Rechtshandlung*) by the debtor without (adequate) consideration (*e.g.*, whereby a debtor grants security or a guarantee for a third-party debt, which might be regarded as having been granted gratuitously (*unentgeltlich*)), if it was effected in the four years prior to the filing of the petition for the opening of insolvency proceedings;

- any act (*Rechtshandlung*) performed by the debtor during the ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after the filing, if the debtor acted with the intent to prejudice its insolvency creditors and the other party knew of such intention at the time of such act;

- any non-gratuitous contract concluded between the debtor and a related party of the debtor which directly operates to the detriment of the creditors can be avoided unless such contract was concluded more than two years prior to the filing for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors; in terms of corporate entities, the term "related party"

includes, subject to certain limitations, members of the management or supervisory board, shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons that are spouses, relatives or members of the household of any of the foregoing persons;

- any act (*Rechtshandlung*) that provides security or satisfaction for a shareholder loan (*Gesellschafterdarlehen*) made to the debtor or a similar claim if (i) in case of the provision of security, the act took place during the ten years prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition, or (ii) in the case of satisfaction, the act took place during the last year prior to the filing of the petition for the opening of insolvency proceedings or after the filing of such petition; and

- any act (*Rechtshandlung*) whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter, and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's imminent illiquidity and that the transaction prejudiced the debtor's creditors. With respect to a "related party," there is a general statutory presumption that such party had "knowledge." Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order (*Vollstreckungstitel*) but has failed to obtain satisfaction of its enforceable claims by a levy of execution, under certain circumstances, has the right to void certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). The conditions for avoidance under the German Code on Avoidance differ to a certain extent from the above-described rules under the German Insolvency Code and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing, funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

**Finland**

There are two primary insolvency regimes under Finnish law. The first, company restructuring (Fi. *yrityssaneeraus*), is intended to investigate whether the business has a reasonable chance to continue and, if so, to rehabilitate the company's viable business, ensure its continued viability and make arrangements with creditors. The second, bankruptcy (Fi. *konkurssi*), is primarily designed to liquidate and distribute the assets of a debtor to its creditors.

***Company Restructuring***

If a company is insolvent or is at risk of becoming insolvent, and it is likely that a company restructuring may remedy the insolvency or prevent its recurrence otherwise than for a short period, an application for company restructuring can be made to a court by the debtor or by one or more creditors. Furthermore, the initiation of restructuring proceedings is possible-in theory, irrespective of the company's solvency situation-when at least two creditors whose total claims represent at least one-fifth of the debtor's known debts and who are not related to the debtor file a joint application with the debtor or declare that they support the debtor's application for company restructuring. If there are no specific legal barriers to company restructuring and, consequently, the court approves the application and initiates restructuring proceedings, the court will simultaneously appoint an administrator (Fi. *selvittäjä*).

The administrator appointed by the court (among others) looks after the creditors' interests in the restructuring proceedings, prepares an inventory of the company's assets and administration debts and prepares a proposal for the restructuring programme. The court will often appoint a creditors committee to assist and supervise the administrator. Despite the initiation of the restructuring proceedings, the directors of the company continue to act on behalf of the

company but their powers are somewhat limited. The administrator supervises the operation of the company's business. After restructuring proceedings have been initiated, the debtor may not, without the consent of the administrator:

(i) take new loans (except for such loans which are within the ordinary course of business and the amount and terms of which are not unusual);

(ii) transfer the company or a part thereof or any of its assets which are required for its business purposes;

(iii) grant rights to the assets covered under (ii) above (except in the ordinary course of business);

(iv) transfer current assets other than in the ordinary course of business and with customary terms;

(v) terminate agreements which are necessary for carrying on business;

(vi) grant security for a third party's debt (except within the ordinary course of business and provided that the risks involved are not unusual);

(vii) take other actions, which are unusual or material; or

(viii) petition for bankruptcy.

During the restructuring proceedings, the creditors of the debtor company generally exercise their powers through the creditors committee. The creditors committee has a supervisory role and is not involved in the day-to-day management of the company.

During the restructuring proceedings, the administrator has the duty to:

(i) compile a list of the company's assets, liabilities and other undertakings, as well as to draft a report of any factors likely to affect the financial status of the company;

(ii) monitor the activities of the company;

(iii) to the extent necessary, conduct an audit of the activities of the company prior to the commencement of the restructuring proceedings;

(iv) initiate any proceedings for the reversal of transactions entered into by the debtor;

(v) prepare a draft restructuring program; and

(vi) manage the restructuring proceedings pursuant to the Finnish Company Restructuring Act (Fi. *Laki yrityksen saneerauksesta*) (47/1993, as amended).

The administrator has a duty to perform his functions with regard to the interests of the creditors as a whole as well as with regard to the interests of the company. The administrator has a general duty of care and shall act fairly and honorably whilst in office.

All existing debts and claims against the company are suspended as of the commencement of the company restructuring. The suspension as a main rule prohibits the enforcement and placing of security, the repayment and enforcement of the restructuring debts (although debts arising after filing for company restructuring may be both repaid and enforced) and the seizure of assets. Restructuring debt, by definition, refers to all debt that has arisen prior to filing for restructuring, irrespective of when this debt falls due. The suspensions are in force until a restructuring program has been confirmed by the district court or the proceedings have been dismissed. Once the company restructuring program has been confirmed by the court, the company may pay the restructuring debts only in accordance with the program.

All agreements entered into by the debtor remain in force and may not be terminated by a creditor, with certain exceptions. The administrator has the right to end certain agreement upon initiation of the restructuring proceedings such as lease agreements, credit-lease agreements, unfulfilled contracts not deemed to be a regular part of the activities of the debtor and employment relationships.

Creditors with equal ranking have an equal standing in the arrangements of the restructuring debts within the restructuring program. Subject to certain restrictions set forth in the Finnish Company Restructuring Act (Fi. *Laki yrityksen saneerauksesta*) (47/1993), the following measures may be taken with respect to unsecured debts in the

restructuring program: (i) change the repayment schedule; (ii) order that debt payments be considered as payments against principal first, and as payments of interest and other credit costs only second; (iii) reduce the obligation to pay interest and other credit costs with respect to the remaining term of a debt; and (iv) reduce the outstanding principal balance of unpaid debt. The restructuring program may also include the full or partial refinancing of debt. Consequently, the restructuring procedure could result in holders of the Senior Secured Notes and/or Senior Notes receiving a right to recover considerably less than they would otherwise be entitled to recover under the Senior Secured Notes Guarantee and/or Senior Notes Guarantee. It is to be noted, however, that the restructuring may not lead to a worse outcome for the creditors than the bankruptcy of the debtor.

Secured debt means restructuring debt where the creditor holds an effective (against third parties) security interest to property that belongs to or is in the possession of the debtor, insofar as the value of the security at the commencement of the proceedings would have been enough to cover the amount of the creditor's claim after the deduction of liquidation costs and claims with a higher priority, *i.e.* the amount of the creditor's claim exceeding the value of the security does not qualify as secured debt but, instead, will constitute unsecured debt and may, thus be subject to the measures described above. Regarding floating charges (Fi. *yrityskiinnitys*), only 50% of the value of the charged assets will be considered as secured debt.

The administrator determines the value of the security. The part of the debt for which the value of the security is insufficient is considered unsecured debt, and may thus be restructured as unsecured debt (*e.g.* haircut). Should the security be deemed worthless or the standing of the creditor sufficiently junior in relation to other creditors with the same security, the debt may be even considered unsecured in its entirety.

The following debt arrangements may be applied to secured debt: (i) change the repayment schedule; (ii) order that debt payments be applied as payments against principal first and as payments of interest and other credit costs second; or (iii) reduce the obligation to pay interest and other credit costs with respect to the remaining term of the debt. Even if the debt arrangement does not affect the existence or content of a creditor's security interest, the security arrangements relating to the debt may be altered by replacing the security with other fully adequate security. Payments on a secured debt shall be determined so that at least the present value of the secured debt will be repaid within a reasonable period, not to materially exceed the remainder of the credit period without the consent of the creditor or, if the debt has become due in full, not to materially exceed one-half of the original credit period. As for reducing interest and other credit costs, a court will take into consideration the length of the remaining credit period, so that the longer the remaining credit period, the smaller the reduction in interest and credit costs.

Restructuring of both unsecured and secured debt may take place only to the extent deemed necessary for the success of the restructuring proceedings.

Bondholders are primarily each regarded as individual creditors to the debtor. The bondholders may, however, appoint a trustee to represent the bondholder collective in relation to the debtor and the administrator.

***Bankruptcy***

A debtor or its creditor may apply for bankruptcy from a court of competent jurisdiction when the debtor has failed to pay its debts and the inability to pay is not temporary. If the application is approved, an estate administrator (or several estate administrators) of the bankruptcy estate (Fi. *pesänhoitaja*) will be appointed by the court.

Bankruptcy covers all liabilities of the debtor, and its objective is to liquidate the assets of the debtor and use the proceeds received therefrom in payment of the creditors' claims. In order to achieve the objective of bankruptcy, the debtor's assets are, from the beginning of the bankruptcy, subject to the authority of the estate administrator. The estate administrator must act for the common benefit of all creditors and shall comply with the decisions and guidelines of the creditors in matters falling within the decision-making powers of the creditors. The creditors are represented through the creditor's meeting, and a creditors' committee may be appointed by the court. The bankruptcy estate may (exceptionally) continue with the company's business operations, and the disposal of property will be realized as soon as reasonably possible.

As a main rule, in order to be entitled to a disbursement, a creditor must lodge a claim in bankruptcy in writing (a "**letter of lodgement**"), by delivering it to the estate administrator no later than the deadline set by the estate administrator. The obligation to lodge a claim binds even secured creditors. Failure to lodge a claim may lead to the expiration of the debt. A creditor who holds assets belonging to the debtor as security for the debt of a third party must, at the request of and within a time limit set by the estate administrator, provide the information on receivables and collateral that should be provided in a letter of lodgement. A creditor who holds a floating charge over the assets of the debtor as security of a claim against the debtor in bankruptcy or a debt owed by some other debtor shall lodge the claim as provided in the Finnish Bankruptcy Act. If a claim is denominated in a currency other than euro, a value in euro for the

purposes of the bankruptcy proceedings is determined using the exchange rate of the date of commencement of the bankruptcy proceedings.

A creditor who wishes to use his or her claim for set-off against a debt owed to the debtor must, when giving notice of the set-off, provide the estate administrator with the same information that would be provided in a letter of lodgement.

Similar creditors have an equal right to payment from the funds of the bankruptcy estate in the proportion to the amount of their claims, unless otherwise provided by law. The Act on the Ranking of Claims (Fi. *Laki velkojien maksunsaantijärjestyksestä*) (1578/1992, as amended) determines the order in which debts are settled. The following creditors have precedence over unsecured creditors to receive disbursement from the estate: (i) secured creditors and holders of retention rights have priority to the proceeds relating to the relevant asset; (ii) creditors of the administrative expenses of the bankruptcy estate, creditors with claims on the basis of contracts that the bankruptcy estate (rather than the debtor) has entered into, any liabilities for which the bankruptcy estate is responsible by operation of law and creditors of a debt that has arisen between the commencement and discontinuation of restructuring proceeding; and (iii) creditors with claims that are secured by a floating charge will receive prior to other claims a disbursement of 50% of the net proceeds of the charged assets (after the claims of creditors with a better priority position have been satisfied). The rights of the above-mentioned preferential creditors may adversely affect the interests of holders of the Senior Secured Notes and/or Senior Notes. Bankruptcy of a Finnish Senior Secured Notes Guarantor and/or Finnish Senior Notes Guarantor could result in holders of the Senior Secured Notes and/or Senior Notes recovering considerably less than they would have otherwise been entitled to recover under the Senior Secured Notes Guarantee and/or Senior Notes Guarantee. Further, it should be noted that debt incurred after the initiation of bankruptcy proceedings, such as debt the estate has committed to, is prioritized and effectively reduce disbursable funds, and security with higher priority naturally affects the value of the security of the secured creditor with a lower priority.

The Finnish Act on the Ranking of Claims specifies which debt is ranked with the lowest priority. Such debt may be, for example, any interest accrued after the commencement of the bankruptcy, capital loans, or bonds issued with a lower priority in relation to other indebtedness by the debtor. In practice, there rarely remain disbursable funds to even partially cover claims with the lowest priority. The Finnish state has no preferential rights regarding taxes and other fiscal charges. The assets of the bankruptcy estate are to be disposed of in the most advantageous manner so as to maximize the aggregate net proceeds. However, secured creditors that are secured pursuant to a fixed charge over movable or immovable property may exercise their right to enforce such collateral regardless of the bankruptcy proceedings. The bankruptcy estate may at its own discretion prohibit the sale for a maximum of two months. The bankruptcy estate may sell collateral belonging to the estate only if the creditor protected by the collateral consents to the same or if the court grants a specific permission.

*Effect of bankruptcy on the bankruptcy debtor's contracts*

As such, the debtor's contracts are not automatically terminated upon the initiation of bankruptcy proceedings. Contract clauses by which contracts are immediately terminated upon bankruptcy are generally considered null and void, and are thus unenforceable. Pursuant to the Finnish Bankruptcy Act, the bankruptcy estate is generally entitled to become party to any contracts of the debtor by notifying the creditor of this within a reasonable time. As noted above, debt arisen from such a contract entered into by the bankruptcy estate is prioritized over bankruptcy debts.

If a bankruptcy estate is willing to become party to a contract, the law entitles a creditor to request acceptable collateral from the bankruptcy estate to secure the performance of the contract. Should the bankruptcy estate be unwilling or unable to provide such collateral to the creditor, the creditor is entitled to terminate the contract.

***Fraudulent Conveyance Law***

Pursuant to the Finnish Act on the Recovery of Assets to Bankruptcy Estate (Fi. *Laki takaisinsaannista konkurssipesään*) (758/1991, as amended) (the "**Recovery A**ct"), certain acts performed by a debtor may be reversed if the rights of creditors have been prejudiced by those acts. According to the Finnish Company Restructuring Act and the Finnish Enforcement Code (Fi. *Ulosottokaari*) (705/2007, as amended), the grounds for recovery set forth in the Recovery Act are also to be applied in restructuring and enforcement proceedings.

The bankruptcy estate administrator, the restructuring administrator and certain creditors may seek to recover assets of the debtor in connection with bankruptcy, restructuring or enforcement proceedings. The administrator or the creditors may, within a specified time, either file an action for recovery against the debtor's counterparty in a separate court proceeding or file an objection.

Certain general rules for recovery apply to all transactions between an insolvent debtor (including a debtor who becomes insolvent partially due to the transaction) and the counterparty of the debtor. A transaction concluded within

five years prior to the date when the petition for bankruptcy, restructuring or enforcement is filed with the court or relevant authority (as well as transactions performed after such date) may be recovered if: (i) the transaction, either by itself or together with other transactions, improperly (a) favors a creditor at the expense of other creditors, (b) places property beyond the reach of other creditors, or (c) increases debts to the detriment of the creditors; (ii) the debtor, at the time of the transaction, was, or partly due to the transaction became, insolvent or, in case of a transaction considered to be a gift or a contract with the characteristics of a gift, over-indebted; (iii) the counterparty of the transaction knew or should have known of the insolvency or over-indebtedness, or of the relevance of the transaction to the debtor's economic situation; and (iv) the counterparty knew or should have known the facts mentioned above in paragraph (i), on the basis of which the transaction is considered improper. The grounds for recovery under Section 5 of the Recovery Act, which covers all transactions concluded between the debtor and a counterparty, are thus applicable only if the counterparty had qualified or should have had qualified knowledge of all the issues described above in (i) and (ii). Transactions between the debtor and certain (natural or legal) persons within the debtor's sphere of interest (as defined in the Recovery Act) may be recovered regardless of the date of the transaction and such persons are assumed to have had knowledge of the issues described above in (i) and (ii).

Pursuant to the Recovery Act, certain transactions can, in certain circumstances, be recovered regardless of the good faith of the counterparty and regardless of the solvency of the debtor at the time of the transaction. Such transactions include, among other things: (i) payments received through foreclosure; (ii) the payment of debts; and (iii) the granting of security. Payment received by a creditor through foreclosure effected by the relevant authority later than three months prior to the date when the petition for bankruptcy, company restructuring or foreclosure is filed with the court (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years) may be recovered. Any debt paid later than three months prior to the date when the petition for bankruptcy, restructuring or foreclosure is filed with the court or relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years (in case of recovery with respect to payment of debt between closely related parties made later than two years, but before three months from when the petition for bankruptcy, restructuring or foreclosure is filed with the court or relevant authority, the recovery may be rejected if it is shown that debtor was not insolvent nor became insolvent due to the payment)) may be recovered if: (i) unusual means of payment have been used; (ii) the payment was premature; or (iii) the amount of payment was considerable in comparison to the assets of the debtor. However, a payment may not be recovered if it, when all circumstances are taken into consideration, may be held as customary. Security given later than three months prior to the date when the petition for bankruptcy, restructuring or foreclosure is filed with the court or the relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years (in case of recovery with respect to granting security between closely related parties made later than two years, but before three months from when the petition for bankruptcy, restructuring or foreclosure is filed with the court or relevant authority, the recovery may be rejected if it is shown that debtor was not insolvent nor became insolvent due to the granting of security)) may be recovered if: (i) the parties had not agreed upon the security in connection with the granting of the credit; or (ii) the possession of the security had not been transferred, or any similar act perfecting the security had not been taken without unjustified delay after the granting of the credit.

When a transaction is recovered, the property that has been received from the debtor is returned to the bankruptcy estate or the debtor. The bankruptcy estate or the debtor also returns the compensation that has been paid for the property. If the funds have been placed beyond the reach of the creditors and the party that paid the funds knew or should have known that this was the intention of the debtor, there is no obligation for the estate to return the funds. If the property to be returned no longer exists, or is otherwise not returnable, compensation for the value of the property must be made. In addition, should the return of certain property cause inconvenience to the party under such obligation, a court may entitle such party to pay compensation equal to the value of the property instead of returning the property. The Recovery Act also sets forth an obligation to compensate for any decrease in value of the recovered property.

Accordingly, the validity of the Senior Secured Notes Guarantee and/or Senior Notes Guarantee or any payment made thereunder may be challenged under the Recovery Act and it is possible that such a challenge would be successful. If the granting of a Senior Secured Notes Guarantee and/or Senior Notes Guarantee or a payment thereunder is successfully challenged under the Recovery Act, then the granting of such a Senior Secured Notes Guarantee and/or Senior Notes Guarantee could be nullified or the payment recovered. As a result of such successful challenges, holders of the Senior Secured Notes and/or Senior Notes may not enjoy the benefit of a Senior Secured Notes Guarantee and/or Senior Notes Guarantee, and the value of any consideration that holders of the Senior Secured Notes and/or Senior Notes received with respect to a Senior Secured Notes Guarantee and/or Senior Notes Guarantee could also be subject to recovery from the holders of the Senior Secured Notes and/or Senior Notes, *i.e.* the holders of Senior Secured Notes and/or Senior Notes may be ordered to return any proceeds received pursuant to a Senior Secured Notes Guarantee and/or Senior Notes Guarantee.

***Limitations***

The Senior Secured Notes Guarantee and/or Senior Notes Guarantee granted by the Finnish Guarantors and any future guarantor incorporated in Finland will be limited by a general limitation that limits the scope of the guarantee to

the extent the grant of such guarantee would be contrary to certain mandatory provisions of the Finnish Companies Act (Fi. *Osakeyhtiölaki*) (624/2006, as amended). Pursuant to such limitation, the beneficiaries of the Senior Secured Notes Guarantee and/or Senior Notes Guarantee agree to enforce the guarantee against any Finnish Guarantor only to the extent that such enforcement does not result in a breach of the mandatory regulation of the Finnish Companies Act by that Finnish Guarantor. Certain significant limitations to a company's ability to grant guarantees are included in sections 1 and 10 of chapter 13 of the Finnish Companies Act regulating corporate benefit, unlawful distribution of funds and prohibited financial assistance. Pursuant to the Finnish Companies Act, a Finnish limited liability company, such as the Finnish Guarantor, is prohibited from providing loans, guarantees, assets or security for the purpose of a third party acquiring shares in such company or its parent companies. Further, the Finnish Companies Act provides that no guarantee or security may be granted (or any other transaction entered into) by a Finnish limited liability company without commercial grounds, *i.e.*, unless doing so is in the company's own commercial interest. In assessing the existence and scope of corporate benefit to the company, all relevant benefits and risks to the company are to be taken into account. In the context of the Senior Secured Notes Guarantee and/or Senior Notes Guarantee, among other things, other guarantees and security granted or to be granted by the Finnish Guarantor for the other financing arrangements of the Group in connection with, *inter alia*, the Senior Secured Bridge Facility, the Senior Brdge Facility and the Super Senior Revolving Credit Facility are to be taken into consideration. The actual scope of the Senior Secured Notes Guarantee and/or Senior Notes Guarantee by a Finnish Guarantor may therefore be substantially less than the aggregate amount of liabilities expressed to be guaranteed and, in fact, it is possible that owing to the application of mandatory Finnish law relating to corporate benefit, unlawful distribution of assets and/or financial assistance, as applied to the Senior Secured Notes Guarantee and/or Senior Notes Guarantee, no liabilities or obligations will under Finnish law, be held to be effectively guaranteed.

***Establishing Security Interest***

*General*

In order to create a valid security interest under Finnish law, the following criteria must generally be met: (a) there must be an underlying debtor- creditor relationship in respect of the obligations which the security purports to secure; (b) the pledgor must grant the security interest, typically in the form of a pledge agreement; and (c) an act perfecting the security interest must take place. The method for perfection varies depending on the asset type.

Under Finnish law, in addition to certain actions that must be taken to perfect a security interest (pledge) by the secured party and the grantor (pledgor), for any security (pledge) to be validly created, the grantor (pledgor) must be effectively deprived of its right to control, deal with or dispose of the assets subject to the security interest (pledge). Any security interest (pledge) purported to be created under Finnish law over assets which the grantor (pledgor) may remain in possession of, retain exclusive or shared control over, entitled to operate or collect, invest and dispose of any income from until the occurrence of an enforcement event would therefore not be effective until an enforcement event has occurred and the security interest (pledge) has been perfected. Such unperfected security interest (pledge) is vulnerable of being set aside in any insolvency proceedings affecting the grantor (pledgor) and may, potentially, be declared void.

*Shares*

In the case of shares, the perfection of the pledge is achieved in respect of a private limited liability company by (i) transferring the share certificate(s) (if issued) to the possession of the secured party and/or (ii) notifying the company of the pledge.

*Claims in General*

Pledges can also be granted and perfected in receivables and other claims (including dividends). Security over receivables and claims (other than claims represented by negotiable instruments) is perfected by way of notification to the debtor of the underlying claim. There is no requirement as to the form for such notification. However, in order to obtain the intended result, the pledgor or the secured party should state that the claim has been pledged to the secured party and the notice must also effectively prohibit the underlying debtor from paying the pledgor. This means that the underlying debtor must be instructed to make payments to the pledgee (instead of the pledgor). Any claims/receivables pledged as Collateral to secure the Senior Secured Notes will not be perfected on the Issue Date, and will not be perfected until an enforcement event. In respect of negotibale promissory notes, the perfection of the pledge is achieved by transferring the promissory notes into the possession of the secured party.

*Floating Charges and Real Estate Mortgages*

In the case of Finnish floating charge promissory notes and real estate mortgage certificates, the perfection of the pledge is achieved by transferring the duly issued and registered Finnish floating charge promissory notes and real estate mortgage certificates into the possession of the secured party. The capital amounts of floating charge promissory

notes and real estate mortgage certificates do not necessarily correlate with the value of the assets covered by the relevant floating charges and real estate mortgages, and are often materially higher than the actual value of such assets. Therefore, the capital amount of floating charge promissory notes and real estate mortgage certificates cannot be used as an indication of potential recovery in an enforcement scenario.

Security is granted under security agreements governed by Finnish law (the "**Finnish Security Agreements**") by (a) CABB Finland Oy as a Finnish Guarantor over, *inter alia*, (i) a share pledge over the shares of CABB Oy and (ii) floating charge promissory note(s); (b) CABB Oy as a Finnish Guarantor over, *inter alia*, (i) floating charge promissory note(s) and (ii) real estate mortgage certificates; and (c) CABB AG over the shares of CABB Finland Oy. In relation to share pledges under the Finnish Security Agreements and the pledges over dividends thereunder, the relevant companies whose shares have been pledged may make payments of the dividends to the relevant pledgor until the pledge may be enforced pursuant to the Finnish Security Agreement and the Security Agent has instructed the relevant companies whose shares have been pledged to make all payments to the Security Agent. Therefore, the pledge of dividends created under the Finnish Security Agreements has not been duly perfected under Finnish law and is thus vulnerable to being set aside or being declared void.

Limitations on the recovery of the creditors with claims that are secured by a floating charge have been discussed above under Company Restructuring and Bankruptcy.

***Enforcement of Security***

*General*

Enforcement can take place either outside of bankruptcy proceedings or during bankruptcy proceedings under certain criteria. Instead, in company restructuring proceedings, a moratorium applies and enforcement is generally not possible. The terms of the relevant security agreement regulate the enforcement, however, subject to constraints set by mandatory Finnish law.

Complex, case specific legal issues often apply to enforcement. These aspects are discussed below on a general level only.

*Enforcement outside of Bankruptcy Proceedings*

Depending on the type of security arrangement/asset under security, the secured creditor may, generally, enforce the security independently (such as security over shares and receivables) or through public enforcement authorities (such as floating charges and real estate mortgages).

When enforcing a security, the secured creditor has a duty to take into account, in an appropriate way in the circumstances, the interests of the pledgor and those of other potential interested parties, such as any second lien pledgees or floating charge holders. In practice, this means, *inter alia*, that the secured creditor may not sell the secured assets for a price lower than fair market value in the then current circumstances. This duty of care is generally deemed to apply irrespective of the terms of the security agreement.

When the secured creditor enforces security outside of bankruptcy proceedings and to the extent that the net proceeds exceed the creditor's secured claim, the secured creditor must hold the excess proceeds for the account of any second lien pledgees, floating charge holders and/or the pledgor, as appropriate.

*Enforcement during Bankruptcy Proceedings*

In a bankruptcy scenario where the secured creditor enforces the security independent from the concurrent bankruptcy proceedings (which is possible in respect of *e.g.* security over shares and receivables, but not for floating charges), the secured creditor will use the enforcement proceeds to satisfy its secured claim. The secured creditor shall then render to the bankruptcy administrator an account of the proceeds of the enforcement and transfer to the bankruptcy administrator the net proceeds from the enforcement that exceed the creditor's secured claim.

After bankruptcy proceedings have been initiated, there are four options available for the enforcement of a real estate mortgage:

(i) Private (or public) sale by the administrator with the consent of the mortgagee(s).

(ii) If the mortgagee(s) does not give its consent for the administrator to effect a private (or public) sale, the administrator may seek the court's approval for the sale.

(iii) Despite the bankruptcy proceedings, the mortgagee can proceed to seek a court order to allow the mortgagee to independently enforce the mortgage by arranging the sale of the underlying real property through public enforcement authorities (however, the administrator may impose an interim moratorium up to two months' time period).

(iv) After three years have passed since the commencement of the bankruptcy, public sale by the administrator without the consent of the mortgagee(s) or a court order.

In a bankruptcy scenario where the bankruptcy administrator enforces the security, the bankruptcy administrator will distribute the enforcement proceeds to the secured creditor up to the amount of the creditor's secured claim, whereas any excess proceeds will form a part of the assets of the estate (to be distributed to creditors).

Irrespective of whether the enforcement in bankruptcy was carried out by the secured creditor independently or by the bankruptcy administrator, should the enforcement proceeds not suffice to satisfy the creditor's secured claim, the outstanding balance of the secured creditor's claim will constitute an ordinary unsecured claim towards the bankruptcy estate and will rank *pro rata* with the claims of other unsecured creditors.

*Enforcement during Company Restructuring Proceedings*

If company restructuring proceedings have been initiated against the pledgor, the pledgee can no longer enforce the pledge independently (nor accelerate the underlying loans against the pledgor) and any enforcement procedures already initiated (but not completed) will be discontinued. The prohibition to enforce the pledge is in force until the court has passed a decision to either accept or reject the restructuring program proposed by the administrator. This moratorium does not, however, apply where the security in question qualifies as a financial collateral arrangement under the Finnish Act on Financial Collateral (888/2010, as amended) or where the security is situated within the territory of another Member State as provided for in Article 5(1) of the Council Regulation (EC) No. 1346/2000 of May 29, 2000 on insolvency proceedings.

If the restructuring program is accepted by the court, the enforcement of pledges is likely to be covered by the restructuring program. Should the proposed program be rejected, the most likely outcome is the initiation of bankruptcy proceedings.

*Security Granted in Favor of an Agent*

There is some uncertainty under Finnish law as to whether security can validly be granted in favor of an agent or trustee alone and not in favor of the relevant pledgees/secured parties. The pledgees/secured parties may, however, be represented by an agent who can enter into the relevant security agreement for and on behalf of the pledgees/secured parties based on a power of attorney or a mandate of agency. It is generally considered under Finnish law that an irrevocable authorization and an irrevocable appointment of agent may nevertheless be revoked at any time by the principal. To address the aforesaid uncertainty about the enforceability of a pledge granted solely in favor of an agent or a trustee, the Finnish Security Agreements have been executed by the Security Agent as agent for the secured parties.

*Liquidation due to capital deficiency*

The Finnish Limited Liability Companies Act (Fi. *Osakeyhtiölaki*) (624/2006, as amended) (the "**Finnish Companies Act**") requires a company to give notification to the Finnish Patent and Registration Office should its equity become negative, but does not include any provisions mandating the board of directors of a company to file for bankruptcy or restructuring or place the company into liquidation due to the financial standing of the company. However, the law includes provisions concerning the managements' liability for damages deliberately or negligently caused to the company, or due to violation of the duty of care. A director may therefore be de facto required to file the company for bankruptcy or restructuring proceedings or apply for liquidation, which may adversely affect the value of any securities or guarantees given by the company. Public limited companies are subject to certain additional requirements due to capital deficiency.

**Luxembourg**

***Insolvency***

Pursuant to Luxembourg insolvency laws, your ability to receive payment under the Notes may be more limited than would be the case under U.S. bankruptcy laws. Under Luxembourg law, the following types of proceedings (together referred to as insolvency proceedings) may be initiated against a company incorporated in Luxembourg having its center of main interests (within the meaning of the EU Insolvency Regulation) or an establishment in Luxembourg (in

the latter case assuming that the centre of main interests is located in a jurisdiction where the EU Insolvency Regulation is applicable):

- bankruptcy proceedings ("*faillite*"), the opening of which may be requested by the company, by any of its creditors or by the courts *ex officio*. Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if a Luxembourg company: (i) is in a state of cessation of payments ("*cessation des paiements*") and (ii) has lost its commercial creditworthiness ("*ébranlement de crédit*"). The main effect of such proceedings is the sale of the assets and allocation of the proceeds of such sale between creditors taking into account their rank of privilege, as well as the suspension of all measures of enforcement against the company except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realization of the assets. In addition, the managers or directors of a Luxembourg company that ceases its payments (*i.e.* is unable to pay its debts as they fall due with normal means of payment) must within a month of them having become aware of the company's cessation of payments, file a petition for bankruptcy (*faillite*) with the court clerk of the district court of the company's registered office. If the managers or directors fail to comply with such provision they may be held (i) liable towards the company or any third parties on the basis of principles of managers'/directors' liability for any loss suffered and (ii) criminally liable for simple bankruptcy (*banqueroute simple*) in accordance with article 574 of the Luxembourg commercial code;

- controlled management proceedings ("*gestion contrôlée*"), the opening of which may only be requested by the company and not by its creditors and under which a Luxembourg court may order the provisional stay of enforcement of claims except for secured creditors (please see the below applicable provision of the Luxembourg law dated August 5, 2005 concerning financial collateral arrangements, as amended (the "**Financial Collateral Law 2005**");

- composition proceedings ("*concordat préventif de la faillite*"), the opening of which may only be requested by the company (subject to obtaining the consent of the majority of its creditors) and not by its creditors directly. The Luxembourg court's decision to admit a company to composition proceedings triggers a provisional stay on enforcement of claims by creditors except for secured creditors (please see the below applicable provisions of the Financial Collateral Law 2005); or

- in addition to these proceedings, your ability to receive payment on the Notes may be affected by a decision of a Luxembourg court to grant a stay on payments ("*sursis de paiement*") or to put a Luxembourg company into judicial liquidation ("*liquidation judiciaire*"). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the Luxembourg commercial code or of the Luxembourg law of August 10, 1915 on commercial companies, as amended (the "**Companies Law 1915**"). The management of such liquidation proceedings will generally follow similar rules as those applicable to Luxembourg bankruptcy proceedings.

Liability of a Luxembourg guarantor in respect of the relevant Notes will, in the event of a liquidation of the company following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and any claims that are preferred under Luxembourg law. Preferential claims under Luxembourg law include, among others:

- remuneration owed to employees (last six months' wages amounting to a maximum of six times the minimum social salary);

- employees' contributions to social security;

- certain amounts owed to the Luxembourg Revenue;

- employer's contribution to social security;

- landlord, pledgor not under the Financial Collateral Law 2005; and

- value-added tax and other taxes and duties owed to Luxembourg Customs and Excise.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured and unpreferred creditors (except after enforcement and to the extent a surplus is realized).

Favorable rules apply in relation to security interests of claims or financial instruments securing monetary claims (or claims for the delivery of financial instruments) pursuant to the Financial Collateral Law 2005. Article 20 of

the Financial Collateral Law 2005 provides that Luxembourg law financial collateral arrangements (pledges, security assignments and repo agreements) over claims and financial instruments, as well as valuation and enforcement measures agreed upon by the parties are valid and enforceable even if entered into during the pre-bankruptcy preference period (*période suspecte*) against third parties, commissioners, receivers, liquidators and other similar persons notwithstanding the insolvency proceedings (save in the case of fraud).

Article 24 of the Financial Collateral Law 2005 provides that foreign law security interests over claims or financial instruments granted by a Luxembourg pledgor will be valid and enforceable as a matter of Luxembourg law notwithstanding any Luxembourg insolvency proceedings, if such foreign law security interests are similar in nature to a Luxembourg security interest falling within the scope of the Financial Collateral Law 2005. If article 24 applies, Luxembourg preference period rules are disapplied (save the case of fraud).

Article 21(2) of the Financial Collateral Law 2005 provides that where a financial collateral arrangement has been entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such arrangement is enforceable against third parties, administrators, insolvency receivers, liquidators and other similar persons if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of such proceedings, measures or arrangement.

*Impact of insolvency proceedings on transactions*

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. Other than as described above, the ability of certain secured creditors to enforce their security interest may also be limited, in particular in the event of controlled management proceedings expressly providing that the rights of secured creditors are frozen until a final decision has been taken by a Luxembourg court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the court. A reorganization order requires the prior approval by more than 50% of the creditors representing more than 50% of the Issuer's liabilities in order to take effect.

Furthermore, you should note that declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings. However, during such controlled management proceedings a notice of default may still be served.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the Issuers during the preference period (*période suspecte*) which is a maximum of six months plus ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date. In particular:

- pursuant to article 445 of the Luxembourg code of commerce (*Code de Commerce*), specified transactions (such as, in particular, the granting of a security interest for antecedent debts save in respect of financial collateral arrangements within the meaning of the Financial Collateral Law 2005; payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the preference period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;

- pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions concluded for consideration during the preference period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments; and

- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg civil code (*action paulienne*), the insolvency receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in the automatic termination of contracts except for employment agreements and powers of attorney. The contracts, therefore, subsist after the bankruptcy order. However, the bankruptcy receiver may choose to terminate certain contracts so as to avoid worsening the financial situation of the company. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. Insolvency proceedings may hence have a material adverse effect on a Luxembourg guarantor's business and assets and such Luxembourg guarantor's respective obligations under the Notes.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the EU Insolvency Regulation. In particular, rights in rem over assets located in another jurisdiction where the EU Insolvency Regulation will not be affected by the opening of insolvency proceedings, without prejudice however to the applicability of rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors (subject to the application of article 24 of the Financial Collateral Law 2005 as described above and article 13 of the EU Insolvency Regulation).

***Limitations on Validity and Enforceability of the Notes Guarantees and the Security Interests***

Under Luxembourg law, contracts are in principle formed by the mere agreement (consentement) between the parties thereto. The granting of any financial collateral governed by the Financial Collateral Law 2005 must be capable of being evidenced in writing. However, additional steps are required to enforce security interests against third parties. According to Luxembourg conflict of law rules, Luxembourg courts will generally apply, in relation to the creation, perfection and enforcement of security interests over the assets subject to such security interests, the law of the place where such assets subject are situated (*lex rei sitae* or *lex situs*). As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables/claims having debtors located in Luxembourg and/or governed by Luxembourg law, securities which are held through an account located (or deemed to be located) in Luxembourg and bearer securities physically held in Luxembourg.

If certain assets are located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The creation, validity and enforcement of security interests such as pledges and transfer of ownership as security, granted on financial instruments and claims (in order to secure cash settlement and/or delivery of financial instruments) are notably governed by the Financial Collateral Law 2005. Pursuant to the Financial Collateral Law 2005, a pledge (gage) is effected by a transfer of possession of the pledged assets to the pledgee or to a third party acting as depository for the pledgee and the pledgee's preference rights over the pledged assets only remain in existence as long as the pledgee or the depository remains in possession of such assets.

A physical transfer of possession not being possible for intangibles such as monetary claims, the Financial Collateral Law 2005 provides for a fictitious transfer of possession (*i.e.* perfection) which is effected by mechanisms which depend on the nature of the intangibles involved. In case of registered shares, the dispossession is validly realized by notifying the pledge to the issuer of such shares or by an acceptance of the pledge by the issuer of such shares who in turn will proceed to an entry of the pledge in the share register held by the issuer of such shares.

A pledge granted over intercompany receivables is perfected once the relevant pledge agreement has been entered into by all parties thereto. However, in order for the debtor under the pledged receivables not to be able to validly liberate itself from its payment obligations thereunder by paying the pledgor instead of the Secuirty Agent, when the pledge agreement provides that such payment shall inure to the Secuirty Agent, the debtor of such receivables needs to be notified of or has to accept the pledge granted thereover.

The above perfection steps and actions need to be undertaken by the grantor of the security interest and/or the Security Agent. If the relevant pledgor or the Security Agent fails or is unable to take the necessary steps/actions required to take or perfect any of the above-mentioned security interests, such security interests will not have been created and/or perfected with respect to the claims arising under the Notes.

Article 11 of the Financial Collateral Law 2005 sets out the following enforcement methods, available upon the occurrence of the relevant enforcement event in respect of a pledge governed by the provisions of the Financial Collateral Law 2005:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) the listing price of the pledged assets (if the pledged assets are listed on an official Luxembourg or foreign stock market or traded on a recognized regulated market open to the public);

- selling or causing the sale of the pledged assets (i) in a private transaction at commercially reasonable terms (conditions commerciales normales), (ii) by a public sale at the stock exchange, or (iii) by way of a public auction;

- court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or

- set-off between the secured obligations and the pledged assets.

As the Financial Collateral Law 2005 does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses, and (iv) the possible need to involve third parties, such as, *e.g.*, courts, stock exchanges and appraisers, the enforcement of the security interests might be delayed. Foreign law governed security interests and the powers of any receivers/administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Luxembourg law governed security interests may not be enforceable in respect of assets located or deemed to be located outside of Luxembourg.

Security interests/arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers/administrators may not be recognized or enforced by the Luxembourg courts, in particular where the Luxembourg security grantor becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings" (as defined in the EU Insolvency Regulation) are opened under Luxembourg law and such security interests/arrangements constitute rights in rem over assets located in another Member State in which the EU Insolvency Regulation applies, and in accordance of article 5 of the EU Insolvency Regulation.

The perfection of the security interests created pursuant to the pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled in priority to the proceeds of such sale (subject to preferred rights by operation of law).

When a Luxembourg company grants guarantees and/or security interests, applicable corporate procedures normally entail that the decision be approved by a board resolution or by the decision of delegates that have been appointed for such purpose. In addition, the granting of the envisaged guarantees and/or security interests must comply with the Luxembourg company's corporate object. The proposed action by the company must be "in the corporate interest of the company", which is a translation of the French "*intérêt social*", an equivalent term to the English legal concept of corporate benefit. The concept of "corporate interest" is not defined by law, but has been developed by doctrine and court precedents and may be described as being "the limit of acceptable corporate behavior".

Whereas the previous discussions regarding the limits of corporate power are based on objective criteria (provisions of law and of the articles of association), the concept of corporate benefit requires a subjective judgment. In a group context, the interest of the companies of the group taken individually is not entirely eliminated. With respect to guarantors and/or security grantors incorporated in Luxembourg, even if the Companies Law 1915, does not provide for rules governing the ability of a Luxembourg company to guarantee and/or secure the indebtedness of another entity of the same group, it is generally held that within a group of companies, in the context of a group of related companies, the existence of a group interest in granting upstream or cross-stream assistance under any form (including under the form of guarantee or security) to other group companies could constitute sufficient corporate benefit to enable a Luxembourg company to grant such guarantee or security, provided that the following conditions are met (and subject in any event to all the factual circumstances of the matter): (i) such guarantee or security must be given for the purpose of promoting a common economic, social and financial interest determined in accordance with policies applicable to the entire group, (ii) the commitment to grant such guarantee or security must not be without consideration and such commitment must not be manifestly disproportionate in view of the obligations entered into by other group companies, and (iii) such guarantee or security granted or any other financial commitments must not exceed the financial capabilities of the committing company.

Although the existence of a corporate interest in the granting of a guarantee or a security interest on a group level is certainly important, the mere existence of such a group interest does not compensate for a lack of corporate interest for one or more of the companies of the group taken individually. The concept of corporate benefit is of particular importance in the context of misuse of corporate assets provided by Article 171-1 of the Companies Law 1915. The failure to comply with the corporate benefit requirement will typically result in liability (personal and/or criminal) for the directors or managers of the guarantor concerned. The guarantees or security interests granted by a Luxembourg company could themselves be held void or unenforceable if their granting is contrary to Luxembourg public policy (*ordre public*). It should be stressed that, as is the case with all criminal offenses addressed by the Company Law 1915, a director or a manager of a company will in general be prosecuted for misuse of corporate assets only if someone has lodged a complaint with the public prosecutor. This person may be an interested third party, *e.g.*, a creditor, a minority shareholder, a liquidator or an insolvency receiver. In addition, it cannot be excluded that the public prosecutor could act on its own initiative if the existence of such a misuse of corporate assets became known to him. If there is a misuse of corporate assets criminally sanctioned by court, then this could, under general principles of law, have the effect that contracts concluded in breach of Article 171-1 of the Companies Law 1915 will be held null and void.

The criteria mentioned above have to be applied on a case-by-case basis, and a subjective, fact-based judgment is required to be made, by the directors or managers of the Luxembourg company. As a result of the above developments, the guarantees or security interests granted by a Luxembourg company will be subject to certain limitations, which will take the form of general limitation language (limiting the guarantee obligations of such Luxembourg company to a certain percentage of, *inter alia*, its net assets (*capitaux propres*) and certain intra-group liabilities), which is inserted in the relevant finance document(s), indentures or guarantee agreements and which covers the aggregate obligations and exposure of the relevant Luxembourg company under all finance documents, indentures or guarantee agreements.

The registration of the Notes, the security interest agreements, the Indentures, the Notes Guarantees and the transaction documents (and any document in connection therewith) with the *Administration de l'Enregistrement et des Domaines* in Luxembourg may be required in the case of legal proceedings before Luxembourg courts or in the case that the notes, the security interest agreements, the indentures, the guarantees and the transaction documents (and any document in connection therewith) must be produced before an official Luxembourg authority (*autorité constituée*). In such case, either a nominal registration duty or an ad valorem duty (or, for instance, 0.24% of the amount of the payment obligation mentioned in the document so registered) will be payable depending on the nature of the document to be registered. No ad valorem duty is payable in respect of security interest agreements, which are subject to the Financial Collateral Law 2005. The Luxembourg courts or the official Luxembourg authority may require (when these are presented before them) that the notes, the security interest agreements, the indentures, the guarantees and the transaction documents (and any document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

***Sweden***

***Insolvency proceedings under Swedish law***

Under Swedish law, a debtor company may be subject to one of two types of insolvency proceedings: (i) bankruptcy pursuant to the Swedish Bankruptcy Act (1987:672), as amended (the "**Swedish Bankruptcy Act**") and (ii) reorganization pursuant to the Swedish Company Reorganization Act (1996:764), as amended (the "**Swedish Reorganization Act**").

In addition, a Swedish party will in principle be subject to insolvency proceedings covered by the EU Insolvency Regulation if it has its COMI in Sweden. With regard to the parties incorporated under the laws of Sweden any insolvency proceedings applicable to such party including any and all of its assets (in Sweden and abroad) will, as a starting point and by virtue of Article 4 of the EU Insolvency Regulation, be governed by Swedish insolvency law (*lex concursus*).

The insolvency laws of Sweden may not be as favourable to creditors as the insolvency laws of other jurisdictions, including, *inter alia*, the priority of creditors, the ability to obtain post-petition interest as well as security interests and the duration of the insolvency proceedings. Hence, Swedish law may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under the laws of other jurisdictions. The following sections include a brief and limited description of certain aspects of the insolvency laws of Sweden.

***Bankruptcy pursuant to the Swedish Bankruptcy Act***

*General*

Pursuant to the Swedish Bankruptcy Act, if a company is unable to rightfully pay its debts as they fall due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the court by the debtor or by a creditor of the debtor.

When declared bankrupt, a receiver in bankruptcy (*Sw. konkursförvaltare*) is appointed by the court and will work in the interest of all creditors with the objective of realizing the debtor's assets and distributing the proceeds among the creditors. The purpose of bankruptcy proceedings is to wind up the company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is deemed preferable for all the creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds in accordance with statutory rules. In the interim, the receiver will take over the management and control of the company and the company's directors and/or managing director will no longer be entitled to represent the company or dispose of the company's assets. All creditors (unless they have a right to separate an asset from the bankruptcy estate) wishing to assert claims against the company that is declared bankrupt need to participate in the bankruptcy proceedings.

*Order of Priorities*

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act (1970:979), as amended (the "**Swedish Rights of Priority Act**"), which states the order in which creditors have a right to be paid. As a general principle, in bankruptcy proceedings competing claims have equal right to payment, in relation to the size of the amount claimed, from the debtor's assets. However, preferential or secured creditors, where such preference follows by law, have the benefit of payment before other creditors. There are two types of preferential rights: specific and general preferential rights. Specific preferential rights are vested in certain specific property (see below) and give the creditor right to payment out of such property. Such preferential and secured creditors may also under certain circumstances enforce the security in accordance with the Swedish Enforcement Act (Sw. *Utsökningsbalken (1981:774)*), or if the security is provided by way of a pledge on movable assets (Sw. *handpanträtt*), enforcement through private enforcement procedures as permitted pursuant to the Swedish Bankruptcy Act. General preferential rights cover all property belonging to the insolvent company's estate in bankruptcy, which is not covered by specific preferential rights. Claims that do not carry any of the above-mentioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other.

***Limitations on Enforceability due to the Swedish Reorganization Act***

*General*

The Swedish Reorganization Act provides companies facing economic difficulty with an opportunity to resolve these without being declared bankrupt. A petition for company reorganization may be presented by the debtor or a creditor of the debtor. Corporate reorganization proceedings may as a main rule continue for an initial period of three months from commencement but may under certain conditions be extended for up to one year.

*Administrator*

An administrator is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors. However, the debtor remains in full possession of the business except that, for important decisions such as paying a debt that has fallen due prior to the order of reorganization, granting security for a debt that arose prior to the order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business, the consent of the administrator is required. However, the absence of such consent does not affect the validity of the transaction.

*Reorganization Plan, Creditors Meeting and Creditor's Committee*

Upon an order by the court under the Swedish Reorganization Act, the administrator must notify the creditors of the reorganization proceedings and will draw up a reorganization plan specifying the proposed action to be taken to resolve the debtor's problems. A creditors' meeting will be held at which the creditors will be given the opportunity to express their opinions as to whether the reorganization should continue. Upon the request of any of the creditors, the court shall appoint a creditors' committee of at most three persons. The administrator shall, if possible, consult with the creditors' committee prior to taking any important decisions.

*Moratorium*

The corporate reorganization proceedings do not have the effect of terminating contracts with the debtor and, during the reorganization procedure, the debtor's business activities continue as normal. However, the procedure includes a suspension of payments to creditors and the debtor cannot pay a debt that fell due prior to the order without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the debtor will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor, which is the case with a share pledge over the shares in a Swedish limited liability company where the share certificates of such company have been physically delivered to the agent.

The debtor may apply to the court requesting public composition proceedings (Sw. *offentligt ackord*), which means that the amount of a creditor's claim may be reduced. The proposal for a public composition must meet certain requirements such as that a sufficient proportion of the creditors which are allowed to vote, in respect of a sufficient proportion of the outstanding claims, vote in favour of such public composition. Creditors with set-off rights and secured creditors will not participate in the composition unless they wholly or partly waive their set-off rights or priority rights. Should the security not cover a secured creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is a binding proceeding.

***Limitations on the Validity and Value of a Guarantee or Security Interest***

*Corporate Benefit Rules*

If a Swedish limited liability company provides any security interest or guarantee without receiving sufficient corporate benefit in return, such security interest or guarantee will, according to the Swedish Companies Act (the "**Swedish Companies Act**"), in whole or in part, constitute a transfer of value from a Swedish limited liability company (a "**Swedish Company**") which would be unlawful if: (i) the Swedish Company would lack cover for its unrestricted equity capital after such value transfer; or (ii) if it would not be considered prudent by the Swedish Company to undertake the value transfer after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to the Swedish Company's business or the Swedish Company's need to strengthen its balance sheet, liquidity or financial position.

This could be the case if, at the time the guarantee or security interest for the obligations of a third party is provided, (i) the obligor of such obligation could be deemed unable to fulfill its obligation to indemnify the Swedish Company if the guarantee is utilized or the security enforced and/or (ii) a Swedish company provides any security interest or guarantee in respect of debt owed by a non-subsidiary of that Swedish company without receiving sufficient corporate benefit in return.

The guarantees and security provided by the Swedish Companies are limited in accordance with the above restrictions relating to corporate benefit and are subject to limitation language limiting the liability of such entities thereunder if required by the abovementioned restrictions relating to distribution of assets.

*Financial Assistance*

The Swedish Companies Act also prohibits a Swedish Company from providing a guarantee or security interest for a loan that is provided to facilitate the acquisition of shares in the Swedish Company or any of its group companies (with the exception of its subsidiaries) and a Swedish limited liability company may not provide a guarantee or any security for the obligations of a parent or sister company, unless the parent company of the group, to which the company and such parent or sister company belongs, is domiciled within the EEA.

***Establishing a security interest***

*General*

In order to create a valid security interest under Swedish law, the property subject to such security interest must fulfil the following criteria: (a) there must be an underlying debtor-creditor relationship in respect of the obligations which the security purports to secure; (b) the pledgor must grant the security interest, typically in the form of a pledge agreement; and (c) an act perfecting the security interest must take place. The method for perfection varies depending on the asset type.

Under Swedish law, in addition to certain actions that must be taken to perfect a security interest by the secured party and the grantor, for any security to be validly created, the grantor must be effectively deprived of its right to control, deal with or dispose of the assets subject to the security interest. Any security interests purported to be created under Swedish law over assets which the security provider may remain in possession of, retain exclusive control over, freely operate or collect, invest and dispose of any income from until the occurrence of an enforcement event would therefore not be effective until an enforcement event has occurred and the security interests have been perfected. Such unperfected secured assets are vulnerable under applicable provisions of Swedish law of being set aside as a preference in any Swedish insolvency proceeding affecting the security provider. Thus, a security provider must be effectively deprived of its right to control, deal with or dispose of the secured assets, and arrangements providing for the release of a security interest over an asset in connection with the disposal thereof or upon the occurrence of other circumstances would be at risk of impairing the validity of the security.

*Shares*

In the case of shares, the perfection of the pledge is achieved by transferring the share certificates endorsed in blank to the possession of the pledgee. The pledgee is not entitled to vote the shares but is, absent agreement to the contrary, entitled to any bonus shares and any new shares issued in rights issues. Unless the pledgee and the pledgor agree otherwise, the pledgor is entitled to all dividends until the bankruptcy date. The right to future dividends can however be pledged to the pledgee or to a third party.

*Receivables and Claims in General*

Pledges can also be granted and perfected in receivables and other claims. Security over receivables and claims are perfected by way of notification to the debtor of the underlying receivable. There is no requirement as to the form for such notification. However, in order to obtain the intended result, the pledgor or the pledgee should state that the receivable has been pledged to the pledgee. The notice must also effectively prohibit the debtor of the underlying receivable to make any payments to the pledgor.

The security over the intra-group receivables granted by Swedish Newco will be unperfected until the pledgor may no longer receive and retain payments under the intra-group receivables and a perfection notice has been given to and acknowledged by the relevant debtor. According to the provisions of the relevant intra-group loan pledge agreement, such notice will only be given when a triggering event has occurred and is continuing.

Account pledges can also be granted and perfected over bank accounts held by the pledgor. Security over bank accounts are perfected by way of notification to the relevant account bank. There is no requirement as to the form for such notification. However, in order to obtain the intended result, the pledgor should state that the account has been pledged to the pledgee. The notice must also effectively prohibit the pledgor from dealing with the account.

The security over the bank account granted by Swedish Newco will be unperfected until a perfection notice has been given to and acknowledged by the relevant account bank and the pledgor may no longer receive or retain the funds standing to the credit of the bank account. According to the provisions of the relevant account pledge agreement, such notice may only be given when a triggering event has occurred and is continuing.

***Challengeable Transactions***

In Swedish bankruptcy and, if certain conditions are met, company reorganization proceedings, transactions can (in certain circumstances and subject to different time limits) be recovered. The goods or monies shall then be re-distributed to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of one or more of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest, granted a guarantee or security that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary or paid a debt that is considerable compared to the value of the debtor's assets or which is made by using unusual means of payment.

In the majority of situations, a claim for recovery can be made concerning actions which were made during the three months preceding the commencement of the relevant insolvency proceedings, notably in relation to such granting of security where perfection is delayed. In certain situations longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor, such as a subsidiary or parent company.

*Foreign Currency*

Swedish courts may award judgments in currencies other than Swedish kronor, but the judgment debtor has the right to pay judgment debt, even though denominated in a foreign currency, in Swedish kronor at the rate of exchange prevailing at the date of payment.

*Security Agent*

It is generally possible under Swedish law to grant security interests in favour of an agent acting on behalf of the secured parties.

However, it is not established by law or court precedent that a power of attorney or an appointment of an agent (including any agent for service of process), can be made irrevocable. Therefore, any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers.

***Switzerland***

*Limitations on Guarantees and Collateral granted by any Swiss subsidiaries*

One of the Guarantors is incorporated under the laws of Switzerland (the "**Swiss Guarantor**").

The granting of guarantees or security by the Swiss Guarantor as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set-off or subrogation rights or the subordination of intra-group claims, granted by the Swiss Guarantor for the benefit of the Swiss Guarantor's direct and indirect parent and sister companies (so-called "**Upstream/Cross-stream Obligations**") are subject to certain restrictions and risk being held invalid or partially invalid under Swiss corporate law. Therefore, the Indenture and the security documents will contain certain limitation language in relation to Upstream/Cross-stream Obligations of the Swiss Guarantor, in order to enable the Swiss Guarantor to grant guarantees or security securing liabilities of the Issuer without the risk of violating such restrictions and to protect management from personal liability; such "limitation language" is standard market practice for, amongst others, guarantees and security documents granted by a stock corporation (*Aktiengesellschaft*) or limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated in Switzerland. Pursuant to such limitation language, the enforcement of the Guarantee or Collateral granted by the Swiss Guarantor will be limited reflecting the requirement that payments under the Guarantee or enforcement of the Collateral may not cause the Swiss Guarantor to incur a liability which would exceed its freely distributable equity at the time of the enforcement of the Guarantee or the Collateral. The freely distributable equity capital is equal to the maximum amount which the Swiss Guarantor can distribute to its shareholders as a dividend payment under Swiss law at that point in time. Presently, the freely distributable equity capital is equal to the balance sheet profits, and any reserves available for distribution at the time or times at which payment under the Guarantee is requested or the Collateral shall be enforced.

In addition, the enforcement of the Swiss Guarantor's Guarantee or Collateral granted may give rise to Swiss withholding taxes (of up to 35% at present rates, subject to applicable double taxation treaties) to the extent that the payment or enforcement of such Guarantee or collateral are regarded as a deemed dividend distribution. Under Swiss law, any obligation of the Swiss Guarantor to gross-up, indemnify or otherwise hold harmless the holders of the Notes for the deduction of Swiss withholding tax may not be valid and, thus, may prejudice the enforceability of anything to the contrary contained above under "Additional Amounts" or in the Indenture. In addition, any obligation to gross-up, indemnify or otherwise hold harmless the holders of the Notes for the deduction of Swiss withholding tax in connection with a Guarantee or collateral granted by the Swiss Guarantor would in any case be limited by the amount of the freely distributable equity of the Swiss Guarantor.

*Overview of Swiss Insolvency Proceedings*

In the event of the insolvency of the Swiss Guarantor, insolvency proceedings may be initiated in Switzerland and Swiss insolvency laws would govern those proceedings. The insolvency laws of Switzerland and, in particular, the provisions of the Swiss Federal Debt Enforcement and Bankruptcy Act (DEBA, *Bundesgesetz über Schuldbetreibung und Konkurs*) may be less favorable to the interests of creditors than the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and therefore may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Switzerland currently in force. Some parts of the relevant Swiss Federal Debt Enforcement and Bankruptcy Act (*Bundesgesetz über Schuldbetreibung und Konkurs*)—especially concerning the composition proceedings (*Nachlassverfahren*)—have been amended recently, having entered into force on January 1, 2014.

Under Swiss insolvency laws, there is no group insolvency concept, which means there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from an insolvency laws point of view, to be dealt with separately. As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and against each entity have to be dealt with separately.

Under Swiss insolvency laws, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but rather require that the debtor or a creditor files a petition for the opening of insolvency proceedings based on an application for commencement of enforcement proceedings and the threat of insolvency (as discussed in the paragraphs below). Moreover, insolvency proceedings must be initiated by the debtor itself according to Swiss corporate law in the event of over-indebtedness (*Überschuldung*) or can be initiated by a creditor according to Swiss insolvency laws in the event that the debtor has obviously and permanently stopped to pay its debts as and when they fall due or has acted fraudulently, or is attempting to act fraudulently to the detriment of its creditors. Furthermore, a debtor may also initiate insolvency proceedings if it declares itself insolvent (*zahlungsunfähig*) before court. Generally, pursuant to the Swiss corporate law, a debtor is over-indebted when its liabilities exceed the value of its assets, which must be assessed pursuant to the accounting standards of the Swiss Code of Obligations and on the basis of a balance sheet to be drawn up (i) on the basis of the liquidation value of the debtor's assets and (ii)—to the extent there is still a going concern scenario—based upon the going concern value. If the interim balance sheet shows that the creditors' claims are neither covered by assets valued at liquidation values nor at going concern values, the debtor's board of directors has to notify the insolvency court, provided that creditors of the debtor do not agree to subordinate their claims in the amount

necessary to cover the overindebtedness (Art. 725 Swiss Code of Obligations). The debtor's board of directors is obliged to file for insolvency without delay and non-compliance with this obligation exposes the board of directors to damage claims and, in extreme cases, to sanctions under criminal law. Under certain circumstances, the auditors of an overindebted company are obliged to file for insolvency.

If a creditor wants to initiate insolvency proceedings it has to file an application for commencement of enforcement proceedings (*Betreibungsbegehren*) with the competent debt collection office (*Betreibungsamt*). With respect to unsecured claims, the competent debt collection office is located where the debtor is registered or resident. The debt collection office will then serve the debtor with the writ of payment (*Zahlungsbefehl*). There is no material assessment of the claim at this stage. The debtor may within ten days upon having been served with the writ of payment, file an objection (*Rechtsvorschlag*) to bring the procedure to a halt and obtain an individual stay of proceedings. No reasons need to be given for the objection. The collection office notifies the creditor of the objection.

For claims based on an enforceable judgment, the creditor can without any further delay file an application to lift this stay with the court (*Rechtsöffnungsbegehren*). For claims not based on an enforceable judgment, but on a certified and/or signed document evidencing the claim, provisional lifting of such stay can be applied for in summary proceedings (*provisorische Rechtsöffnung*). In the event the objection is set aside in these summary proceedings, the debtor may within 20 days bring an action in ordinary court proceedings for negative declaration that the creditor's claim does not exist (*Aberkennungsklage*).

The creditor may then ask the debt collection office to issue a writ of continuation (*Fortsetzungsbegehren*) in relation to an existing writ of payment having full force and effect. The competent insolvency office delivers this writ of continuation to the debtor. The insolvency court may take preliminary measures to secure property of the debtor in case this is requested by a creditor and required to secure the creditor's rights. Within 20 days from receipt of the threat of insolvency (*Konkursandrohung*), the creditor may petition the opening of insolvency proceedings. The competent insolvency court decides upon the insolvency without any delay, provided that there are no reasons which would lead to a suspension of the insolvency court's decision. In addition, the debtor has the right to file a request for a moratorium. The parties may file an appeal against any decision taken by the insolvency court.

The insolvency court orders the continuation of insolvency proceedings if certain requirements are met, in particular if there are sufficient assets to cover at least the costs of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only order to continue insolvency proceedings if third parties, for instance creditors, advance the costs of the insolvency proceedings themselves. In the absence of such advancement, the insolvency proceedings will be closed for insufficiency of assets (*Einstellung des Konkursverfahrens mangels Aktiven*). Alternatively, the insolvency office may request the insolvency court to resolve upon summary insolvency proceedings (*summarisches Konkursverfahren*), if the assets are not sufficient to cover the cost of ordinary insolvency proceedings and the actual facts of the case are not complicated. Also, in such case, creditors have the right to request ordinary insolvency proceedings.

Upon the opening of formal insolvency proceedings (*Konkurseröffnung*), the right to administer and dispose over the business and the assets of the debtor passes to the insolvency office (*Konkursamt*). The insolvency office has full administrative and disposal authority over the debtor's estate (*Konkursmasse*), provided that certain acts require the approval of the insolvency court. The creditors' meeting may appoint a private insolvency administration (*private Konkursverwaltung*) and, in addition, a creditors' committee (*Gläubigerausschuss*). In such case, the private insolvency administration will be competent to maintain and liquidate the debtor's estate. The creditors' committee has additional competences.

Insolvency results in the acceleration of all claims against a debtor (secured or unsecured), except for those secured by a mortgage on the debtor's real property, and the relevant claims become due upon insolvency. As a result of such acceleration, a creditor's bankruptcy claim consists of the principal amount of the debt (discounted at 5% if not interest bearing), interest accrued thereon until the date of insolvency, and (limited) costs of enforcement. Upon insolvency, interest ceases to accrue. Only secured claims enjoy a preferential treatment insofar as interest that would have accrued until the collateral is realized will be honored if and to such extent as the proceeds of the collateral suffice to cover such interests.

All creditors, whether secured or unsecured (unless they have a segregation right (*Aussonderungsrecht*)), wishing to assert claims against the debtor need to participate in the insolvency proceedings. Swiss insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with the restrictions of Swiss insolvency laws. Therefore, secured creditors are generally not entitled to enforce any security interest outside the insolvency proceedings. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Vorzugsrechte*). Generally, entitlement to realize such security is vested with the insolvency administration.

Realization proceedings are governed by Swiss insolvency laws which provide for a public auction, or, subject to certain conditions, a private sale. Proceeds from enforcement are used to cover (i) enforcement costs, (ii) the claims of the secured creditors and (iii) any excess proceeds will be used to satisfy unsecured creditors.

Typically, liabilities resulting from acts of the insolvency administrator after commencement of formal insolvency proceedings constitute liabilities of the debtor's estate. Thereafter, all other claims (insolvency claims—*Konkursforderungen*), in particular claims of unsecured creditors, will be satisfied pursuant to the distribution provisions of Swiss insolvency laws, which provide for certain privileged classes of creditors, such as a debtor's employees. Certain privileges can further result for the government and its subdivisions based on specific provisions of federal law. All other creditors will be satisfied on a *pro rata* basis if and to the extent there are funds remaining in the debtor's estate after the security interests and privileged claims have been settled and paid in full.

As an alternative solution to insolvency, the debtor (or, under certain circumstances, a creditor) may seek a composition with creditors (*Nachlassverfahren*) by applying to the competent composition court (*Nachlassgericht*) for a moratorium (*Nachlassstundung*) and submitting, besides other documents, a tentative reorganization plan. The court immediately decides whether to grant the moratorium provisionally (*provisorische Stundung*) for a maximum period of four month or not. With its decision the court appoints a commissioner provisionally (*provisorischer Sachwalter*). In case during the period of the provisional moratorium a reorganization of the company or a composition agreement (*Nachlassvertrag*) appear promising, at a time before the provisional moratorium has expired, the court approves the moratorium definitely and appoints a commissioner (*Sachwalter*). The court may, where deemed necessary, also appoint a creditors' committee (*Gläubigerausschuss*) for the purpose of supervising the commissioner. The commissioner convokes a meeting of creditors (*Gläubigerversammlung*) which has to approve the draft composition agreement according to specific majority rules. The composition agreement (*Nachlassvertrag*) is subject to the approval of the composition court. The Swiss Federal Debt Enforcement and Bankruptcy Act (DEBA) provides for three different types of composition agreements: The ordinary composition agreement (*ordentlicher Nachlassvertrag*), the composition agreement with assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) and the composition agreement in insolvency proceedings (*Nachlassvertrag im Konkurs*).

*Collateral under Swiss Law*

Other security (*rights in rem*) is enforced in accordance with the terms of the respective security agreement. Typically, the security agreements provide for the right of a security agent acting on behalf of the secured parties to enforce the security either by: (i) private realization (*Private Verwertung*) and set-off of the proceeds against the secured obligations, or (ii) official enforcement proceedings pursuant to the Swiss Federal Debt Enforcement and Bankruptcy Act (DEBA), in which case the right of objection pursuant to art. 41 DEBA (*Einrede der Betreibung auf Pfandverwertung*) is typically waived in the security agreements. In such case, the parties also typically agree in advance that a private sale (*Freihandverkauf*) will be admissible.

In the course of a private realization, the security agent acting on behalf of the secured parties may acquire any or all of the pledged assets (*Selbsteintritt*). In case of an assignment of claims for security purposes, the security agent will, on behalf of the secured parties, collect all assigned claims. Alternatively, it is often entitled to sell such assigned claims to third parties by way of a private sale (*Freihandverkauf*) or acquire the assigned claims for its own account, in each case without having to initiate proceedings under the Swiss Federal Debt Enforcement and Bankruptcy Act (DEBA).

After an insolvency has been declared, however, assets which are subject to a pledge and similar security rights are considered to be part of the debtor's estate (*Konkursmasse*) and will be realized by the insolvency administration. Realization proceedings are governed by Swiss insolvency laws which provide for a public auction, or, subject to certain conditions, a private sale. Proceeds from enforcement are used to cover (i) enforcement costs, (ii) the claims of the secured creditors and (iii) any excess proceeds will be used to satisfy unsecured creditors.

Under Swiss law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. The holders of the Notes will not be party to the security documents relating to the collateral. In order for the holders of the Notes to benefit from "accessory" security interests and have a secured claim, the security documents and the Intercreditor Agreement will provide for the creation of a "parallel debt". Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by Swiss law will directly secure the parallel debt. However, the parallel debt concept has not been tested in court under Swiss law, and there is no certainty that it will be recognized and held valid and enforceable under Swiss law.

*Avoidance actions under Swiss law*

Under Swiss insolvency laws, the insolvency administration may, under certain conditions, avoid transactions, such as, *inter alia*, the granting of, or the payment under, any guarantee or security or, if a payment has already been made under the relevant guarantee or security, require that the recipients return the amount received to the debtor's estate. In particular, a transaction (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the debtor's other creditors may be avoided according to Swiss insolvency laws in the following cases if such acts result in damages to the creditors:

- The debtor has made a transaction being considered as a gift or a disposal of assets without any consideration, provided that the debtor made such transaction within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*). Similarly, transactions pursuant to which the debtor received a consideration which was disproportionate to its own performance, may be avoided. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted: the beneficiary must in this case prove that such transaction was at arm's length.

- Certain acts are voidable if performed by the debtor within the last year prior to the opening of formal insolvency proceedings (*Konkurseröffnung*), provided that the debtor was already over-indebted at that time: (i) granting of security for already existing claims, provided that the debtor was not previously obliged to grant such security, (ii) payment of a monetary obligation (*Geldschuld*) in any other way than by payment in cash (*Barschaft*) or other customary means of payment, and (iii) the payment of a debt not yet due. However, any avoidance action is excluded if the beneficiary of the transaction can prove that it was not aware of the debtor's over-indebtedness and, being diligent, could not know that the debtor had been over-indebted at that time.

- Furthermore, any acts performed within the last five years prior to, *inter alia*, the opening of formal insolvency proceedings (*Konkurseröffnung*) performed by the debtor with the intention to disadvantage its creditors, or discriminate some creditors against others or to favor some creditors to others are voidable if such intention was, or exercising the requisite due diligence must have been known, to the debtor's counterparty. In case the beneficiary of the relevant transaction with the debtor is a related party, including without limitation a group company, the burden of proof is shifted: the beneficiary must in this case prove that such intention was not recognizable.

If any guarantee or security is avoided as summarized above or held unenforceable for any other reason, the claimant would cease to have any claim in respect of the guarantee and would have a claim solely under the Notes and the remaining guarantees, if any. Any amounts obtained from transactions that have been avoided would have to be repaid.

## LISTING AND GENERAL INFORMATION

### Admission to Trading and Listing

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, in accordance with the rules and regulations of such exchange. Since their dates of incorporation, there has been no material adverse change in the financial position of the Issuers. Since December 31, 2013, there has been no material adverse change in the financial position of the Guarantors. Additionally, neither the Issuers nor any of the Guarantors is a party to any litigation that, in our judgment, is material in the context of the issue of the Notes, except as disclosed herein.

### Listing Information

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected and obtained free of charge at the specified office of the Luxembourg listing agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- the organizational documents of the Issuers and the Guarantors;
- the financial statements included in this Offering Memorandum;
- the security documents;
- the Indentures (including the Notes Guarantees); and
- the Intercreditor Agreement.

Each of the Issuers have appointed Deutsche Bank Luxembourg S.A. as Luxembourg listing agent, transfer agent and registrar and to make payments on, when applicable, and transfers of the Notes. Each Issuer reserves the right to vary such appointments in accordance with the terms of the Indentures.

### Approval

Each of the Issuers and the Guarantors have obtained all necessary consents, approvals, authorizations or other orders for the issuance of the Notes and the Notes Guarantees and the other documents to be entered into by the Issuers and the Guarantors in connection with the issuance of the Notes in Luxembourg.

### Clearing Information

The Notes have been accepted for settlement. The Floating Rate Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under Common Codes 107493506 and 107493310, respectively. The international securities identification number for the Floating Rate Senior Secured Notes sold pursuant to Regulation S is XS1074935062 and the international securities identification number for the Floating Rate Senior Secured Notes sold pursuant to Rule 144A is XS1074933109.

The Fixed Rate Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under Common Codes 107493522 and 107493336, respectively. The international securities identification number for the Fixed Rate Senior Secured Notes sold pursuant to Regulation S is XS1074935229 and the international securities identification number for the Fixed Rate Senior Secured Notes sold pursuant to Rule 144A is XS1074933364.

The Senior Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under Common Codes 107493549 and 107493379, respectively. The international securities identification number for the Senior Notes sold pursuant to Regulation S is XS1074935492 and the international securities identification number for the Senior Notes sold pursuant to Rule 144A is XS1074933794.

**General Information on the Guarantors**

The Guarantors have the following corporate information:

(a) **BidCo** is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany on February 5, 2014. BidCo has a share capital of EUR 25,000, comprised of 25,000 shares with a par value of EUR 1 each, each being fully paid up. BidCo's seat and principal executive office is Mainzer Landstraße 46, 60325 Frankfurt am Main. BidCo is registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under the registration number HRB 98571. Bidco operates in the field of fine chemicals;

(b) **CABB International GmbH** is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated as Platin 588. GmbH under the laws of Germany on October 12, 2010 and subsequently renamed to CABB International GmbH. CABB International GmbH has a share capital of EUR 25,000, comprised of 25,000 shares with a par value of EUR 1 each, each being fully paid up. CABB International GmbH's corporate seat and principal executive office is Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus, Germany. CABB International GmbH is registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under the registration number HRB 89248. CABB International GmbH operates in the field of fine chemicals;

(c) **CABB Holding GmbH** is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany on November 6, 2006. CABB Holding GmbH has a share capital of EUR 25,000, comprised of 2 shares with a par value of EUR 24,750 and EUR 250, respectively, each being fully paid up. CABB Holding GmbH's corporate seat and principal executive office is Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus, Germany. CABB Holding GmbH is registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under the registration number HRB 81093. CABB Holding GmbH operates in the field of fine chemicals;

(d) **CABB GmbH** is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany on March 10, 2005. CABB GmbH has a share capital of EUR 6,000,000, comprised of 6,000,000 shares with a par value of EUR 1 each, each being fully paid up. CABB GmbH's corporate seat and principal executive office is Ludwig-Hermann-Straße 100, 86368 Gersthofen, Germany. CABB GmbH is registered with the commercial register at the local court (*Amtsgericht*) of Augsburg under the registration number HRB 21478. CABB GmbH operates in the field of fine chemicals;

(e) **CABB Europe GmbH** is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany on February 28, 2007. CABB Europe GmbH has a share capital of EUR 25,000, comprised of 2 shares with a par value of EUR 24,750 and EUR 250, respectively, each being fully paid up. CABB Europe GmbH's corporate seat and principal executive office is Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus, Germany. CABB Europe GmbH is registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under the registration number HRB 81215. CABB Europe GmbH operates in the field of fine chemicals;

(f) **CABB Finland Oy** is a limited liability company (*Osakeyhtiö*) incorporated under the laws of Finland on June 16, 2004. CABB Finland Oy has a share capital of EUR 1,938,959, comprised of 1,938,959 shares with no nominal value, each being fully paid up. CABB Finland Oy's corporate seat and principal executive office is c/o High Tech Center Helsinki Tammasaarenkatu 3, 00180 Helsinki, Finland. CABB Finland Oy is registered with the commercial register at Helsinki under the registration number 1903611-8. CABB Finland Oy operates in the field of fine chemicals;

(g) **CABB Oy** is a limited liability company (*Osakeyhtiö*) incorporated under the laws of Finland on October 18, 1995. CABB Oy has a share capital of EUR 8,915,000, comprised of 891,500 shares with no nominal value, each being fully paid up. CABB Oy's corporate seat and principal executive office is Tammasaarenkatu 3, 00180 Helsinki, Finland. CABB Oy is registered with the commercial register at Helsinki under the registration number 1031310-7. CABB Oy operates in the field of fine chemicals; and

(h) **CABB AG** is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland on November 19, 2007. CABB AG has a share capital of CHF 100,000, comprised of 1,000 shares with a nominal value of CHF 100 each. CABB AG's seat and registered office is Düngerstrasse 81, 4133 Pratteln, Switzerland. CABB AG is registered with the commercial register of the canton of Basel-Landschaft under the registration number CHE-113.777.506. CABB AG operates in the field of fine chemicals.

## FINANCIAL INFORMATION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**CABB International GmbH, Sulzbach am Taunus**

**Condensed consolidated interim financial statements**
**for the period ended 31 March 2014**

**Condensed consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2014**

| | Notes*) | 01.01.–31.03.2014 (unaudited) | 01.01.–31.03.2013 (unaudited) |
|---|---|---|---|
| | | kEUR | |
| **Sales** | 3 | **131,573** | **121,972** |
| Cost of sales | | −92,197 | −88,314 |
| **Gross profit** | | **39,376** | **33,658** |
| Research and development expenses | | −625 | −509 |
| Distribution and logistics expenses | | −14,402 | −14,773 |
| General and administrative expenses | | −5,688 | −3,921 |
| **Earnings before interest and taxes (EBIT)** | 3 | **18,661** | **14,455** |
| Financial income | | 532 | 154 |
| Financial expenses | | −6,462 | −8,558 |
| **Financial result** | | **−5,930** | **−8,404** |
| **Earnings before taxes** | | **12,731** | **6,051** |
| Taxes on income | 5 | −2,999 | −3,131 |
| **Net profit for the period** | | **9,732** | **2,920** |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Actuarial gains (losses) from defined-benefit plans | | −5,174 | −2,862 |
| Income tax relating to items that will not be reclassified subsequently | | 1,129 | 601 |
| | | −4,045 | −2,261 |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Difference from currency translation of financial statements of foreign operations | | 703 | −477 |
| **Other comprehensive income, net of income tax** | | **−3,342** | **−2,738** |
| **Total comprehensive income for the year** | | **6,390** | **182** |
| Of the net profit, the following amounts are attributable to: | | | |
| Shareholders of CABB International GmbH | | 9,732 | 2,869 |
| Non-controlling interests | | 0 | 51 |
| Of the total comprehensive income, the following amounts are attributable to: | | | |
| Shareholders of CABB International GmbH | | 6,320 | 63 |
| Non-controlling interests | | 70 | 119 |

*) The notes are an integral part of the consolidated financial statements.

**Condensed consolidated statement of financial position**
**as of 31 March 2014**

| | Notes*) | 31.03.2014 (unaudited) | 31.12.2013 (audited) |
|---|---|---|---|
| | | kEUR | |
| **Assets** | | | |
| Goodwill | 6 | 90,964 | 85,805 |
| Other intangible assets | 6 | 93,143 | 98,324 |
| Property, plant and equipment | 6 | 277,415 | 276,390 |
| Financial assets | | 10 | 10 |
| Deferred tax assets | 5 | 6,389 | 6,043 |
| **Non-current assets** | | **467,921** | **466,572** |
| Inventories | | 53,170 | 53,826 |
| Accounts receivable, trade | | 72,070 | 59,990 |
| Other receivables and other assets | | 10,565 | 11,323 |
| Cash and cash equivalents | | 47,477 | 49,734 |
| **Current assets** | | **183,282** | **174,873** |
| **Total assets** | | **651,203** | **641,445** |
| **Liabilities** | | | |
| Subscribed capital | | 25 | 25 |
| Capital reserves | | 65,554 | 65,554 |
| Retained earnings and cumulative loss | | −10,561 | −16,248 |
| Other equity items | | 12,564 | 11,931 |
| Shareholders' equity attributable to the shareholders of CABB International GmbH | | 67,582 | 61,262 |
| Non-controlling interests | | 2,853 | 2,783 |
| **Equity** | | **70,435** | **64,045** |
| Provisions for pensions and similar obligations | 7 | 32,247 | 26,942 |
| Other provisions | 7 | 3,536 | 2,291 |
| Bank loans | | 350,155 | 349,911 |
| Shareholder loans | | 43,840 | 42,974 |
| Other financial liabilities | | 1,748 | 0 |
| Deferred tax liabilities | 5 | 63,770 | 66,311 |
| **Long-term liabilities** | | **495,296** | **488,429** |
| Other provisions | 7 | 10,682 | 7,530 |
| Bank loans | | 12,166 | 11,942 |
| Accounts payable, trade | | 46,484 | 58,053 |
| Income tax liabilities | | 11,940 | 8,179 |
| Other liabilities | | 4,200 | 3,267 |
| **Short-term liabilities** | | **85,472** | **88,971** |
| **Total equity and liabilities** | | **651,203** | **641,445** |

*) The notes are an integral part of the consolidated financial statements.

## Condensed consolidated statement of changes in equity for the three months ended 31 March 2014

| | Subscribed capital | Capital reserves | Retained earnings and cumulative loss | Other equity items | Shareholders' equity attributable to the shareholders of CABB International GmbH | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| | | | | kEUR | | | |
| **As of 1.1.2014 (audited)** | **25** | **65,554** | **−16,248** | **11,931** | **61,262** | **2,783** | **64,045** |
| Net profit for the period | 0 | 0 | 9,732 | 0 | 9,732 | 0 | 9,732 |
| Other comprehensive income | | | | | | | |
| Difference from currency translation of financial statements of foreign operations | 0 | 0 | 0 | 633 | 633 | 70 | 703 |
| Actuarial gains of defined-benefit plans (net) | 0 | 0 | −4.045 | 0 | −4.045 | 0 | −4.045 |
| | 0 | 0 | −4.045 | 633 | −3.412 | 70 | −3.342 |
| **Total comprehensive income** | **0** | **0** | **5,687** | **633** | **6,320** | **70** | **6,390** |
| **As of 31.03.2014 (unaudited)** | **25** | **65,554** | **−10,561** | **12,564** | **67,582** | **2,853** | **70,435** |
| **As of 1.1.2013 (audited)** | **25** | **65,554** | **−36,223** | **13,908** | **43,264** | **1,559** | **44,823** |
| Net profit for the period | 0 | 0 | 2,869 | 0 | 2,869 | 51 | 2,920 |
| Other comprehensive income | | | | | | | |
| Difference from currency translation of financial statements of foreign operations | 0 | 0 | 0 | −545 | −545 | 68 | −477 |
| Actuarial gains of defined-benefit plans (net) | 0 | 0 | −2.261 | 0 | −2.261 | 0 | −2.261 |
| | 0 | 0 | −2.261 | −545 | −2.806 | 68 | −2.738 |
| **Total comprehensive income** | **0** | **0** | **608** | **−545** | **63** | **119** | **182** |
| **As of 31.03.2013 (unaudited)** | **25** | **65,554** | **−35,615** | **13,363** | **43,327** | **1,678** | **45,005** |

**Condensed consolidated statement of cash flows**
**for the three months ended 31 March 2014**

| | | 01.01.–31.03.2014 | 01.01.–31.03.2013 |
|---|---|---|---|
| | | (unaudited) | (unaudited) |
| | | kEUR | |
| Net profit for the year | | 9,732 | 2,920 |
| Financial result | | 5,930 | 8,404 |
| Taxes on income | | 2,999 | 3,131 |
| **Earnings before interest and taxes (EBIT)** | | **18,661** | **14,455** |
| + | Depreciation on property, plant and equipment and amortisation on intangible assets | 12,590 | 12,757 |
| + | Losses from the disposal of assets | 41 | 45 |
| − | Interest paid | −4,148 | −3,057 |
| + | Interest received | 36 | 13 |
| − | Income taxes (net) | −1,202 | −3,325 |
| − | Increase in provisions | 4,206 | 2,739 |
| + | Increase in inventories, trade accounts receivable and other assets | −10,348 | −5,578 |
| + | Decrease in trade accounts payable and other liabilities | −13,753 | −11,390 |
| **Cash flow from operating activities** | | **6,083** | **6,659** |
| Investments in intangible assets | | −113 | −17 |
| − | Investments in property, plant and equipment | −7,831 | −3,048 |
| + | Proceeds from the sale of fixed assets | 11 | 0 |
| – | Payments related to business combinations | −1,921 | 0 |
| **Cash flow from investing activities** | | **−9,854** | **−3,065** |
| Loans from non-controlling shareholders | | 1,764 | 0 |
| + | Payments from other financial liabilities | −160 | −36 |
| **Cash flow from financing activities** | | **1,604** | **−36** |
| **Change in cash and cash equivalents** | | **−2,167** | **3,558** |
| **Cash and cash equivalents at the beginning of the period** | | **49,734** | **51,262** |
| Change due to exchange rate changes | | −90 | −151 |
| **Cash and cash equivalents at the end of the period** | | **47,477** | **54,669** |

The notes are an integral part of the consolidated financial statements.

**Notes to the condensed consolidated interim financial statements**
**for the period ended 31 March 2014**

## (1) General

The ultimate parent company of CABB Group is CABB International GmbH with its registered offices at Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus

## (2) Principles for preparing the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of CABB International GmbH for the period ended 31 March 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs, as adopted in the EU.

These condensed consolidated interim financial statements were prepared and approved for publication by management on 23 May 2014.

Except for the new accounting regulations disclosed below, the accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

**New accounting regulations**

With effect from 1 January 2014, the Group has, where necessary and appropriate, applied certain new and amended standards and interpretations published by the International Accounting Standards Board (IASB). As required by IAS 34, the nature and the effect of these changes are disclosed below:

- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities:

  These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on CABB Group.

- IFRS 10 Consolidated Financial Statements:

  The new standard establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing in IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by CABB Group.

- IFRS 11 Joint Arrangements:

  The new standard replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The application of this new standard did not impact the financial position of CABB Group as the Group has not applied proportionate consolidation.

**Use of estimates and assumptions in the preparation of the condensed consolidated interim financial statements**

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

**(3) Business combinations**

On 9 October 2013 CABB GmbH founded together with its Chinese business partners Jining Gold Power Co. Ltd., Zhanghuang Town (P.R. China), and Yangcheng Yizehua Trading Co., Ltd., Yancheng City (P.R. China), the new company CABB – Jinwei Specialty Chemicals (Jining) Co., Ltd., Zhanghuang Town (P.R. China). The subscribed capital of CABB – Jinwei amounts to kEUR 3,750, of which 67% is held by CABB GmbH. This Chinese subsidiary is CABB Group's next major step towards strengthening its acetyls business in this important growth market and manifesting a global production footprint.

On 15 February 2014, our Chinese subsjdiary acquired the existing production facilities of Jining Jinwei Huasheng Chemical Co. Ltd. ("JJHC") in Zhanghuang Town (P.R. China), which currently produces 16,320 tons of monochloroacetic acid (MCA) each year, including all tooling kit, equipment, spare parts, piping and infrastructure, customers and other intangible assets necessary for operating the existing facilities. The total cash consideration for this business combination was RMB 53.5 million (kEUR 6,403), of which an amount of kEUR 1,926 (kRMB 16,050) was paid in in the fourth quarter 2013,an amount of kEUR 1,921 (kRMB 16,050) was paid on 15 February 2014 and an amount of kEUR 2,557 (kRMB 21,400) will be paid in 2014. Based on a preliminary purchase price allocation, the fair values of the identifiable property, plant and equipment amounted to kEUR 1,307. As a consequence, a (provisional) goodwill arising on the acquisition of kEUR 5,096 was recognised:

| | Carrying amount before acquisition | Fair value adjustment | Addition due to acquisition |
|---|---|---|---|
| | | kEUR | |
| Technical equipment and machinery | 1,251 | 8 | 1,259 |
| Operational and office equipment, other installations | 48 | 0 | 48 |
| **Assets** | **1,299** | **8** | **1,307** |
| Goodwill | | | 5,096 |
| **Total costs of purchase** | | | **6,403** |
| Consideration paid in Q4/2013 | | | −1,926 |
| Consideration to be paid in 2014 | | | −2,557 |
| **Net outflow of cash and cash equivalents in Q1/2014** | | | **−1,921** |

The goodwill is primarily attributed to the expected synergies and other benefits from combining the assets and activities of JJHC with those of CABB Group. It is deductible for income tax purposes.

The acquisition was partly financed through shareholder loans granted to CABB – Jinwei by CABB GmbH (kEUR 3,556) and the non-controlling shareholders (kEUR 1,764).

Transaction costs of kEUR 1,033 have been expensed predominately in financial year 2013 and are included in administrative expenses in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

From the acquisition date, the acquired business has contributed kEUR 590 of revenues and kEUR −114 to the net profit before tax of CABB Group. If the acquisition had taken place at the beginning of the annual reporting period, the Group's revenue and net profit for the period would differ insignificantly.

**(4) Taxes on income**

Income taxes include current income taxes as well as deferred taxes. Tax liabilities/tax receivables mainly comprise liabilities/receivables relating to domestic and foreign income taxes and include liabilities/receivables for the current period as well as for prior periods. The liabilities/receivables are measured based on the applicable tax law in the countries in which the Group operates in and include all facts the Company is aware of. The tax rate for the three month ended 31 March 2014 is 23.6% (31 March 2013: 51.7%). The decrease of the tax rate is mainly due to prior year's deferred tax expenses recognised in Q1/2013.

## (5) Intangible assets and property, plant and equipment

During the three months ended 31 March 2014, the Group acquired assets through a business combination (see Note 3) of kEUR 4,477 and invested kEUR 3,778 in the capacity expansion program ("FCP3") for production facilities located in Pratteln and Kokkola.

## (6) Provisions

The development of the Group's provisions is as follows:

| | Pensions and similar obligations | Environment and rehabilitation | Personnel obligations | Other provisions | Total |
|---|---|---|---|---|---|
| | | | kEUR | | |
| As of 1 January 2014 | 26,942 | 2,188 | 6,786 | 847 | **36,763** |
| Additions | 5.229 | 2,385 | 8,809 | 625 | **17,048** |
| Consumption | −33 | −1,491 | −5,000 | −644 | **−7,168** |
| Reversal | 0 | 0 | −278 | −32 | **−310** |
| Exchange differences | 108 | 12 | 12 | 0 | **132** |
| **As of 31 March 2014** | **32,246** | **3,094** | **10,329** | **796** | **46,465** |
| Thereof: current | 0 | 1.658 | 8,228 | 796 | 10,682 |

## (7) Financial risk management and financial instruments

The carrying amounts and market values broken down according to measurement categories for the financial assets and liabilities, set out according to the classes in the balance sheet, are shown in the following table:

| | Valuation category acc. to IAS 39 | Carrying amount 31.03.2014 | Market value 31.03.2014 | Carrying amount 31.12.2013 | Market value 31.12.2013 |
|---|---|---|---|---|---|
| | | | kEUR | | |
| Derivatives | HfT | 0 | 0 | 0 | 0 |
| Accounts receivable, trade | LaR | 72,070 | 72,070 | 59,990 | 59,990 |
| Other financial assets | LaR | 10 | 10 | 10 | 10 |
| Cash and cash equivalents | LaR | 47,477 | 47,477 | 49,734 | 49,734 |
| **Financial assets** | | **119,557** | **119,557** | **109,734** | **109,734** |
| Derivatives | HfT | 21 | 21 | 31 | 31 |
| Shareholder loans | FLAC | 43,840 | 43,840 | 42,974 | 42,974 |
| Bank loans | FLAC | 362,038 | 362,038 | 361,853 | 361,853 |
| Liabilities due to finance leases and other borrowings | n.a. | 283 | 283 | 318 | 318 |
| Other financial liabilities | FLAC | 1,748 | 1,748 | 0 | 0 |
| Accounts payable, trade | FLAC | 46,484 | 46,484 | 58,053 | 58,053 |
| **Financial liabilities** | | **454,414** | **454,414** | **463,229** | **463,229** |

**Abbreviations of valuation categories**
HfT: Held for Trading
LaR: Loans and Receivables
AfS: Available for Sale
FLAC: Financial Liability at Amortised Cost
n.a. not applicable

Cash and cash equivalents, trade accounts receivable, other financial assets in the category "Loans and receivables" as well as trade accounts payable and other financial liabilities mainly have short remaining terms. Accordingly, the figures shown in the balance sheet as of the reference date are approximately equivalent to the fair value.

The following hierarchy has been used for determining the fair values of the other financial assets and financial liabilities:

- The fair value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are used in conjunction with the corresponding interest rate structure curves for the term of the instruments for derivatives without optional elements and also option price models for derivatives with optional elements. Currency futures are measured on the basis of listed futures prices or

interest rate structure curves derived from listed market rates in relation to the terms of the agreements. Interest rate swaps are measured with the present value of the estimated future cash flows. They are discounted using the relevant interest rate structure curves derived from listed interest rates.

The following table shows the financial instruments which are subsequently measured at fair value. These are broken down into levels 1 to 3, depending on the extent to which the fair value is observable:

- Level 1 measurements at fair value are defined as those resulting from listed prices (unadjusted) on active markets for identical financial assets or liabilities.
- Level 2 measurements at fair value are defined as those which do not reflect listed prices for assets and liabilities as in level 1, either derived directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 measurements at fair value are defined as those which result from models which use parameters for measuring assets or liabilities which are not based on observable market data (non-observable parameters, assumptions).

| | Level 1 31.03.2014 | Level 2 31.03.2014 | Level 3 31.03.2014 | Total 31.03.2014 |
|---|---|---|---|---|
| | | kEUR | | |
| Financial assets – HfT | 0 | 0 | 0 | 0 |
| **Financial assets** | **0** | **0** | **0** | **0** |
| Financial liabilities – HfT | 0 | 21 | 0 | 21 |
| **Financial liabilities** | **0** | **21** | **0** | **21** |

| | Level 1 31.12.2013 | Level 2 31.12.2013 | Level 3 31.12.2013 | Total 31.12.2013 |
|---|---|---|---|---|
| | | kEUR | | |
| Financial assets – HfT | 0 | 0 | 0 | 0 |
| **Financial assets** | **0** | **0** | **0** | **0** |
| Financial liabilities – HfT | 0 | 31 | 0 | 31 |
| **Financial liabilities** | **0** | **31** | **0** | **31** |

There were no transfers between level 1 and 2 during the reporting period.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(8) Related parties**

| | 31.03.2014 | 31.12.2013 |
|---|---|---|
| | kEUR | |
| Liabilities due to related parties (loan of European Chemical Services S.à r.l. to CABB International GmbH, including capitalised interest) | 43,840 | 42,974 |
| Interest expense due to shareholder loans | 866 | 7,002 |

The sole shareholder of CABB International GmbH is European Chemical Services S.à r.l., Luxembourg. The latter is 87.13% owned by Bridgepoint Europe IV Investments S.à r.l.; the remaining 12.87% are held by CABB Management Beteiligungs GmbH & Co. KG. CABB Management Beteiligungs GmbH & Co. KG was established in the course of the acquisition of the CABB Group in order to provide the management team, the members of the advisory board as well as additional senior executives of the Group with the opportunity of participating indirectly in this acquisition. In the event of the sale of CABB International GmbH or other Group companies, the shareholders and managing directors as well as some employees and the members of the advisory board of the CABB Group are therefore entitled to participate in the disposal proceeds. However, this will not result in any financial charges for CABB International GmbH or another Group company.

Consultancy fees of kEUR 0 were paid in the three months ended 31 March 2014 (2013: kEUR 87,5) to Bridgepoint Advisers Limited, an affiliated company of Bridgepoint Europe IV Investments S.à r.l.

**(9) Events after the balance sheet date**

On 22 April 2014 Permira, the European private equity firm, announced that a company owned by the Permira funds has entered into an agreement to acquire CABB International GmbH. The transaction is expected to complete in June 2014, subject to regulatory approvals and customary closing conditions.

Following the Permira acquisition, the Group's debt financing arrangements may be restructed.

Sulzbach am Taunus, 23 May 2014
CABB International GmbH
Management

Dr. Martin Wienkenhöver Dr. Uwe Salzer

**CABB International GmbH, Sulzbach am Taunus**

**Consolidated financial statements**
**for the year ended 31 December 2013**

**Consolidated statement of profit or loss and other comprehensive income for the financial year from 1 January to 31 December 2013**

| | Notes*) | 01.01.–31.12.2013 | 01.01.–31.12.2012 (restated note 2) |
|---|---|---|---|
| | | kEUR | |
| **Sales** | 5 | **438,874** | **427,167** |
| Cost of sales | 6 | −326,946 | −315,880 |
| **Gross profit** | | **111,928** | **111,287** |
| Research and development expenses | | −2,277 | −2,097 |
| Distribution and logistics expenses | 7 | −55,538 | −55,128 |
| General and administrative expenses | 8 | −14,549 | −14,119 |
| **Earnings before interest and taxes (EBIT)** | | **39,564** | **39,943** |
| Financial income | 10 | 456 | 1,174 |
| Financial expenses | 10 | −25,771 | −31,258 |
| **Financial result** | 10 | **−25,315** | **−30,084** |
| **Earnings before taxes** | | **14,249** | **9,859** |
| Taxes on income | 11 | −3,433 | −2,049 |
| **Net profit for the year** | | **10,816** | **7,810** |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Actuarial gains (losses) from defined-benefit plans | 18 | 11,956 | −5,146 |
| Income tax relating to items that will not be reclassified subsequently | | −2,565 | 1,312 |
| | | 9,391 | −3,834 |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Difference from currency translation of financial statements of foreign operations | 3e | −2,222 | 636 |
| **Other comprehensive income, net of income tax** | | **7,169** | **−3,198** |
| **Total comprehensive income for the year** | | **17,985** | **4,612** |
| Of the net profit, the following amounts are attributable to: | | | |
| Shareholders of CABB International GmbH | | 10,584 | 7,627 |
| Non-controlling interests | | 232 | 183 |
| Of the total comprehensive income, the following amounts are attributable to: | | | |
| Shareholders of CABB International GmbH | | 17,998 | 4,516 |
| Non-controlling interests | | −13 | 96 |

*) The notes are an integral part of the consolidated financial statements.

**Consolidated statement of financial position**
**as of 31 December 2013**

| | Notes*) | 31.12.2013 | 31.12.2012 (restated note 2) kEUR | 01.01.2012 (restated note 2) |
|---|---|---|---|---|
| **Assets** | | | | |
| Goodwill | 12 | 85,805 | 86,439 | 86,209 |
| Other intangible assets | 12 | 98,324 | 119,919 | 141,032 |
| Property, plant and equipment | 13 | 276,390 | 261,199 | 262,399 |
| Financial assets | | 10 | 10 | 40 |
| Deferred tax assets | 11 | 6,043 | 12,872 | 12,491 |
| **Non-current assets** | | **466,572** | **480,439** | **502,171** |
| Inventories | 14 | 53,826 | 52,410 | 52,356 |
| Accounts receivable, trade | 15 | 59,990 | 54,153 | 60,036 |
| Other receivables and other assets | | 11,323 | 9,681 | 8,045 |
| Income tax receivables | | 0 | 136 | 3,029 |
| Cash and cash equivalents | 16 | 49,734 | 51,262 | 33,476 |
| **Current assets** | | **174,873** | **167,642** | **156,942** |
| **Total assets** | | **641,445** | **648,081** | **659,113** |
| **Liabilities** | | | | |
| Subscribed capital | | 25 | 25 | 25 |
| Capital reserves | | 65,554 | 65,554 | 65,554 |
| Retained earnings and cumulative loss | | −16,248 | −36,223 | −40,016 |
| Other equity items | | 11,931 | 13,908 | 13,185 |
| Shareholders' equity attributable to the shareholders of CABB International GmbH | | 61,262 | 43,264 | 38,748 |
| Non-controlling interests | | 2,783 | 1,559 | 1,463 |
| **Equity** | 17 | **64,045** | **44,823** | **40,211** |
| Provisions for pensions and similar obligations | 18 | 26,942 | 40,410 | 38,675 |
| Other provisions | 19 | 2,291 | 2,741 | 3,349 |
| Bank loans | 20 | 349,911 | 252,791 | 269,266 |
| Shareholder loans | 21 | 42,974 | 145,972 | 137,856 |
| Deferred tax liabilities | 11 | 66,311 | 79,854 | 88,032 |
| **Long-term liabilities** | | **488,429** | **521,768** | **537,178** |
| Other provisions | 19 | 7,530 | 7,921 | 9,837 |
| Bank loans | 20 | 11,942 | 10,370 | 12,417 |
| Accounts payable, trade | 22 | 58,053 | 56,384 | 53,691 |
| Income tax liabilities | | 8,179 | 4,120 | 1,858 |
| Other liabilities | | 3,267 | 2,695 | 3,921 |
| **Short-term liabilities** | | **88,971** | **81,490** | **81,724** |
| **Total equity and liabilities** | | **641,445** | **648,081** | **659,113** |

*) The notes are an integral part of the consolidated financial statements.

## Consolidated statement of changes in equity
## for the financial year from 1 January to 31 December 2013

| | Subscribed capital | Capital reserves | Retained earnings and cumulative loss | Other equity items | Shareholders' equity attributable to the shareholders of CABB International GmbH | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| | | | | kEUR | | | |
| **As of 1.1.2012 as reported** | **25** | **65,554** | **−40,466** | **13,185** | **38,298** | **1,463** | **39,761** |
| Adjustments (note 2) | 0 | 0 | 450 | 0 | 450 | 0 | 450 |
| **As of 1.1.2012 as restated** | **25** | **65,554** | **−40,016** | **13,185** | **38,748** | **1,463** | **40,211** |
| Net profit for the year (restated) | 0 | 0 | 7,627 | 0 | 7,627 | 183 | 7,810 |
| Other comprehensive income (restated) | | | | | | | |
| Difference from currency translation of financial statements of foreign operations | 0 | 0 | 0 | 723 | 723 | −87 | 636 |
| Actuarial losses of defined-benefit plans (net) | 0 | 0 | −3,834 | 0 | −3,834 | 0 | −3,834 |
| | 0 | 0 | −3,834 | 723 | −3,111 | −87 | −3,198 |
| **Total comprehensive income (restated)** | **0** | **0** | **3,793** | **723** | **4,516** | **96** | **4,612** |
| **As of 31.12.2012/1.1.2013 (restated)** | **25** | **65,554** | **−36,223** | **13,908** | **43,264** | **1,559** | **44,823** |
| Net profit for the year | 0 | 0 | 10,584 | 0 | 10,584 | 232 | 10,816 |
| Other comprehensive income | | | | | | | |
| Difference from currency translation of financial statements of foreign operations | 0 | 0 | 0 | −1,977 | −1,977 | −245 | −2,222 |
| Actuarial gains of defined-benefit plans (net) | 0 | 0 | 9,391 | 0 | 9,391 | 0 | 9,391 |
| | 0 | 0 | 9,391 | −1,977 | 7,414 | −245 | 7,169 |
| **Total comprehensive income** | **0** | **0** | **19,975** | **−1,977** | **17,998** | **−13** | **17,985** |
| Cash contribution from non-controlling shareholders of CABB – Jinwei | 0 | 0 | 0 | 0 | 0 | 1,237 | 1,237 |
| **As of 31.12.2013** | **25** | **65,554** | **−16,248** | **11,931** | **61,262** | **2,783** | **64,045** |

The notes are an integral part of the consolidated financial statements.

**Consolidated statement of cash flows**
**for the financial year from 1 January to 31 December 2013**

| | | 01.01.–31.12.2013 | 01.01.–31.12.2012 (restated note 2) |
|---|---|---|---|
| | | kEUR | |
| Net profit for the year | | 10,816 | 7,810 |
| Financial result | | 25,315 | 30,084 |
| Taxes on income | | 3,433 | 2,049 |
| **Earnings before interest and taxes (EBIT)** | | **39,564** | **39,943** |
| + | Depreciation on property, plant and equipment and amortisation on intangible assets | 50,997 | 52,032 |
| + | Losses from the disposal of assets | 69 | 47 |
| – | Interest paid (net) | −15,432 | −15,795 |
| – | Banking fees paid | −346 | −438 |
| – | Income taxes (net) | −7,967 | −4,213 |
| – | Decrease in provisions | −2,848 | −8,920 |
| + | Increase (2012: decrease) in inventories, trade accounts receivable and other assets | −10,900 | 4,193 |
| + | Increase in trade accounts payable and other liabilities | 2,404 | 1,467 |
| **Cash flow from operating activities** | | **55,541** | **68,316** |
| Investments in intangible assets | | −149 | −871 |
| – | Investments in property, plant and equipment | −47,798 | −27,753 |
| + | Proceeds from the sale of fixed assets | 0 | 4 |
| – | Payments related to acquisitions | 0 | −89 |
| + | Proceeds from financial assets | 0 | 30 |
| **Cash flow from investing activities** | | **−47,947** | **−28,679** |
| Raising (2012: repayment) of bank loans (net) | | 98,994 | −19,871 |
| – | Repayment of shareholder loans incl. interests | −110,000 | −2,318 |
| + | Cash contribution from non-controlling shareholders | 1,237 | 0 |
| + | Payments relating to other financial liabilities | 280 | 294 |
| **Cash flow from financing activities** | | **−9,489** | **−21,895** |
| **Change in cash and cash equivalents** | | **−1,895** | **17,742** |
| **Cash and cash equivalents at the beginning of the period** | | **51,262** | **33,476** |
| Change due to exchange rate changes | | 367 | 44 |
| **Cash and cash equivalents at the end of the period** | | **49,734** | **51,262** |

The notes are an integral part of the consolidated financial statements.

**Notes to the consolidated financial statements**
**for the financial year 2013**

## (1) General

CABB International GmbH with registered offices at Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus, was established on 12 October 2010 as Platin 588. GmbH in Frankfurt am Main and registered on 15 October 2010 in the commercial register of the Amtsgericht (local court) Frankfurt am Main under number HRB 89248. On 13 April 2011, it acquired all shares in the holding company CABB Investment GmbH, the parent company of the CABB Group with worldwide operations in the field of fine chemicals. The Group is one of the leading providers of synthesis modules based on chlorine, sulphur and acetic acid (monochloroacetic acid (MCAA) and its esters), as well as acetyl chloride, chloroacetyl chloride, caustic soda and hydrochloric acid. The Group also supplies innovative intermediates with a chlorine and MCAA base as well as terpenes. There are production locations in Germany in Knapsack and Gersthofen, in Switzerland in Pratteln as well as in India in Ahmedabad.

With effect from 11 August 2011, the Group acquired the Finnish KemFine Group Oy, the parent company of the speciality chemical company KemFine Oy, which produces fine chemicals and speciality chemicals and also has world- wide operations particularly in Custom Manufacturing for well-known companies in the agrochemical and pharmaceutical industries on its production facility in Kokkola (Finland).

On 9 October 2013 CABB GmbH founded together with its chinese business partners Jining Gold Power Co. Ltd., Zhanghuang Town (V.R. China), and Yangcheng Yizehua Trading Co., Ltd., Yancheng City (V.R. China), the new company CABB – Jinwei Specialty Chemicals (Jining) Co., Ltd., Zhanghuang Town (V.R. China). The subscribed capital of CABB – Jinwei amounts to kEUR 3,750, of which 67% is held by CABB GmbH.

## (2) Principles for preparing the consolidated financial statements

The consolidated financial statements of CABB International GmbH for the period ending 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) valid on the reference date and also the rules which are additionally applicable in accordance with § 315a (1) of the German Commercial Code (HGB–Handelsgesetzbuch). All IFRSs and pronouncements of the International Financial Reporting Interpretations Committee (IFRIC) which are binding for the financial year 2013 and have been endorsed by the European Union have been applied.

The consolidated financial statements were prepared and approved for publication by management on 27 March 2014.

The accounting policies applied are the same as those in 2012 except for changes required by the application of new or revised reporting standards.

***New accounting regulations***

With effect from 1 January 2013, the Group has, where necessary and appropriate, applied the following new and amended standards and interpretations published by the International Accounting Standards Board (IASB):

- IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*:

The amendments introduce new terminolgy for the statement of comprehensive income. Under the amendments to IAS 1, the ‘statement of comprehensive income’ is renamed as the ‘statement of profit or loss and other comprehensive income’. In addition, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. These amendmends have been applied by the Group retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

- IAS 19 *Employee Benefits (as revised in 2011)*:

The revised standard changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the ‘corridor approach’ permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version

of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, IAS 19 (as revised in 2011) introduces certain change in the presentation of the defined benefit cost including more extensive disclosures.
These 2013 consolidated financial statements are the first financial statements in which the Group has adopted IAS 19 (as revised in 2011). The revised standard has been adopted retrospectively in accordance with IAS 8. Consequently, the Group has adjusted opening equity as of 1 January 2012 and the figures for 2012 have been restated as if IAS 19 (as revised in 2011) had always been applied. As CABB Group companies already recognised all actuarial profits and losses resulting from the periodic recalculation in equity, the major effect of the application of IAS 19 (revised) related to the fact that the return on plan assets is calculated based on the discount rate rather than the expected rate of return. The effects of the application of IAS 19 (as revised in 2011) were as follows:

| | Retirement benefit obligation | Deferred tax asset | Equity |
|---|---|---|---|
| | | kEUR | |
| Balance as reported at 1 January 2012 | 39,254 | 12,620 | 39,761 |
| Effect of application of IAS 19 revised | −579 | −129 | 450 |
| **Restated balance at 1 January 2012** | **38,675** | **12,491** | **40,211** |

| | Retirement benefit obligation | Deferred tax asset | Equity |
|---|---|---|---|
| | | kEUR | |
| Balance as reported at 31 December 2012 | 40,989 | 13,001 | 44,373 |
| Effect of application of IAS 19 revised | −579 | −129 | 450 |
| Effect on total comprehensive income for the year | 0 | 0 | 0 |
| **Restated balance at 31 December 2012** | **40,410** | **12,872** | **44,823** |

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 |
|---|---|---|
| | kEUR | |
| Change of employee benefit expenses | 965 | −1,184 |
| Increase of net interest expenses | −3,075 | −2,356 |
| Decrease of income tax expense | 443 | 783 |
| **Decrease of profit for the year** | **−1,667** | **−2,757** |
| Remeasurement of defined benefit obligation | 3,075 | 3,540 |
| Increase of income tax relating to components of other comprehense income | −443 | −783 |
| **Increase of other comprehensive income** | **2,632** | **2,757** |
| **Increase of total comprehensive income** | **965** | **0** |

- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*:

These amendments include revisions to the disclosure requirements under IAS 36 *Impairment of Assets*. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. The amendments are early adopted.

- IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*:

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. These amendments have to be applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

- IFRS 13 *Fair Value Measurement*:

The new standard established a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad: the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of assets*).
IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date und current market conditions. Fair

value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.
The new standard requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply disclosure requirements set out in the Standard in comparative information provided for periods before the initial appplication of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

The following IFRSs and their interpretations have been adopted, but will only come into force in subsequent years, and have not been applied in these consolidated financial statements:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (applicable for reporting periods beginning on or after 1 July 2014; not yet adopted by the EU).
- IAS 27 *Separate Financial Statements (revised)* (applicable for reporting periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures (revised)* (applicable for reporting periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* (applicable for reporting periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (applicable for reporting periods beginning on or after 1 January 2014)
- IFRS 9 *Financial Instruments: Classification and Measurement* (application date not yet determined; not yet adopted by the EU)
- Amendments to IFRS 9 *Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39* (application date not yet determined; not yet adopted by the EU)
- Amendments to IFRS 9 *Mandatory Effective Date and Transition Disclosures* (application date not yet determined; not yet adopted by the EU)
- IFRS 10 *Consolidated Financial Statements* (applicable for reporting periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for reporting periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosure of Interests in Other Entities* (applicable for reporting periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* (applicable for reporting periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* (applicable for reporting periods beginning on or after 1 January 2014)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for reporting periods beginning on or after 1 January 2016; not yet adopted by the EU)
- IFRIC 21 *Levies* (applicable for reporting periods beginning on or after 1 January 2014; not yet adopted by the EU)
- *Annual Improvements to IFRSs 2013* (applicable for reporting periods beginning on or after 1 January 2014; not yet adopted by the EU).

Management is assuming that the standards and interpretations set out above will be applied in the consolidated financial statements of the financial years 2014, 2015 and 2016, and that the application of these standards and

interpretations will not have a significant impact on the consolidated financial statements in the year of first-time adoption.

***Use of estimates and assumptions in the preparation of the consolidated financial statements***

The extent of the assets, liabilities and provisions, contingencies and other financial obligations shown in the consolidated financial statements depends to a certain extent on estimates or assumptions. These are based on the circumstances and assessments prevailing on the balance sheet date, and accordingly also influence the amount of the income and expenses shown for the respective financial years. Such assumptions relate to the definition of the useful lives of depreciable fixed assets or intangible assets, the measurement of provisions and other assets or obligations. Due consideration is given to factors of uncertainty for the purpose of establishing the values; however, actual results may differ from the original estimates.

Areas which are particularly complex or in which extensive estimates are necessary or in which the estimates or assumptions which have been made have a major impact on the consolidated financial statements are explained under "Estimates and assumptions" in section 3 of these notes.

**(3) Accounting policies and valuation methods**

**a) Balance sheet date**

The financial statements of the consolidated companies, with the exception of CABB Karnavati Rasayan Ltd., India, are prepared as of the balance sheet date of the consolidated financial statements (31 December). For the purpose of the consolidated financial statements, CABB Karnavati Rasayan Ltd. has prepared interim financial statements for the period ending 31 December 2013.

**b) Uniform valuation**

The assets and liabilities included in the consolidated financial statements for the companies which have been integrated are recognised and valued uniformly in accordance with the principles described in this document.

**c) Eliminations**

Internal balances within the Group as well as unrealised income and expenses from internal transactions within the Group are eliminated as parts of the process of preparing the consolidated financial statements.

**d) Capital consolidation**

Capital is consolidated at the time of acquisition using the revaluation method (purchase method). The first step is to measure all assets, liabilities and additional intangible assets which have to be capitalised with their fair values. The costs of purchase of the equity participations are netted with the proportionate revalued shareholders' equity which has been acquired. Any differences which result from this process are capitalised as goodwill and are written down only in the event of an impairment. If the proportionate amount of the acquisition of net assets measured at fair value exceeds the costs of purchase of the business combination, the identification and valuation of the identified assets, liabilities and contingent liabilities of the acquired company as well as the measurement of the costs of purchase of the business combination are reassessed. Any difference remaining after the reassessment is recognised directly in the income statement. The costs incurred for carrying out a business combination are recognised in the income statement.

**e) Foreign currency translation**

The consolidated financial statements are prepared in Euros.

Transactions of assets and liabilities in foreign currency are translated into the respective functional currency using the spot rate applicable on the date of the transaction. In the financial statements of the individual Group companies, monetary items which are not denominated in the functional currencies of the subsidiaries are translated on the balance sheet date using the rate applicable at the end of the year. The resultant currency gains and losses are recognised directly in the income statement.

The assets and liabilities of subsidiaries whose functional currency is not the Euro are translated using the reference date rate into the reporting currency (Euro), which is also the functional currency of CABB International GmbH. Expenses and income are translated using the average rate. All cumulative differences resulting

from the currency translation of the shareholders' equity of foreign subsidiaries attributable to changes in the exchange rates are shown directly in other comprehensive income.

The following exchange rates have been used:

| | Average exchange rate 2013 | Exchange rate on the balance sheet date 31.12.2013 | Average exchange rate 2012 | Exchange rate on the balance sheet date 31.12.2012 |
|---|---|---|---|---|
| Argentinean Peso | 7.2740 | 8.9740 | 5.8794 | 6.4754 |
| Chinese Yuan Renminbi | 8.3435 | 8.3342 | 8.1160 | 8.3268 |
| Indian Rupee | 77.8768 | 85.1004 | 69.0941 | 72.4609 |
| Swiss Francs | 1.2309 | 1.2269 | 1.2055 | 1.2073 |
| US Dollar | 1.3283 | 1.3768 | 1.2861 | 1.3186 |

**f) Revenue recognition**

Revenues are recognised when products are delivered or services are rendered and when ownership and risks have been transferred to the purchaser. The revenues comprise the fair value received for the sale of products and services, excl. sales taxes and taxes on consumption, less discounts and price reductions and after the elimination of internal sales within the Group.

**g) Cost of sales**

Cost of sales comprises the costs of materials, personnel expenses, proportionate depreciation and amortisation, repairs and maintenance, energy, analysis and ecology, production overheads, plant overheads as well as costs of packaging the products.

**h) Distribution and logistics expenses**

Distribution and logistics expenses comprise the costs of personnel expenses, proportionate depreciation on property, plant and equipment and intangible assets as well as transport costs.

**i) Research and development**

Research costs are recognised immediately as expense when they are incurred. They comprise wages and salaries, cost of materials, proportionate depreciation on property, plant and equipment and overheads. Development costs are only capitalised if, on the basis of various criteria, it is likely that the capitalised amount will be covered by future income.

**j) Financial result**

This item contains interest income and expenses as well as foreign currency gains and losses. All interest income and expenses are shown in the income statement.

**k) Borrowing costs**

The process of the acquisition, construction or production of intangible assets or property, plant and equipment does not cover a period of more than one year. Accordingly, no borrowing costs have been capitalised as part of the costs of purchase or production costs.

**l) Goodwill**

Goodwill is only written down in the event of an impairment. The value of goodwill is subject to an annual impairment test, and is also reviewed if there is any indication of an impairment. The goodwill impairment test is carried out on the basis of cash-generating units by comparing the recoverable amount with the carrying amount. The Acetyls and Custom Manufacturing divisions have been identified as cash-generating units which carry goodwill.

Goodwill was not impaired in the financial years 2012 and 2013. The recoverable amount of the cash-generating units was calculated on the basis of the value in use. The cash flow forecast based on financial planning over a period totalling three years is used for this calculation. A perpetual growth rate of 1% is used for the period beyond the three-year period. Growth rates do not comprise capacity expansion investments for which no cashoutflows already incurred. The financial planning is based on past experience, current results and on the best estimate of the future development of influencing factors – such as profit margins. Market assumptions, such as the development of the

economy and market growth are considered using external macroeconomical and industrialspecific information sources. A post-tax rate of 10.24% is used for discounting purposes for the Acetyls division, and a post-tax rate of 10.02% is used for discounting for the Custom Manufacturing division.

**m) Intangible assets**

Acquired intangible assets – excluding goodwill as well as intangible assets with an indefinite useful life – are measured at cost of purchase less straight-line depreciation. The respective useful life is based on the length of the underlying agreement and the probable utilisation of the potential use of the intangible asset.

Impairments are recognised if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of net realisable value and the value in use. If the reasons for an impairment are no longer applicable, corresponding write-ups are recognised. Depending on the type of the intangible asset, depreciation is shown under costs of sales, distribution and logistics expenses, research and development expenses or other operating expenses.

A European Community law concerning chemicals and the reliable handling of chemicals came into force on 1 June 2007. This law governs the registration, evaluation, authorisation and restriction of chemicals (REACH). REACH requires the registration of certain substances. The companies of the CABB Group incur costs within the framework of this registration procedure. These costs are capitalised as intangible assets in accordance with IAS 38 *Intangible Assets*, and are depreciated over their estimated useful life of twelve years using the straight-line method.

Intangible assets are depreciated using the straight-line method. The average periods of depreciation are as follows:

| Depreciation on intangible assets | in years |
|---|---|
| Capitalised REACH costs | 12 |
| Customer relations | 1–15 |
| Technology | 5 |
| Software | 3 |

**n) Property, plant and equipment**

Property, plant and equipment is measured at cost of purchase or cost of production less depreciation recognised over the standard useful life. The costs of production of an asset comprise the directly attributable costs as well as reasonable amounts of material and production overheads. The revaluation method is not used.

Each item of property, plant and equipment with a significant purchase value in relation to the overall value of the asset is depreciated separately. If a significant item of property, plant and equipment has a useful life and a depreciation method which are identical to those applicable for another part of the same asset, these parts are combined for the purpose of determining the depreciation cost.

Movable and immovable assets are depreciated using the straight-line method. The average periods of depreciation are as follows:

| Depreciation on property, plant and equipment | in years |
|---|---|
| Buildings | 25–40 |
| Technical equipment, plant and machinery | 5–15 |
| IT and other equipment | 3–15 |
| Vehicles | 5–10 |

Impairments are recognised if an asset does not generate sufficient future economic benefit in order to recover its carrying amount. The assessment is made on the basis of the present value of the cash flows expected in future less the expected costs for removing an installation. Impairments are recognised in the amount of the difference between the previous carrying amount and the discounted future cash flows.

**o) Leasing**

In accordance with IAS 17, leases are classified as finance leases and operating leases. Assets used under operating lease arrangements are not capitalised. The leasing payments to be made are recognised in the income statement in the respective period as incurred. A finance lease is defined as a lease in which essentially all risks and rewards of an asset which are associated with ownership of the asset are transferred to the lessee. Assets used under finance lease arrangements are shown with the present value of minimum leasing payments. The leasing payment to be made is broken down into repayment of principal and an interest component. The repayment of principal reduces the

liability, whereas the interest component is reported as interest expense. Depreciation is recognised over the economic useful life or the shorter life of the lease. The payment obligations resulting from the future leasing instalments are shown under financial liabilities. Details of the leases are set out in the notes under item 25.

**p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets, as defined by IAS 32, are classified depending on the individual case either as financial assets measured at fair value through profit or loss, as loans and receivables, as held-to-maturity financial investments, or as available-for-sale financial assets. The financial assets are measured at fair value upon initial recognition. In the case of financial investments other than those which are measured at fair value through profit or loss, transaction costs which are directly attributable to the acquisition of the asset are also recognised. The financial assets mainly comprise cash and cash equivalents, trade accounts receivable and other financial assets as well as derivative financial assets held for hedging purposes.

The CABB Group has not taken advantage of the opportunity for designating financial assets as financial assets at fair value through profit or loss upon initial recognition.

Financial liabilities generally involve an obligation to return cash or another financial asset. These include in particular trade accounts payable, liabilities due to banks, liabilities under finance leases and derivative financial liabilities. Upon initial recognition, financial liabilities are measured with their fair value. The transaction costs which are directly attributable to the acquisition are also recognised for all financial assets which are subsequently not measured at fair value through profit or loss.

The CABB Group has not exercised its option of designating financial liabilities at fair value through profit or loss upon initial recognition.

The subsequent measurement of financial assets and liabilities reflects the category to which they are allocated:

Financial assets held for hedging purposes are measured with their fair value. They consist exclusively of derivative financial instruments which are not included in an effective hedge in accordance with IAS 39 and which thus have to be classified as held for trading. They are shown under current financial assets or liabilities. Any profit or loss resulting from the subsequent measurement is recognised in the statement of comprehensive income. Please refer to our comments under note 27 (Derivative financial instruments).

After initial recognition, financial assets in the category Loans and receivables are shown at amortised cost of purchase less impairments. Please refer to the comments on receivables and other financial assets.

Financial non-derivative assets which are intended to be held until maturity are measured at amortised cost of purchase. The CABB Group has not reported any financial assets held to maturity as of the balance sheet date.

In the CABB Group, the category of available-for-sale financial assets comprises the remaining financial assets which have not been recognised in any other of the categories. At the time of initial acquisition and also subsequently, they are measured at fair value. Unrealised profits and losses are shown directly in a separate item of shareholders' equity net of deferred taxes. Cumulative profits and losses previously recognised directly in equity as a result of subsequent fair value measurements are recognised in the statement of profit and loss only when the financial asserts are sold or if the financial assets are premanently impaired. For equity instruments for which there is no price quoted in an active market and whose fair value cannot be reliably determined, the shares are measured at cost of purchase less any impairments.

Cash and cash equivalents consist of cash, demand deposits and other current highly liquid financial assets with an original term of max. three months as well as overdraft facilities. The cash and cash equivalents are measured at amortised cost of purchase. In the balance sheet, overdraft facilities which are utilised are shown as liabilities due to banks under current financial liabilities.

Receivables are normally shown with their amortised cost of purchase. An impairment of trade accounts receivable is recognised if there are objective indications that the due amounts are not fully recoverable. Considerable financial difficulties of a debtor, an increased probability that the borrower will become bankrupt or will have to go through another restructuring process, as well as any breach of contract, e.g. default or late payment of interest and principal, are considered to be an indication of the existence of an impairment. Adequate amounts of individual allowances are recognised in relation to receivables which are very likely to default.

In the CABB Group, impairment accounts are used for recognising impairments of trade accounts receivable. The amount of the impairment is recognised in the statement of profit and loss and other comprehensive income under costs of sales and logistics costs.

Trade accounts payable are measured at amortised cost of purchase.

Upon initial recognition, debt is shown at fair value and after interest paid in advance and transaction costs, to the extent that these are not incurred for separate services. In subsequent periods, they are recognised at amortised cost of purchase in the income statement, using the effective interest rate method.

Loan liabilities are classified as current liabilities provided that the Group does not have the unconditional right to postpone repayment of the liability to a point in time no earlier than 12 months from the balance sheet date.

**q) Taxes**

The current taxes on income are calculated using the current or announced tax rate in relation to the taxable income of the individual group companies.

The deferred taxes on income are accrued on the basis of the current or announced local tax rate in accordance with the liability method in relation to all temporary differences between the uniform measurement in the Group of assets and liabilities and the tax measurement of assets and liabilities. For all major corporations, a combined tax rate of 29.6% (2012: 28.8%) is used in Germany; country-specific tax rates are used for the other companies.

Deferred tax assets resulting from offsettable losses carried forward and temporary differences are only recognised if it is likely that these can be offset against future taxable profits. The change in deferred taxes is recognised via the tax expense, unless they relate to items which have been recognised directly in equity.

Impairments reducing the value of deferred tax assets to lower fair values are recognised if the expected future results of a company indicate that it is not likely that the tax reduction will be realised.

Deferred tax assets are only netted with deferred tax liabilities of the same maturity if they are due in relation to the same tax authority.

**r) Inventories**

Inventories are carried at amortised cost of purchase or cost of production. If market prices or net realisable values are lower, these are recognised. The net realizable value is equivalent to the sales proceeds attainable in the normal course of business, less the directly attributable costs up to the point at which the inventories are sold. Costs of production comprise the directly attributable costs as well as reasonable amounts of material and production overheads assuming a normal level of utilisation of the relevant production facilities to the extent that they are incurred in connection with the manufacturing process. Costs of the Company's pension scheme, for social facilities of the operation and voluntary social benefits of the Company as well as costs of general administration are also taken into consideration to the extent that they are attributable to manufacturing. Financing costs are not included in costs of production.

Raw materials and supplies, incl. technical material and packagings, are measured at the lower of cost of purchase and net realizable value. An impairment is recognised to reduce the value of such raw materials and supplies to a figure which is lower than the cost of purchase only if the net realizable value of the finished products which include the raw materials and supplies is probably lower than the cost of production of the finished products.

**s) Provisions for pensions and similar obligations**

Provisions for pensions are based on actuarial computations made according to the projected unit credit method, which applies, among others, the following valuation parameters: future developments in compensation, pensions and inflation, the expected performance of plan assets, employee turnover and the life expectancy of beneficiaries. The resulting obligations are discounted by reference to market yields at the balance sheet date on high quality corporate fixed rate bonds with an AA rating.

Actuarial profits and losses resulting from periodic recalculation are recognised in equity. They result from the variance between the actual development in pension obligations and pension assets and the assumptions made at the beginning of the year as well as the updating of actuarial assumptions. The calculation of pension provisions is based on actuarial reports.

The benefit costs incl. interest expenses and income from plan assets which are associated with the work carried out in the reporting period are shown (less the contributions of the employees) as personnel expenses in the costs of those functions in which the employees are operating. Benefit costs which constitute past service costs are debited to the income statement.

**t) Other provisions**

Other provisions are recognised if a present obligation exists as a result of a past event, an outflow of economic resources is likely and the corresponding amount can be reliably estimated. Provisions are recognised to the extent of the probable settlement amount.

Provisions for trade tax and corporation tax or equivalent taxes on income are calculated on the basis of the expected taxable incomes of the companies which are included, and are shown net of any advance payments which have been made. Other assessable taxes are taken into consideration accordingly.

Provisions are recognised for environmental protection measures and risks if, as a result of a past event, there is a current legal or constructive obligation to carry out measures and if the measures do not result in assets being capitalised.

The probable settlement amount of non-current provisions is discounted if the discounting effect is of a material nature. In this case, the probable settlement amount is recognised with its present value. The discounting effects are shown in financial result.

Provisions for service anniversary payments are mainly calculated in accordance with actuarial principles. For semi-retirement agreements which have been concluded, the wage and salary payments to be made during the passive phase of the semi-retirement arrangement are accumulated in instalments, approved supplemental payments are accrued in installments until the end of the exemption phase at the latest.

**u) Financial risk management**

The CABB Group is exposed to numerous financial risks with its business activities. These risks comprise market, credit, interest rate and exchange rate risks. For details, please refer to note 26 (Financial risk management).

**v) Estimates and assumptions**

The process of preparing consolidated financial statements in accordance with the IFRS requires assessments, assumptions and estimates with regard to the application of accounting policies, and also requires management to make assumptions with regard to future developments. These assessments, assumptions and estimates are based on experience and other factors which are considered to be reasonable under the given circumstances. The actual results may differ from these estimates.

The estimates and the assumptions based on these estimates are continuously reviewed. Changes in accounting-relevant estimates are recognised in the reporting period in which the assessment is revised, and also in future reporting periods if these future reporting periods are affected by the revised estimates. In particular, the following items in the balance sheet have been affected:

***Goodwill***

Goodwill of kEUR 85,805 (2012: kEUR 86,439) resulting from the capital consolidation is recognised in the consolidated financial statements for the period ending 31 December 2013. This figure has to be tested for impairment at least once every year. For the purpose of the impairment test, long-term income forecasts have to be made for the cash-generating units in the context of the development of the Group and also in the context of the development of the overall economy. No impairment losses were recognised in the financial years 2012 and 2013.

***Property, plant and equipment and intangible assets***

As of 31 December 2013, the Group had intangible assets (excl. goodwill) with a balance sheet value of kEUR 98,324 (2012: kEUR 119,919) (see note 12) and property, plant and equipment with a balance sheet value of kEUR 276,390 (2012: kEUR 261,199) (see note 13). These assets are tested once a year for indications of impairments. If there are any such indications, estimates of the expected future cash flows from the utilisation and potential disposal of these assets are made for assessing the impairment. The actual cash flows may differ appreciably from the discounted future cash flows which are based on these estimates. Factors such as a change in the planned utilisation of buildings,

machinery and equipment, technical aging or utilisation levels of installations which are lower than original forecasts may reduce the useful service life or may result in an impairment.

***Pension provisions***

As of 31 December 2013, the Group reports provisions of kEUR 26,942 (2012: kEUR 40,410) for pensions and similar obligations. The valuation of these pension provisions is influenced by assumptions regarding the future development of wages and salaries or pensions as well as interest rates.

In Germany, retirement benefits are provided via the pension fund of the employees of the Hoechst Group VVaG. The Swiss employees of the Group are insured with the pension fund (Pensionskasse – PK) of CABB AG, Pratteln, Switzerland. The retirement benefits of the Finnish employees are processed via the pension insurance company Ilmarinen Ltd. The calculations of the assets and liabilities recognised with regard to these facilities are based on statistical and actuarial calculations of the actuaries. In particular, the present value of the defined-benefit obligation depends on assumptions such as the discount rate and the pension growth rate used for calculating the present value of the future pension obligations. Future salary increases and increases in the other benefits to employees also influence the calculation of the present value of the future pension obligations. In addition, the independent actuaries engaged by the Group also use statistical data such as probability of departure and life expectancy of the insured parties for their assumptions.

Due to the current capital market development the discount rate for the actuarial calcuations of the German and Finnish defined-benefit obligaions as of 31 December 2013 was determined by applying the Mercer Pension Yield Curve Approach (MYC) for the first time. If a discount rate determined on the basis of the previous method had been applied, the pension provision recognised in the Group's statement of financial position would have been higher by kEUR 1,123, the defined benefit costs recognised in the statement of profit or loss would have been higher by kEUR 124 and the net interest component for the financial year 2014 would have been lower by kEUR 8.

***Environmental provisions***

As of 31 December 2013, the provisions of the CABB Group recognised for environmental protection measures amounted to kEUR 2,188 (2012: kEUR 2,926) (see note 19). This figure is based on the best possible estimate of the expected outflow of funds. The provisions relate to the expected costs of rehabilitating toxic waste sites in Switzerland as well as waste disposal at the production location in Kokkola. The future development depends on many factors. These include the method to be used, the extent of the rehabilitation measures as well as the shares attributable to the Group or external parties.

Based on the currently available information, management overall considers that the provisions which have been recognised are adequate. Because it is very difficult to estimate costs in the environmental field, it is possible that additional costs may occur which exceed the recognised provisions. The effects of the rehabilitation measures on future results of the business cannot be definitively predicted.

***Deferred tax assets***

Accruals for deferred taxes are also recognised for tax losses carried forward. The extent to which they can be realised depends on future taxable results of the respective Group company. If there are any doubts regarding the extent to which the loss carry forwards can be realised, appropriate impairments are recognised in relation to the deferred tax assets as required.

**(4) Scope of Consolidation**

The scope of consolidation comprises CABB International GmbH, with registered offices in Sulzbach am Taunus, as well as all domestic and international subsidiaries. CABB International GmbH directly or indirectly owns a majority of voting rights in these companies. There are no joint ventures or associated companies.

As of 31 December 2013 and 31 December 2012, the consolidated financial statements comprised CABB International GmbH as well as eleven direct and indirect subsidiaries:

| No. | Name | Share of capital |
|---|---|---|
| 1 | CABB International GmbH, Sulzbach am Taunus | |
| 2 | CABB Holding GmbH, Sulzbach am Taunus | 100% |
| 3 | CABB Europe GmbH, Sulzbach am Taunus | 100% |
| 4 | CABB GmbH, Gersthofen | 100% |

| | | |
|---|---|---|
| 5 | CABB Karnavati Rasayan Ltd., Ahmedabad (India) | 76% |
| 6 | CABB North America Inc., Huntersville/NC (USA) | 100% |
| 7 | CABB AG, Pratteln (Switzerland) | 100% |
| 8 | CABB S.r.l., Buenos Aires (Argentina) | 100% |
| 9 | CABB UK Ltd., Altrincham (Great Britain) | 100% |
| 10 | CABB Finland Oy, Helsinki (Finland) | 100% |
| 11 | CABB Oy, Kokkola (Finland) | 100% |
| 12 | CABB – Jinwei Specialty Chemicals (Jining) Co. Ltd., Zhanghuang Town (V.R. China) | 67% |

On 9 October 2013 CABB GmbH founded together with its chinese business partners Jining Gold Power Co. Ltd., Zhanghuang Town (V.R. China), and Yangcheng Yizehua Trading Co., Ltd., Yancheng City (V.R. China), the new company CABB – Jinwei Specialty Chemicals (Jining) Co., Ltd., Zhanghuang Town (V.R. China). The subscribed capital of CABB – Jinwei amounts to kEUR 3,750, of which 67% is held by CABB GmbH.

**Notes to the consolidated statement of profit and loss and other comprehensive income**

**(5) Sales**

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 |
|---|---|---|
| | kEUR | |
| Business units: | | |
| Acetyls | 161,455 | 165,193 |
| Custom Manufacturing | 277,419 | 261,974 |
| **Sales** | **438,874** | **427,167** |

**(6) Cost of sales**

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 (restated note 2) |
|---|---|---|
| | kEUR | |
| Costs of raw materials and supplies | 152,047 | 152,156 |
| Costs of production | 140,516 | 130,659 |
| Depreciation | 34,383 | 33,065 |
| **Cost of sales** | **326,946** | **315,880** |

**(7) Distribution and logistics costs**

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 |
|---|---|---|
| | kEUR | |
| Transport costs | 30,325 | 30,127 |
| Depreciation | 18,639 | 18,860 |
| Personnel expenses | 4,334 | 3,942 |
| Other | 2,240 | 2,199 |
| **Distribution and logistics costs** | **55,538** | **55,128** |

**(8) General and administrative expenses**

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 |
|---|---|---|
| | kEUR | |
| Personnel expenses | 7,581 | 7,047 |
| Insurance premiums | 2,260 | 2,260 |
| Legal and consultancy costs | 2,222 | 1,803 |
| Other | 2,486 | 3,009 |
| **General and administrative expenses** | **14,549** | **14,119** |

**(9) Personnel expenses**

| 01.01.–31.12.2013 | 01.01.–31.12.2012 |
|---|---|

| | kEUR | |
|---|---|---|
| Wages and salaries | 66.175 | 63.468 |
| Retirement benefit costs | 2.391 | −3.313 |
| Other costs for social security | 10.845 | 10.875 |
| **Personnel expenses** | **79.411** | **71.030** |

## (10) Financial result

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 (restated note 2) |
|---|---|---|
| | kEUR | |
| Foreign currency gains (net) | 0 | 539 |
| Interest income | 456 | 635 |
| **Financial income** | **456** | **1,174** |
| Interest expenses bank loans | −14,236 | −14,187 |
| Interest expenses shareholder loans | −7,002 | −10,616 |
| Other financial costs | −4,217 | −6,455 |
| Foreign currency losses (net) | −316 | 0 |
| **Financial expenses** | **−25,771** | **−31,258** |
| **Financial result** | **−25,315** | **−30,084** |

## (11) Taxes on income

CABB International GmbH and its German subsidiaries are subject to German corporation tax and trade tax. The corporation tax rate applicable for the financial year 2013 is 15%. A solidarity surcharge of 5.5% is also imposed. Trade income tax is approximately 13%.

Taxes on income for the financial year 2013 are broken down as follows:

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 (restated note 2) |
|---|---|---|
| | kEUR | |
| Current taxes | −12,191 | −9,477 |
| Income from deferred taxes | 8,758 | 7,428 |
| **Taxes on income** | **−3,433** | **−2,049** |

The effective tax rate of the Group differs from an assumed tax rate of 29.59% (2012: 28.84%) as follows:

| | 01.01.–31.12.2013 | | 01.01.–31.12.2012 (restated note 2) | |
|---|---|---|---|---|
| | kEUR | in % | kEUR | in % |
| Earnings before taxes | 14,249 | 100.0 | 9.859 | 100.0 |
| Expected taxes on income (income) | −4,216 | 29.6 | −2.839 | 28.8 |
| Non-deductible interest expense | −584 | 4.1 | −1.405 | 14.3 |
| Foreign tax rate differential | 936 | −6.6 | 781 | −7.9 |
| Effect on deferred tax balances due to the change in income tax rates | 2,328 | −16.3 | 0 | 0.0 |
| Effect of tax losses used | 177 | −1.2 | 1.736 | −17.6 |
| Prior years' taxes | −1,566 | 11.0 | 0 | 0.0 |
| Trade tax income | −637 | 4.5 | −577 | 5.9 |
| Other differences | 129 | −0.9 | 255 | −2.6 |
| **Taxes on income** | **−3.433** | **24.1** | **−2.049** | **20.9** |

The interest cap rule is applicable for the German Group companies. Under the basic rule of the interest cap, net interest costs are only deductible up to an amount of 30% of tax EBITDA. The non-deductible portion of interest expenses amounted to kEUR 1,975 for the financial year 2013 (2012: kEUR 4,783). This non-deductible interest has to be carried forward for tax purposes. Because this interest will not be deductible in the foreseeable future, no deferred tax assets have been recognised.

Income taxes of kEUR 2,565 (2012: kEUR −1,312) have been recognised directly in equity in connection with actuarial gains (2012: losses) which have been recognised in the other comprehensive income.

The deferred taxes resulting from temporary differences tax balances and with balances according to IFRS are broken down as follows:

| | 31.12.2013 | 31.12.2012 (restated) |
|---|---|---|
| | kEUR | |
| Property, plant and equipment | 35,658 | 40,060 |
| Intangible assets | 24,650 | 31,609 |
| Inventories | 2,457 | 2,566 |
| Receivables | 485 | 347 |
| Other assets | 314 | 583 |
| Provisions | 2,384 | 2,990 |
| Bank loans | 277 | 1,634 |
| Other liabilities | 86 | 65 |
| **Deferred tax liabilities as of the reference date** | **66,311** | **79,854** |
| Goodwill | 944 | 1,060 |
| Financial assets | 0 | 1,493 |
| Pension provisions | 4,849 | 8,009 |
| Other assets and liabilities | 250 | 2,310 |
| **Deferred tax assets as of the reference date** | **6,043** | **12,872** |
| **Deferred tax liabilities as of the reference date, net** | **60,268** | **66,982** |

**Notes to the consolidated balance sheet**

**(12) Intangible assets**

| | Goodwill | Customer relations | Technology | Other | Total intangible assets |
|---|---|---|---|---|---|
| | | | kEUR | | |
| **Purchase values** | | | | | |
| **As of 1 January 2012** | **86,209** | **138,623** | **12,616** | **3,484** | **240,932** |
| Additions | 89 | 0 | 0 | 871 | 960 |
| Disposals | 0 | 0 | 0 | −83 | −83 |
| Exchange differences | 141 | 52 | 51 | −93 | 151 |
| **As of 31 December 2012/1 January 2013** | **86,439** | **138,675** | **12,667** | **4,179** | **241,960** |
| Additions | 0 | 0 | 0 | 149 | 149 |
| Transfers | 0 | 0 | 0 | 19 | 19 |
| Disposals | 0 | 0 | 0 | −22 | −22 |
| Exchange differences | −634 | −110 | −116 | −151 | −1.011 |
| **As of 31 December 2013** | **85,805** | **138,565** | **12,551** | **4,174** | **241,095** |
| **Cumulative amortisation and impairments** | | | | | |
| **As of 1 January 2012** | **0** | **10,976** | **1,585** | **1,130** | **13,691** |
| Additions | 0 | 18,850 | 2,536 | 654 | 22,040 |
| Disposals | 0 | 0 | 0 | −83 | −83 |
| Exchange differences | 0 | 3 | 2 | −51 | −46 |
| **As of 31 December 2012/1 January 2013** | **0** | **29,829** | **4,123** | **1,650** | **35,602** |
| Additions | 0 | 18,633 | 2,505 | 309 | 21,447 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Exchange differences | 0 | −19 | −35 | −29 | −83 |
| **As of 31 December 2013** | **0** | **48,443** | **6,593** | **1,930** | **56,966** |
| **Residual carrying amounts** | | | | | |
| 31 December 2012 | 86,439 | 108,846 | 8,544 | 2,529 | 206,358 |
| **31 December 2013** | **85,805** | **90,122** | **5,958** | **2,244** | **184,129** |

Goodwill is allocated to the cash-generating units as follows:

| | 31.12.2013 | 31.12.2012 |
|---|---|---|

| | | kEUR |
|---|---|---|
| Business units: | | |
| Acetyls | 32,749 | 32,948 |
| Custom Manufacturing | 53,056 | 53,491 |
| **Goodwill** | **85,805** | **86,439** |

Customer relations and technologies acquired in connection with the acquisitions have been measured as part of the purchase price allocation process; they are amortised over their expected useful life.

Amortisation of intangible assets is included in the costs of sales as well as in distribution and logistics expenses.

There are no contractual obligations (2012: kEUR 19) for acquiring intangible assets. All intangible assets are pledged as collaterals for bank loans.

## (13) Property, plant and equipment

| | Land and buildings | Technical equipment and machinery | Operational and office equipment, other installations | Work in progress | Total property, plant and equipment |
|---|---|---|---|---|---|
| | | | kEUR | | |
| **Purchase values** | | | | | |
| **As of 1 January 2012** | **112,746** | **145,822** | **11,259** | **9,542** | **279,369** |
| Additions | 268 | 2,020 | 425 | 25,040 | 27,753 |
| Transfers | 866 | 12,694 | 407 | −13,967 | 0 |
| Disposals | 0 | −1,839 | −227 | −4 | −2,070 |
| Exchange differences | 594 | 426 | 65 | 19 | 1,104 |
| **As of 31 December 2012/1 January 2013** | **114,474** | **159,123** | **11,929** | **20,630** | **306,156** |
| Additions | 169 | 2,095 | 340 | 45,194 | 47,798 |
| Transfers | 1,082 | 25,401 | 676 | −27,178 | −19 |
| Disposals | 0 | −2,793 | −120 | 0 | −2,913 |
| Exchange differences | −1,660 | −1,296 | −169 | −251 | −3,376 |
| **As of 31 December 2013** | **114,065** | **182,530** | **12,656** | **38,395** | **347,646** |
| **Cumulative depreciation and impairments** | | | | | |
| **As of 1 January 2012** | **2,813** | **12,635** | **1,522** | **0** | **16,970** |
| Additions | 4,450 | 23,384 | 2,158 | 0 | 29,992 |
| Disposals | 0 | −1,800 | −219 | 0 | −2,019 |
| Exchange differences | 3 | 11 | 0 | 0 | 14 |
| **As of 31 December 2012/1 January 2013** | **7,266** | **34,230** | **3,461** | **0** | **44,957** |
| Additions | 4,350 | 23,148 | 2,052 | 0 | 29,550 |
| Disposals | 0 | −2,746 | −120 | 0 | −2,866 |
| Exchange differences | −70 | −274 | −41 | 0 | −385 |
| **As of 31 December 2013** | **11,546** | **54,358** | **5,352** | **0** | **71,256** |
| **Residual carrying amounts** | | | | | |
| 31 December 2012 | 107,208 | 124,893 | 8,468 | 20,630 | 261,199 |
| **31 December 2013** | **102,519** | **128,172** | **7,304** | **38,395** | **276,390** |

Depreciation on property, plant and equipment is mainly included in the cost sales.

There are contractual obligations of kEUR 6,147 (2012: kEUR 2,418) for acquiring property, plant and equipment. All items of property, plant and equipment are pledged as collaterals for bank loans.

## (14) Inventories

| | 31.12.2013 | 31.12.2012 |
|---|---|---|
| | kEUR | |
| Raw materials and supplies | 11,274 | 10,230 |
| Unfinished products | 6,786 | 6,345 |
| Finished products | 17,051 | 17,221 |

| | | |
|---|---|---|
| Technical material and packaging | 11,666 | 11,180 |
| Precious metals | 7,049 | 7,434 |
| **Total inventories** | **53,826** | **52,410** |

Inventories of kEUR 1,703 (2012: kEUR 1,440) are measured at the lower net realisable value.

In the financial year 2013, the cost of materials amounted to kEUR 152,047 (kEUR 152,156), and impairments on inventories recognised as expense amounted to kEUR 185 (2012: kEUR 448).

All inventories are pledged as collaterals for bank loans.

**(15) Accounts receivable, trade**

| | 31.12.2013 | | 31.12.2012 | |
|---|---|---|---|---|
| | | kEUR | | |
| Accounts receivable, trade | | 60,123 | | 54,252 |
| less allowances | | −133 | | −99 |
| **Total accounts receivable, trade** | | **59,990** | | **54,153** |

| Total accounts receivable, trade | in TFC | kEUR | in TFC | kEUR |
|---|---|---|---|---|
| Receivables in EUR: | | 33,473 | | 35,840 |
| Receivables in foreign currency (FC): | | | | |
| Swiss Francs | 18,404 | 15,000 | 13,397 | 11,097 |
| US Dollar | 14,827 | 10,769 | 8,647 | 6,558 |
| Indian Rupee | 40,082 | 471 | 17,970 | 248 |
| Japanese Yen | 39,653 | 274 | 45,514 | 401 |
| British Pound Sterling | 3 | 3 | 7 | 9 |
| | | **59,990** | | **54,153** |

Valuation allowances for doubtful receivables developed as follows:

| | 2013 | 2012 |
|---|---|---|
| | kEUR | |
| **At beginning of the financial year** | **99** | **135** |
| Additions | 50 | 7 |
| Utilization | −12 | −44 |
| Reversal | −4 | 0 |
| Exchange differences | 0 | 1 |
| **At the end of the financial year** | **133** | **99** |

**Credit risks**

The following table shows details of the credit risks associated with trade accounts receivable:

| | 31.12.2013 | 31.12.2012 |
|---|---|---|
| | kEUR | |
| Not yet due | 53,691 | 48,033 |
| Overdue for | | |
| 1–90 days | 6,288 | 5,975 |
| 91–180 days | −4 | 30 |
| 181 days–1 year | 0 | 13 |
| more than 1 year | 15 | 102 |
| **Total** | **59,990** | **54,153** |
| Receivables adjusted by individual allowances | 133 | 99 |
| **Gross receivables** | **60,123** | **54,252** |

With regards to the receivables which are neither past due nor impaired, there are no indications that the customers, on the basis of their credit history and current credit-worthiness ratings, are not able to meet their obligations.

## (16) Cash and cash equivalents

| | 31.12.2013 | 31.12.2012 |
|---|---|---|
| | kEUR | |
| Cash and cash at bank | 23,722 | 29,848 |
| Current investments | 26,012 | 21,414 |
| **Total cash and cash equivalents** | **49,734** | **51,262** |

## (17) Capital

### Subscribed capital

CABB International GmbH was established on 12 October 2010 with share capital of kEUR 25.

### Capital reserves

In connection with the acquisition of CABB Investment GmbH, the sole partner European Chemical Services S.à r.l. made a voluntary additional payment of kEUR 59,500 into the capital reserves of CABB International GmbH pursuant to the partners' resolution of 12 April 2011. Pursuant to the partners' resolution of 10 August 2011, a further voluntary additional payment of kEUR 6,054 was made into the capital reserves of CABB International GmbH in connection with the acquisition of the KemFine Group Oy.

### Capital management

The objective of the Group is to maintain an adequate capital base in order to maintain the confidence of lenders and the market and also in order to strengthen the future business development.

## (18) Provisions for pensions and similar obligations

The CABB Group provides its employees post-employment defined benefit plans. In Germany, retirement benefits are provided via the pension fund of the employees of the Hoechst Group VVaG. The Swiss employees of the Group are insured with the pension fund (Pensionskasse – PK) of CABB AG, Pratteln, Switzerland. The Swiss pension plan is a defined contribution scheme under Swiss GAAP. The retirement benefits of the Finnish employees are processed via the pension insurance company Ilmarinen Ltd., Ilmarinen (Finland).

The defined benefit plans in Finland, Germany and Switzerland typically exposes the Group to actuarial risks such as:

- Investment risk: The present value of the defined benefit plan liability is calculated using a discout rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

- Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plans' debt investments.

- Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans' liability.

- Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In accordance with IAS 19, the present value of the defined-benefit obligation is calculated using the actuarial valuation method for current one-off premiums or in accordance with the projected unit credit method on the basis of specific parameters. The fair value of the plan assets is deducted from the present value of the pension obligation to show the funded statuts of the obligation. The extent of the obligation as well as the plan assets are determined at regular intervals of not more than twelve months; in the case of all defined-benefit plans, they are calculated every year as of 31 December.

Actuarial profits and losses in the defined-benefit plans and also costs resulting from the capping of plan assets are recognised directly in equity. Plan assets which exceed the extent of the obligation are shown under financial assets, with due consideration being given to the capping limits.

The following parameters have been used as the basis for determining the present value of the benefit obligations as of 31 December 2013 for the domestic and international companies:

| | 31.12.2013 | | 31.12.2012 | |
|---|---|---|---|---|
| **Actuarial Assumptions** | **Germany** | **Abroad** | **Germany** | **Abroad** |
| Biometric probability | RT 2005 G Dr. Heubeck | Various | RT 2005 G Dr. Heubeck | Various |
| Discount rate | 3.76% | 2.3%–3.77% | 3.00% | 2.0%–3.0% |
| Pension trend | 1.75% | 0.0%–2.1% | 1.75% | 0.1%–2.1% |
| Salary trend | 2.50% | 1.0%–2.5% | 2.50% | 1.0%–2.5% |

Age- and gender-related fluctuation probabilities have been used.

The actuarial assumptions may differ from the actual results due to the change in market conditions and economic climate, higher or lower retirement rates, longer or shorter lives of insured parties and also other estimated factors. These differences can have an impact on the pension obligations recognised in future reporting periods.

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

| | 2013 | | 2012 | |
|---|---|---|---|---|
| | **Germany** | **Abroad** | **Germany** | **Abroad** |
| | | | (restated note 2) | |
| | | | kEUR | |
| Service cost: | | | | |
| Current service cost | 498 | 4,061 | 260 | 5,088 |
| Past service cost | 0 | −1,228 | 123 | −8,784 |
| Gains from curtailments and settlements | 0 | −940 | 0 | 0 |
| Net Interest expense | 229 | 651 | 259 | 845 |
| **Components of defined benefit costs recognised in profit or loss** | **727** | **2,544** | **642** | **−2,851** |
| Remeasurement on the net defined benefit liability: | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | 0 | 2,138 | 0 | 6,349 |
| Actuarial gains and losses arising from changes in demographic assumptions | 0 | −2,097 | 0 | −749 |
| changes in financial assumptions | 920 | 8,193 | −1,940 | −7,320 |
| experience adjustments | 205 | 2,597 | 520 | −2,006 |
| Adjustments for restrictions on the defined benefit assets | 0 | 0 | 0 | 0 |
| **Components of defined benefit costs recognised in other comprehensive income** | **1,125** | **10,831** | **−1,420** | **−3,726** |
| **Total** | **1,852** | **13,375** | **−778** | **−6,577** |

The remeasurement of the net defined benefit liabilty is included in other comprehensive income.

Income from past service cost relate to a reduction of the conversion rate (“Umwandlungssatz”) of the Swiss pension scheme in 2012 and 2013.

In 2013, actuarial losses arising from changes in demographic assumptions relate to the transition from the periodic to generation tables of the Swiss pension scheme.

The amount included in the consolidated statement of financial position arising from the Group’s obligation in respect of its defined benefit plans is as follows:

| 31.12.2013 | | 31.12.2012 | | 1.01.2012 | |
|---|---|---|---|---|---|
| **Germany** | **Abroad** | **Germany** | **Abroad** | **Germany** | **Abroad** |
| | | (restated note 2) | | (restated note 2) | |
| | | kEUR | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Present value of the defined-benefit obligation | −7.183 | −164.528 | −7.735 | −183.127 | −5.803 | −177.459 |
| Fair value of the plan assets | 0 | 144.769 | 0 | 150.452 | 0 | 144.587 |
| **Pension provisions** | **−7.183** | **−19.759** | **−7.735** | **−32.675** | **−5.803** | **−32.872** |

The present value of the defined-benefit obligations has developed as follows in the financial year 2013:

| | 2013 | | 2012 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | | | (restated note 2) | |
| | | kEUR | | |
| Defined-benefit obligation at the beginning of the period | 7,735 | 183,127 | 5,803 | 177,459 |
| Current service cost | 498 | 4,061 | 260 | 5,088 |
| Interest expense (restated) | 229 | 3,628 | 259 | 4,633 |
| Payments made by plan participants | 0 | 1,109 | 2 | 1,187 |
| Change in actuarial profits (−) and losses (+) | −1,125 | −8,693 | 1,420 | 10,076 |
| Pension payments | −154 | −13,348 | −132 | −7,686 |
| Past service cost | 0 | −1,228 | 123 | −8,784 |
| Curtailments and settlements | 0 | −1,394 | 0 | −128 |
| Exchange differences | 0 | −2,734 | 0 | 1,282 |
| **Defined-benefit obligation at the end of the period** | **7,183** | **164,528** | **7,735** | **183,127** |

The fair value of the plan assets of the foreign companies developed as follows in the reporting period:

| | 2013 | | 2012 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | | | (restated note 2) | |
| | | kEUR | | |
| Fair value at the beginning of the period | 0 | 150,452 | 0 | 144,587 |
| Interest income of plan assets (restated) | 0 | 2,977 | 0 | 3,788 |
| Contribution payments by CABB | 0 | 4,143 | 0 | 1,315 |
| Contribution payments of employees | 0 | 1,109 | 0 | 1,189 |
| Change in actuarial profits (+) and losses (−) (restated) | 0 | 2,138 | 0 | 6,350 |
| Pension payments | 0 | −13,348 | 0 | −7,675 |
| Curtailments and settlements | 0 | −454 | 0 | −128 |
| Exchange differences | 0 | −2,248 | 0 | 1,026 |
| **Fair value at the end of the period** | **0** | **144,769** | **0** | **150,452** |

The plan assets are broken down as follows (in percent):

| Share of plan assets | 31.12.2013 | 31.12.2012 |
|---|---|---|
| Securities | 37% | 27% |
| Fixed-income bonds | 46% | 54% |
| Real estate | 11% | 6% |
| Miscellaneous | 6% | 14% |

The fair values of the above equity and debt instruments are mainly determined based on quoted market prices in active markets whereas the fair values of properties are not based on quoted market prices in active markets.

For the financial year 2013, the actual income from the fund assets amounted to kEUR 6,387 (2012: kEUR 8,342) in Switzerland and kEUR −1,272 (2012: kEUR 1,795) in Finland.

In 2013, additional employer contributions of kEUR 3,024 (2012: kEUR 3,556) were made into statutory pension insurance schemes (defined-contribution plans).

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by kEUR 9,965 (increase by kEUR 11,387).

- If the return on plan assets increases (decreases) by 0,5%, the defined benefit obligation would decrease by kEUR 2,400 (increase by kEUR 1,569).

- If the expected pension progression increases (decreases) by 0,5%, the defined benefit obligation would increase by kEUR 8,805 (decrease by kEUR 7,212).

- If the expected salary growth increases (decreases) by 0,5%, the defined benefit obligation would increase by kEUR 1,574 (decrease by kEUR 608).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The average duration of the benefit obligation at 31 December 2013 is 13.1 years.

The Group expects to make a contribution of kEUR 3,837 to the defined benefit plans during the next financial year.

## (19) Other provisions

| | Environment and rehabilitation | Personnel obligations | Other provisions | Total |
|---|---|---|---|---|
| | | kEUR | | |
| As of 1 January 2013 | 2,926 | 7,166 | 570 | **10,662** |
| Additions | 1,464 | 10,490 | 2,071 | **14,025** |
| Consumption | −2,165 | −10,785 | −1,755 | **−14,705** |
| Reversal | 0 | −74 | −34 | **−108** |
| Exchange differences | −37 | −11 | −5 | **−53** |
| **As of 31 December 2013** | **2,188** | **6,786** | **847** | **9,821** |
| Thereof: current | 728 | 5,955 | 847 | 7,530 |

The provision for environment and rehabilitation relates to the responsibility of the Group in relation to the cost of rehabilitating legacy issues in landfill sites in Switzerland as well as waste disposal obligations in Finland. The rehabilitation costs are borne by operating companies established with other parties, whereby the share of CABB AG is defined in accordance with a distribution formula. The amount of the provision is the best estimate of management for the future outflow of funds in connection with the rehabilitation obligations. It is expected that the process of rehabilitating the largest landfill site will be completed by the year 2014. The provision is not discounted in view of the uncertainty regarding the time scale of the rehabilitation process and the time of future outflows of funds.

The personnel obligations include premiums and bonus payments of kEUR 2,747 (2012: kEUR 3,115), service anniversary payments of kEUR 365 (2012: kEUR 385), semi-retirement agreements of kEUR 31 (2012: kEUR 99) as well as contributions of kEUR 95 (2012: kEUR 116) to the Berufsgenossenschaft (Employers' Liability Insurance Association).

The other provisions mainly comprise provisions for other uncertain liabilities.

## (20) Bank loans

| | 31.12.2013 | | | | 31.12.2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Up to 1 year | 1 to 5 years | more than 5 years | Total | Up to 1 year | 1 to 5 years | more than 5 years |
| | | | | kEUR | | | | |
| Bank loans | **361,311** | 11,549 | 101,719 | 248,043 | **262,451** | 9,887 | 79,625 | 172,939 |
| Other borrowings | **542** | 393 | 117 | 32 | **710** | 484 | 226 | 0 |
| **Total financial liabilities** | **361,853** | 11,942 | 101,836 | 248,075 | **263,161** | 10,371 | 79,851 | 172,939 |

The acquisition of CABB Investment GmbH and the KemFine Group Oy was mainly financed by way of various loan tranches which were extended by a banking syndicate headed by Commerzbank AG, DZ Bank AG Deutsche Zentral- Genossenschaftsbank and Société Générale (London branch). The senior facilities agreement underlying the loan tranches was initially concluded on 10 April 2011 for a volume of kEUR 235,000. It consisted of facility A with a volume of kEUR 72,500, facility B with a volume of kEUR 112,500, a Capex or acquisition facility with a volume of kEUR 30,000 as well as a revolving facility with a volume of kEUR 20,000; only the facilities A and B were paid out on 13 April 2011 in various tranches in the currencies CHF, EUR and USD. In connection with the acquisition of the KemFine Group Oy, facility A was extended by kEUR 40,000 on 4 August 2011, facility B was extended by kEUR 60,000 and the revolving facility was extended by kEUR 1,000.

On 31 May 2013 the senior facilities agreement was amended as follows: (a) the termination dates of facilities A and B were extended, (b) the Capex or acquisition facility was increased to an amount up to kEUR 80,000, and (c) a new facility C in an amount of up to kEUR 90,000 was introduced.

The loan facilities reported the following remaining amounts as of 31 December 2013:

| Facility | Effective interest rate | Remaining term | Residual amount as of 31.12.2013 | Market value as of 31.12.2013 | Residual amount as of 31.12.2012 | Market value as of 31.12.2012 |
|---|---|---|---|---|---|---|
| | | | in kEUR | in kEUR | in kEUR | in kEUR |
| A | 4.41%–5.31% | 13.04.2018 | 89,338 | 89,338 | 97,714 | 97,714 |
| B | 4.76%–5.08% | 13.04.2019 | 172,818 | 172,818 | 173,274 | 173,274 |
| C | 4.99% | 13.04.2020 | 90,000 | 90,000 | 0 | 0 |
| Capex | 4.53%–5.18% | 13.04.2018 | 20,000 | 20,000 | 0 | 0 |
| **Total** | | | 372,156 | | 270,988 | |
| Accrued financing costs | | | −11,259 | | −8,548 | |
| Short-term bank loans | | | 414 | | 11 | |
| **Total bank loans** | | | **361,311** | | **262,451** | |

The interest relating to the EUR loan tranches is based on EURIBOR plus a margin of between 3.5% and 4.25% per annum, and the interest rate of the foreign currency loan tranches is based on LIBOR plus the above margins. Facility A started to be repaid on 31 December 2011 in six-monthly instalments which increase from an initial 2.3% to 12.25% during the term of the agreement. On the other hand, facilities B and C are repayable upon final maturity. The loans are due to be repaid immediately in the event of a change of owner or if all major assets of the CABB Group are sold.

The senior facilities agreement defines various debt covenants which entitle the banking syndicate to renegotiate the loan agreement if they are not met. These debt covenants were complied with in the financial years 2012 and 2013.

The bank loans are secured in full by way of liens and similar rights. These consist of a subordination agreement and a binding declaration for the shareholder loan, assignation of rights arising from all loans and receivables with regard to Group companies, assignation of claims for damages or claims for compensation arising from the Company purchase agreement, pledging of all credit balances on accounts maintained with credit institutions, blanket assignment of the trade accounts receivable of all external debtors, assignation of the inventories and property, plant and equipment, assignation of the rights arising from the Company-specific insurance policies which have been concluded and assignation of all patents, licences and brand rights. All shares in CABB International GmbH held by the sole partner European Chemical Services S.à r.l.,Luxemburg also serve as collateral for the bank loans.

The bank loans are recognised at amortised cost of purchase using the effective interest rate method. Transaction costs, which are amortised over the term of the loan, are deducted; they amounted to kEUR 11,259 as of 31 December 2013 (2012: kEUR 8,548).

The market value of the variable-interest bank loans is equivalent to the nominal value.

**(21) Shareholder loans**

The company acquisitions carried out in the financial year 2011 were financed by way of bank loans and in particular by way of shareholder loans which were extended to CABB International GmbH by European Chemical Services S.à r.l. (ECS) between April and August 2011. In connection with the Group's refinancing in May 2013 a major part of these shareholder loans plus capitalized interest was repaid.

The notional value of the shareholder loans amounts to kEUR 34,855 (2012: kEUR 131,247). Interest is payable on all loans at a rate of 8.0% per annum, whereby the cumulative interest is retained over the term of the agreement. The cumulative interest as of 31 December 2013 amounted to kEUR 8,119 (2012: kEUR 17,043).

Each of the loans has been extended for a term of ten years starting on the date on which the loan is extended, whereby CABB International GmbH has the right to terminate the loan at any time, subject to providing four weeks' notice. ECS is able to terminate the loans if (i) CABB International GmbH is wound up, (ii) insolvency proceedings are initiated or terminated due to lack of assets, (iii) CABB International GmbH is grossly negligent in violating its contractual obligations, (iv) the investment ratio of ECS falls below 50% or (v) CABB International GmbH or one of its subsidiaries is listed on the stock exchange.

The shareholder loans are subordinated with regard to the bank loans.

**(22) Accounts payable, trade**

The trade accounts payable result from the ongoing sourcing of raw materials and supplies as well as services. Included are payables in foreign currency as follows:

| | 31.12.2013 | | 31.12.2012 | |
|---|---|---|---|---|
| | in kFC | kEUR | in kFC | kEUR |
| Payables in EUR: | | 39,154 | | 41,837 |
| Payables in foreign currency (FC): | | | | |
| Swiss Francs | 21,056 | 17,162 | 14,870 | 12,317 |
| Indian Rupee | 85,271 | 1,002 | 46,520 | 642 |
| US Dollar | 998 | 725 | 2,000 | 1,517 |
| Others | | 10 | | 71 |
| **Accounts payable, trade** | | **58,053** | | **56,384** |

**Other disclosures**

**(23) Related parties**

| | 31.12.2013 | 31.12.2012 |
|---|---|---|
| | kEUR | |
| Liabilities due to related parties (loan of European Chemical Services S.à r.l. to CABB International GmbH, including capitalised interest) | 42,974 | 145,972 |
| Interest expense due to shareholder loans | 7,002 | 10,616 |

The sole shareholder of CABB International GmbH is European Chemical Services S.à r.l., Luxembourg. The latter is 87.13% owned by Bridgepoint Europe IV Investments S.à r.l.; the remaining 12.87% are held by CABB Management Beteiligungs GmbH & Co. KG. CABB Management Beteiligungs GmbH & Co. KG was established in the course of the acquisition of the CABB Group in order to provide the management team, the members of the advisory board as well as additional senior executives of the Group with the opportunity of participating indirectly in this acquisition. In the event of the sale of CABB International GmbH or other Group companies, the shareholders and managing directors as well as some employees and the members of the advisory board of the CABB Group are therefore entitled to participate in the disposal proceeds. However, this will not result in any financial charges for CABB International GmbH or another Group company.

Consultancy fees of kEUR 350 were paid in the financial year 2013 (2012: kEUR 350) to Bridgepoint Advisers Limited, an affiliated company of Bridgepoint Europe IV Investments S.à r.l. A provision for outstanding charges was also recognised as of 31 December 2013.

The members of the administrative board and key members of management are also considered to be related parties.

The following persons were managing directors of CABB International GmbH in the financial year 2013:

- Dr. Martin Wienkenhöver, Chief Executive Officer, Leverkusen
- Dr. Uwe Salzer, Chief Financial Officer, Aschaffenburg

Apart from the managing directors, the following persons belong to the management team of the CABB Group and are indirect shareholders of CABB International GmbH unless otherwise stated.

- Ulf Björkqvist, Helsinki, Finland
- Dr. Uwe Brunk, Leverkusen
- Dr. Robert Dahinden, Reinach, Switzerland

The advisory board of the Company consists of the following persons:

- Anthony Clinch, management consultant, Buckinghamshire, Great Britain
- Dr. Hans Elmsheuser, agricultural economist, Rümmingen, Germany
- Dr. Carl Voigt, management consultant, Rodenbach, Germany
- Marc Zügel, investment manager, Frankfurt, Germany
- Ian Dugan, investment manager, London, Great Britain (since 1 January, 2013)

**Total remuneration of key members of management**

The key members of management are the members of the advisory board, the managing directors of CABB International GmbH as well as the management team of the CABB Group.

The total remuneration of the key members of management amounted to kEUR 3,196 in the financial year 2013 (2012: kEUR 2,636), and is broken down as follows:

| | 2013 | 2012 |
|---|---|---|
| | kEUR | |
| Benefits due in the near future | 2,555 | 2,052 |
| Cost of personnel benefits and social benefits | 642 | 584 |
| **Total remuneration management** | **3,196** | **2,636** |

The total remuneration paid to the members of the management body in the financial year 2013 amounted to kEUR 1,477 (2012: kEUR 1,248). The total remuneration of the advisory board amounted to kEUR 120 in the financial year 2013 (2012: kEUR 128).

There are no provisions (allowances) for doubtful receivables due from key members of management. Moreover, no costs have been incurred for irrecoverable or doubtful receivables.

**(24) Leasing**

Operating leases in which the CABB Group is the lessee:

| | 31.12.2013 | 31.12.2012 |
|---|---|---|
| | kEUR | |
| Minimum lease payment obligation for non-cancellable agreements | | |
| Leasing duties up to 1 year | 3,237 | 3,109 |
| Leasing duties 1 to 5 years | 930 | 949 |
| Leasing duties more than 5 years | 1 | 20 |
| **Leasing expense in the current year** | **3,430** | **3,099** |

Finance leases in which the CABB Group is the lessee:

| | 2013 | 2012 |
|---|---|---|
| | kEUR | |
| Leasing costs | 179 | 154 |
| Interest costs | 18 | 12 |
| **Total costs of finance leases** | **197** | **166** |
| Future interest costs of existing leases | | |

| | | |
|---|---|---|
| Up to 1 year | 46 | 22 |
| 1 to 5 years | 21 | 48 |
| More than 5 years | 0 | 0 |
| **Total of future interest costs for finance leases** | **67** | **70** |

The finance leases cover technical equipment and machinery.

There are no further major leasing obligations.

## (25) Financial instruments

The carrying amounts and market values broken down according to valuation categories for the financial assets and liabilities, set out according to the classes in the balance sheet, are shown in the following table:

| | Valuation category acc. to IAS 39 | Carrying amount 31.12.2013 | Market value 31.12.2013 | Carrying amount 31.12.2012 | Market value 31.12.2012 |
|---|---|---|---|---|---|
| | | | kEUR | | |
| Derivatives | HfT | 0 | 0 | 15 | 15 |
| Accounts receivable, trade | LaR | 59,990 | 59,990 | 54,153 | 54,153 |
| Other financial assets | LaR | 10 | 10 | 10 | 10 |
| Cash and cash equivalents | LaR | 49,734 | 49,734 | 51,262 | 51,262 |
| **Financial assets** | | **109,734** | **109,734** | **105,440** | **105,440** |
| Derivatives | HfT | 31 | 31 | 0 | 0 |
| Shareholder loans | FLAC | 42,974 | 42,974 | 145,972 | 145,972 |
| Bank loans | FLAC | 361,853 | 361,853 | 263,161 | 263,161 |
| Liabilities due to finance leases | n.a. | 318 | 318 | 389 | 389 |
| Accounts payable, trade | FLAC | 58,053 | 58,053 | 56,384 | 56,384 |
| **Financial liabilities** | | **463,229** | **463,229** | **465,906** | **465,906** |

**Abbreviations of valuation categories**
HfT: Held for Trading
LaR: Loans and Receivables
AfS: Available for Sale
FLAC: Financial Liability at Amortised Cost
n.a. not applicable

The following hierarchy has been used for determining the fair values of financial assets and financial liabilities:

- The fair value of financial assets and financial liabilities with standard terms and conditions which are traded on active markets is determined with reference to the listed market prices (comprising listed puttable shares, bills of exchange, bonds and debt instruments).

- The fair value of other financial assets and financial liabilities (excl. derivative instruments) is determined in accordance with generally recognised valuation models based on discounted cash flow analyses and using prices of observable current market transactions and trader listings for similar instruments.

- The fair value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are used in conjunction with the corresponding interest rate structure curves for the term of the instruments for derivatives without optional elements and also option price models for derivatives with optional elements. Currency futures are measured on the basis of listed futures prices or interest rate structure curves derived from listed market rates in relation to the terms of the agreements. Interest rate swaps are measured with the present value of the estimated future cash flows. They are discounted using the relevant interest rate structure curves derived from listed interest rates.

- The fair value of the financial guarantees is determined by using option price models. The core assumptions in these models are the probability of default of the counterparty (derived from market-based creditworthiness information) and also the amount payable under the guarantee in the event of a default.

The following table shows the financial instruments which are subsequently measured at fair value. These are broken down into levels 1 to 3, depending on the extent to which the fair value is observable:

- Level 1 measurements at fair value are defined as those resulting from listed prices (unadjusted) on active markets for identical financial assets or liabilities.

- Level 2 measurements at fair value are defined as those which do not reflect listed prices for assets and liabilities as in level 1 (data), either derived directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 measurements at fair value are defined as those which result from models which use parameters for measuring assets or liabilities which are not based on observable market data (non-observable parameters, assumptions).

| | Level 1 31.12.2013 | Level 2 31.12.2013 | Level 3 31.12.2013 | Total 31.12.2013 |
|---|---|---|---|---|
| | | kEUR | | |
| Financial assets – HfT | 0 | 0 | 0 | 0 |
| **Financial assets** | **0** | **0** | **0** | **0** |
| Financial liabilities – HfT | 0 | 31 | 0 | 31 |
| **Financial liabilities** | **0** | **31** | **0** | **31** |

| | Level 1 31.12.2012 | Level 2 31.12.2012 | Level 3 31.12.2012 | Total 31.12.2012 |
|---|---|---|---|---|
| | | kEUR | | |
| Financial assets – HfT | 0 | 15 | 0 | 15 |
| **Financial assets** | **0** | **15** | **0** | **15** |
| Financial liabilities – HfT | 0 | 0 | 0 | 0 |
| **Financial liabilities** | **0** | **0** | **0** | **0** |

There were no transfers between level 1 and 2 during the reporting period.

Cash and cash equivalents, trade accounts receivable, other financial assets in the category "Loans and receivables" as well as trade accounts payable and other financial liabilities mainly have short remaining terms. Accordingly, the figures shown in the balance sheet as of the reference date are approximately equivalent to the fair value.

The net results in relation to the valuation categories have developed as follows:

| | | From subsequent measurement | | | Net result | |
|---|---|---|---|---|---|---|
| | From interest rates | At fair value | Currency translation | Adjustment | 2013 | 2012 |
| | | | kEUR | | | |
| Derivatives | 0 | −46 | 0 | 0 | −46 | −421 |
| Loans and receivables | 456 | 0 | 2,242 | 0 | 2,698 | 675 |
| Financial liabilities at amortised cost | −21,238 | 0 | −2,558 | 0 | −23,796 | −23,883 |
| **Total** | **−20,782** | **−46** | **−316** | **0** | **−21,144** | **−23,629** |

Non-current financial liabilities are recognised at amortised cost of purchase using the effective interest rate method. The negative net result is mainly attributable to the interest expense incurred for the loans raised as part of the Company acquisitions in 2011 as well as the interest on the shareholder loan.

## (26) Financial risk management

The operations of the Group are exposed to market, credit, interest rate and exchange rate risks.

### Foreign currency risks

The Group has raised some of the bank loans in foreign currency. The Group is exposed to changes in exchange rates in the case of operating expenses and sales which are invoiced in foreign currencies.

The following table shows the transaction-related foreign currency risk broken down over the individual main currencies as of 31 December 2013 and 31 December 2012. The effect of an assumed 10% increase in the foreign currency would have the following impact on the consolidated result:

| Value of assets | | Value of liabilities | | Net effect | |
|---|---|---|---|---|---|
| 31.12.2013 | 31.12.2012 | 31.12.2013 | 31.12.2012 | 31.12.2013 | 31.12.2012 |
| | | kEUR | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Currency: | | | | | | |
| USD | 19,422 | 15,017 | −49,571 | −55,316 | −3,015 | −4,030 |
| CHF | 20,594 | 24,144 | −37,155 | −34,045 | −1,656 | −990 |
| **Total effect** | | | | | **−4,671** | **−5,020** |

**Interest rate risk**

A one percentage point increase in the market interest rate would be reflected in the following change in the market values of the financial assets and financial liabilities:

| | | | | Market value assuming a change of interest rate | |
|---|---|---|---|---|---|
| | Carrying amount 31.12.2013 | Market value 31.12.2013 | Interest rate | Increase 1% | Reduction 1% |
| | | | kEUR | | |
| Bank loan tranche A | 89,338 | 89,338 | Variable | 0 | 0 |
| Bank loan tranche B | 172,818 | 172,818 | Variable | 0 | 0 |
| Bank loan tranche C | 90,000 | 90,000 | Variable | 0 | 0 |
| Capex revolver | 20,000 | 20,000 | Variable | 0 | 0 |
| Shareholder loan European Chemical Services S.à r.l. | 42,974 | 42,974 | Fix | 39,919 | 46,294 |
| Cash and cash equivalents | 49,734 | 49,734 | Variable | 0 | 0 |

| | | | | Market value assuming a change of interest rate | |
|---|---|---|---|---|---|
| | Carrying amount 31.12.2012 | Market value 31.12.2012 | Interest rate | Increase 1% | Reduction 1% |
| | | | kEUR | | |
| Bank loan tranche A | 97,714 | 97,714 | Variable | 0 | 0 |
| Bank loan tranche B | 173,274 | 173,274 | Variable | 0 | 0 |
| Shareholder loan European Chemical Services S.à r.l. | 145,972 | 145,972 | Fix | 135,596 | 157,250 |
| Cash and cash equivalents | 51,262 | 51,262 | Variable | 0 | 0 |

On 31 December 2013, bank loans in an amount of kEUR 213,300 and kUSD 51,900 are hedged until 30 June 2014 using interest rate swaps, which ensure that the Group's maximum interest rate for EURIBOR is 0.20% p.a. and for LIBOR 0.27% p.a.

Changes in the market rates of interest rate derivatives (interest swaps, interest caps) which are not included in a hedge in accordance with IAS 39 have an impact on the other operating income and the other operating expenses, and are therefore included in the result-based sensitivity calculations. Currency derivatives are not included in the scenario of interest rate risks.

In the CABB Group, there were variable-interest financial liabilities of kEUR 372,156 as of the balance sheet date (2012: kEUR 270,988). These are opposed by variable-interest liquid assets of kEUR 49,734 (2012: kEUR 51,262).

The following table shows the theoretical effects of a 1% increase or decline in interest rates on consolidated result and the change in value recognised directly in equity (both after tax):

| | 31.12.2013 | | 31.12.2012 | |
|---|---|---|---|---|
| | Group result | Recognised changes in value | Group result | Recognised changes in value |
| | | kEUR | | |
| 1 % increase in interest rates | −2,270 | 0 | −1,564 | 0 |
| 1 % decrease in interest rates | 2,270 | 0 | 1,564 | 0 |

**Counterparty risk**

A default risk of derivative financial instruments arises if counterparties are not able to meet their payment obligations, or are not able to meet these obligations in full. Contracts are therefore only concluded with selected banks and thus with contract partners with a first-class rating in order to limit this risk.

**Credit risks**

The risk attributable to trade accounts receivable or financial receivables is defined as the risk that outstanding receivables are not settled on time or that they are not settled at all. The debtor management function therefore carries out credit checks for new customers and customers based in risk countries. Down-payments and advance payments are agreed in certain cases, or collateral is used, e.g. documentary letters of credit. As soon as receivables have reached the second dunning level, the sales department is required to make clear payment agreements with the customer. A dunning run is carried out every week. If a receivable reaches the third dunning level, further deliveries are suspended until payment is actually received.

CABB GmbH and CABB AG have also insured their receivables.

**Liquidity risk**

The current financial liabilities and the financial liabilities expected in future are backed by unutilised credit lines of EUR 60 million. Current obligations are financed out of the cash flow of the Group. It is not expected that any further loans will be raised.

Debt financing arrangements have resulted in the following future obligations (repayment amount and interest), which can also be financed out of cash flow.

| | 31.12.2013 Total | Up to one year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| | | kEUR | | |
| Bank loan (nominal kEUR 372,156 plus transaction costs of kEUR 11,259) | 437,774 | 30,688 | 141,434 | 265,652 |
| Shareholder loan European Chemical Services S.à r.l. | 79,542 | 0 | 0 | 79,542 |
| Other | 609 | 439 | 138 | 32 |
| **Financial liabilities** | **517,925** | 31,127 | 141,572 | 345,226 |

| | 31.12.2012 Total | Up to one year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| | | kEUR | | |
| Bank loan (nominal kEUR 270,988 plus transaction costs of kEUR 8,548) | 323,093 | 23,326 | 124,292 | 175,475 |
| Shareholder loan European Chemical Services S.à r.l. | 270,184 | 0 | 0 | 270,184 |
| Other | 780 | 22 | 758 | 0 |
| **Financial liabilities** | **594,057** | 23,348 | 125,050 | 445,659 |

**(27) Derivative financial instruments**

Interest rate swap agreements are covering EURIBOR and LIBOR related interest rate risks in connection with variable-interest bank loans in an amount of kEUR 213,300 and kUSD 51,900 until 30 June 2014. The market value of these agreements shown under provisions amounted to kEUR −31 as of 31 December 2013. (2012: kEUR 15 shown under other receivables and assets).

**(28) Contingencies and other financial obligations**

The following obligations from long-term rental, lease and other service agreements are applicable for the next few years:

| Year | kEUR |
|---|---|
| 2014 | 9,639 |
| 2015 | 2,600 |
| 2016 | 2,600 |
| 2017 | 2,600 |
| 2018 | 2,600 |
| 2019 | 2,600 |
| **Total obligations** | **22,639** |

The term of the agreement is not defined as the period up to the point at which the agreement can be terminated at the earliest possible time; instead, an economic assessment of the fulfilment period is used as the definition of the term.

The firm orders for investments in non-current assets amounted to kEUR 6,147 as of 31 December 2013 (2012: kEUR 2,437).

**(29) Contingent liabilities**

At the time of preparing the financial statements, there are no major contingent liabilities due to third parties that require disclosure.

**(30) Information regarding employees**

Taking account of the company acquisitions which took place last year, the Company employed on average of 1,084 (2012: 1,084) persons during the year; the break-down is as follows:

| | 01.01.–31.12.2013 | 01.01.–31.12.2012 |
|---|---|---|
| Production and Technology | 932 | 933 |
| Research and development | 21 | 21 |
| Administration and sales | 131 | 130 |
| **Total average** | **1,084** | **1,084** |

As of the balance sheet date 31 December 2013, the Group employed 1,085 (2012: 1,078) persons.

**(31) Auditor's fees**

KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (KPMG), has been engaged to audit the consolidated financial statements of the CABB Group. Overall, the companies of the CABB Group have utilised the following services of KPMG:

| | 2013 | 2012 |
|---|---|---|
| | kEUR | |
| Audit of financial statements | 141 | 135 |
| Other certification services | 11 | 15 |
| Tax advisory services | 16 | 165 |
| Other services | 12 | 0 |
| **Total** | **180** | **315** |

**(32) Events after the balance sheet date**

There were no major events after the balance sheet date.

Sulzbach am Taunus, 27 March 2014
CABB International GmbH
Management

Dr. Martin Wienkenhöver Dr. Uwe Salzer

The following independent auditor's report (*Bestätigungsvermerk*), prepared in accordance with §322 HGB (German Commercial Code), refers to the complete consolidated financial statements, comprising the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements together with the group management report. The group management report is not included in this offering memorandum. The above mentioned independent auditor's report and consolidated financial statements are both translations of the respective German language documents. The original German text shall prevail in the event of any discrepancies between the English translation and the German original.

**Auditors' report**

We have audited the consolidated financial statements prepared by CABB International GmbH, Sulzbach am Taunus, comprising the statement of profit or loss and other comprehensive income, statement of financial position,

statement of changes in equity, statement of cash flows and the notes to the consolidated financial statements – together with the group management report, for the business year from 1 January to 31 December 2013. The preparation of the consolidated financial statements and the group management report in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB [*Handelsgesetzbuch* – German Commercial Code] are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report, based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [*Handelsgesetzbuch* "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the relevant accounting standards and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a random test basis within the scope of the audit. The audit includes assessing the annual financial statements of companies included in the consolidation, the scope of the consolidation, the accounting and consolidation principles used, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 27 March 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

| | |
|---|---|
| Fischer | Gebhardt |
| Wirtschaftsprüferin | Wirtschaftsprüfer |
| [German Public Auditor] | [German Public Auditor] |

**CABB International GmbH, Sulzbach am Taunus**

**Consolidated financial statements**
**for the year ended 31 December 2012**

**Consolidated statement of comprehensive income**
**for the financial year from 1 January to 31 December 2012**

| | Notes*) | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|---|
| | | kEUR | |
| **Sales** | 6 | **427,167** | **269,352** |
| Cost of sales | 7 | −314,696 | −221,165 |
| **Gross profit** | | **112,471** | **48,187** |
| Research and development expenses | | −2,097 | −1,401 |
| Distribution and logistics expenses | 8 | −55,128 | −35,645 |
| General and administrative expenses | 9 | −14,119 | −19,564 |
| **Earnings before interest and taxes (EBIT)** | | **41,127** | **−8,423** |
| Financial income | 11 | 1,174 | 71 |
| Financial expenses | 11 | −28,903 | −29,255 |
| **Financial result** | 11 | **−27,729** | **−29,184** |
| **Earnings before taxes** | | **13,398** | **−37,607** |
| Taxes on income | 12 | −2,831 | 7,019 |
| **Net profit (loss) for the year** | | **10,567** | **−30,588** |
| **Other comprehensive income** | | | |
| Difference from currency translation of financial statements of foreign operations | 3e | 636 | 13,091 |
| Actuarial losses from defined-benefit plans (net) | 19 | −6,591 | −9,917 |
| **Other comprehensive income, net of income tax** | | **−5,955** | **3,174** |
| **Total comprehensive income for the year** | | **4,612** | **−27,414** |
| Of the net profit (loss), the following amounts are attributable to: | | | |
| Shareholders of CABB International GmbH | | 10,384 | −30,549 |
| Non-controlling interests | | 183 | −39 |
| Of the total comprehensive income, the following amounts are attributable to: | | | |
| Shareholders of CABB International GmbH | | 4,516 | −27,281 |
| Non-controlling interests | | 96 | −133 |

*) The notes are an integral part of the consolidated financial statements.

**Consolidated balance sheet**
**as of 31 December 2012**

| | Notes*) | 31.12.2012 | 31.12.2011 |
|---|---|---|---|
| | | kEUR | |
| **Assets** | | | |
| Goodwill | 13 | 86,439 | 86,209 |
| Other intangible assets | 13 | 119,919 | 141,032 |
| Property, plant and equipment | 14 | 261,199 | 262,399 |
| Financial assets | | 10 | 40 |
| Deferred tax assets | 12 | 13,001 | 12,620 |
| **Non-current assets** | | **480,568** | **502,300** |
| Inventories | 15 | 52,410 | 52,356 |
| Accounts receivable, trade | 16 | 54,153 | 60,036 |
| Other receivables and other assets | | 9,681 | 8,045 |
| Income tax receivables | | 136 | 3,029 |
| Cash and cash equivalents | 17 | 51,262 | 33,476 |
| **Current assets** | | **167,642** | **156,942** |
| **Total assets** | | **648,210** | **659,242** |
| **Liabilities** | | | |
| Subscribed capital | | 25 | 25 |
| Capital reserves | | 65,554 | 65,554 |
| Retained earnings and cumulative loss | | −36,673 | −40,466 |
| Other equity items | | 13,908 | 13,185 |
| Shareholders' equity attributable to the shareholders of CABB International GmbH | | 42,814 | 38,298 |
| Non-controlling interests | | 1,559 | 1,463 |
| **Equity** | **18** | **44,373** | **39,761** |
| Provisions for pensions and similar obligations | 19 | 40,989 | 39,254 |
| Other provisions | 20 | 2,741 | 3,349 |
| Bank loans | 21 | 252,791 | 269,266 |
| Shareholder loans | 22 | 145,972 | 137,856 |
| Deferred tax liabilities | 12 | 79,854 | 88,032 |
| **Long-term liabilities** | | **522,347** | **537,757** |
| Other provisions | 20 | 7,921 | 9,837 |
| Bank loans | 21 | 10,370 | 12,417 |
| Accounts payable, trade | 23 | 56,384 | 53,691 |
| Income tax liabilities | | 4,120 | 1,858 |
| Other liabilities | | 2,695 | 3,921 |
| **Short-term liabilities** | | **81,490** | **81,724** |
| **Total equity and liabilities** | | **648,210** | **659,242** |

*) The notes are an integral part of the consolidated financial statements.

## Consolidated statement of changes in equity
## for the financial year from 1 January to 31 December 2012

| | Subscribed capital | Capital reserves | Retained earnings and cumulative loss | Other equity items | Shareholders' equity attributable to the shareholders of CABB Inter-national GmbH | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| | | | | kEUR | | | |
| **As of 1.1.2011** | **25** | **0** | **0** | **0** | **25** | **0** | **25** |
| Net loss for the year | 0 | 0 | −30,549 | 0 | −30,549 | −39 | −30,588 |
| Other comprehensive income | | | | | | | |
| Difference from currency translation of financial statements of foreign operations | 0 | 0 | 0 | 13,185 | 13,185 | −94 | 13,091 |
| Actuarial losses of defined-benefit plans (net) | 0 | 0 | −9,917 | 0 | −9,917 | 0 | −9,917 |
| | 0 | 0 | −9,917 | 13,185 | 3,268 | −94 | 3,174 |
| **Total comprehensive income** | **0** | **0** | **−40,466** | **13,185** | **−27,281** | **−133** | **−27,414** |
| Cash contributions | 0 | 65,554 | 0 | 0 | 65,554 | 0 | 65,554 |
| Addition to non-controlling interests as part of the acquisition of the CABB Group | 0 | 0 | 0 | 0 | 0 | 1,596 | 1,596 |
| **As of 31.12.2011/1.1.2012** | **25** | **65,554** | **−40,466** | **13,185** | **38,298** | **1,463** | **39,761** |
| Net profit for the year | 0 | 0 | 10,384 | 0 | 10,384 | 183 | 10,567 |
| Other comprehensive income | | | | | | | |
| Difference from currency translation of financial statements of foreign operations | 0 | 0 | 0 | 723 | 723 | −87 | 636 |
| Actuarial losses of defined-benefit plans (net) | 0 | 0 | −6,591 | 0 | −6,591 | 0 | −6,591 |
| | 0 | 0 | −6,591 | 723 | −5,868 | −87 | −5,955 |
| **Total comprehensive income** | **0** | **0** | **3,793** | **723** | **4,516** | **96** | **4,612** |
| **As of 31.12.2012** | **25** | **65,554** | **−36,673** | **13,908** | **42,814** | **1,559** | **44,373** |

The notes are an integral part of the consolidated financial statements.

**Consolidated statement of cash flows**
**for the financial year from 1 January to 31 December 2012**

| | | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|---|
| | | kEUR | |
| Net profit (loss) for the year | | 10,567 | −30,588 |
| Financial result | | 27,729 | 29,184 |
| Taxes on income | | 2,831 | −7,019 |
| **Earnings before interest and taxes (EBIT)** | | **41,127** | **−8,423** |
| + | Depreciation on property, plant and equipment and amortisation on intangible assets | 52,032 | 32,302 |
| + | Losses from the disposal of assets | 47 | 273 |
| − | Interest paid (net) | −15,795 | −11,488 |
| − | Banking fees paid | −438 | 0 |
| − | Income taxes (net) | −4,213 | −4,888 |
| − | Decrease (2011: increase) in provisions | −10,104 | 1,465 |
| + | Decrease in inventories, trade accounts receivable and other assets | 4,193 | 2,600 |
| + | Increase in trade accounts payable and other liabilities | 1,467 | 8,324 |
| **Cash flow from operating activities** | | **68,316** | **20,165** |
| Investments in intangible assets | | −871 | −50 |
| − | Investments in property, plant and equipment | −27,753 | −13,065 |
| + | Proceeds from the disposal of fixed assets | 4 | 0 |
| − | Payments related to acquisitions | −89 | −167,230 |
| + | Payments related to (Proceeds from) financial assets | 30 | −40 |
| **Cash flow from investing activities** | | **−28,679** | **−180,385** |
| Repayment (2011: raising) of shareholder loans | | −2,318 | 92,783 |
| − | Repayment (2011: raising) of bank loans (net) | −19,871 | 270,763 |
| + | Cash contributions from shareholders | 0 | 65,554 |
| − | Repayment of financing of acquired subsidiaries | 0 | −236,303 |
| + | Payments from other financial liabilities | 294 | 662 |
| **Cash flow from financing activities** | | **−21,895** | **193,459** |
| **Change in cash and cash equivalents** | | **17,742** | **33,239** |
| **Cash and cash equivalents at the beginning of the period** | | **33,476** | **25** |
| Change due to exchange rate changes | | 44 | 212 |
| **Cash and cash equivalents at the end of the period** | | **51,262** | **33,476** |

The notes are an integral part of the consolidated financial statements.

**Notes to the consolidated financial statements**
**for the financial year 2012**

## (1) General

CABB International GmbH with registered offices at Otto-Volger-Straße 3c, 65843 Sulzbach am Taunus, was established on 12 October 2010 as Platin 588. GmbH in Frankfurt am Main and registered on 15 October 2010 in the commercial register of the Amtsgericht (local court) Frankfurt am Main under number HRB 89248. On 13 April 2011, it acquired all shares in the holding company CABB Investment GmbH, the parent company of the CABB Group with worldwide operations in the field of fine chemicals. The Group is one of the leading providers of synthesis modules based on chlorine, sulphur and acetic acid (monochloroacetic acid (MCA) and its esters), as well as acetyl chloride, chloroacetyl chloride, caustic soda and hydrochloric acid. The Group also supplies innovative intermediates with a chlorine and MCA base as well as terpenes. There are production locations in Germany in Knapsack and Gersthofen, in Switzerland in Pratteln as well as in India in Ahmedabad.

With effect from 11 August 2011, the Group acquired the Finnish KemFine Group Oy, the parent company of the speciality chemical company KemFine Oy, which produces fine chemicals and speciality chemicals and also has world- wide operations particularly in Custom Manufacturing for well-known companies in the agrochemical and pharmaceutical industries on its production facility in Kokkola (Finland).

Due to the business combinations during 2011 the previous year comparison figures shown in the consolidated financial statements do not reflect the Group's full financial year. Therefore, the comparability with the financial year 2012 is limited.

## (2) Principles for preparing the consolidated financial statements

The consolidated financial statements of CABB International GmbH for the period ending 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) valid on the reference date and also the rules which are additionally applicable in accordance with § 315a (1) of the German Commercial Code (HGB – Handelsgesetzbuch). All IFRSs and pronouncements of the International Financial Reporting Interpretations Committee (IFRIC) which are binding for the financial year 2012 and have been endorsed by the European Union have been applied.

The consolidated financial statements were prepared and approved for publication by management on 21 March 2013.

The accounting policies applied are the same as those in 2011 except for changes required by the application of new or revised reporting standards, if any.

***New accounting regulations***

With effect from 1 January 2012, the Group has, where necessary and appropriate, applied the following new and amended standards and interpretations published by the International Accounting Standards Board (IASB):

- IAS 12 *Income Taxes – Recovery of Underlying Assets* (amended):

The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis of the assets. This amendment has no impact on the presentation of the net assets, financial position and results of operations of the Group as the Group has no investment property.

- IFRS 1 *First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation* (amended):

When an entity's date of transition to IFRS is on or after the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date, at fair value on the date of transition to IFRS. This fair value may be used as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation. These amendments have no impact on the net

assets, financial position and results of operations of the Group as no Group company is a first-time adopter of IFRSs.

- IFRS 1 *First-time Adoption of International Financial Reporting Standards: Removal of Fixed Dates for First-time Adopters* (amended):

The amendments regarding the removal of fixed dates provide relief to first-time adopters of IFRSs from reconstructing transactions that occurred before their date of transition to IFRSs. These amendments have no impact on the net assets, financial position and results of operations of the Group as no Group company is a first-time adopter of IFRSs.

- IFRS 7 *Financial Instruments: Disclosures – Transfer of Financial Assets* (amended):

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, such involvement. This amendment has no impact on the net assets, financial position and results of operations of the Group as the Group has not transferred financial assets which are not derecognised.

The following IFRSs and their interpretations have been adopted, but will only come into force in subsequent years, and have not been applied in these consolidated financial statements:

- IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (applicable for reporting periods beginning on or after 1 July 2012)

- IAS 19 *Employee Benefits (revised)* (applicable for reporting periods beginning on or after 1 January 2013)

- IAS 28 *Investments in Associates and Joint Ventures (revised)* (applicable for reporting periods beginning on or after 1 January 2013)

- IAS 32 *Financial Instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for reporting periods beginning on or after 1 January 2013)

- IFRS 1 *First-time Adoption of International Financial Reporting Standards: Government Loans* (applicable for reporting periods beginning on or after 1 January 2013; not yet adopted by the EU)

- IFRS 9 *Financial Instruments: Classification and Measurement* (applicable for reporting periods beginning on or after 1 January 2015; not yet adopted by the EU)

- IFRS 10 *Consolidated Financial Statements* (applicable for reporting periods beginning on or after 1 January 2013)

- IFRS 11 *Joint Arrangements* (applicable for reporting periods beginning on or after 1 January 2013)

- IFRS 12 *Disclosure of Interests in Other Entities* (applicable for reporting periods beginning on or after 1 January 2013)

- IFRS 13 *Fair Value Measurement* (applicable for reporting periods beginning on or after 1 January 2013)

- *Annual Improvements to IFRSs 2012* (applicable for reporting periods beginning on or after 1 January 2013; not yet adopted by the EU)

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for reporting periods beginning on or after 1 January 2013).

Management is assuming that the standards and interpretations set out above will be applied in the consolidated financial statements of the financial years 2013 and 2015, and that the application of these standards and interpretations will – except for the application of IAS 19 (revised) – not have a significant impact on the consolidated financial statements in the year of first-time adoption.

The application of IAS 19 (revised) will have no effects on the Group's pension liabilities because CABB group companies already recognise actuarial profits and losses resulting from the periodic recalculation in equity. The major effect of the application of IAS 19 (revised) relates to the fact that the return on plan assets will be calculated based on the discount rate rather than the expected rate of return. This will potentially result in a decrease of the Group's net income of approximately EUR 3.7 Mio. and a corresponding increase in other comprehensive income.

***Use of estimates and assumptions in the preparation of the consolidated financial statements***

The extent of the assets, liabilities and provisions, contingencies and other financial obligations shown in the consolidated financial statements depends to a certain extent on estimates or assumptions. These are based on the circumstances and assessments prevailing on the balance sheet date, and accordingly also influence the amount of the income and expenses shown for the respective financial years. Such assumptions relate to the definition of the useful lives of depreciable fixed assets or intangible assets, the measurement of provisions and other assets or obligations. Due consideration is given to factors of uncertainty for the purpose of establishing the values; however, actual results may differ from the original estimates.

Areas which are particularly complex or in which extensive estimates are necessary or in which the estimates or assumptions which have been made have a major impact on the consolidated financial statements are explained under "Estimates and assumptions" in section 3 of these notes.

**(3) Accounting policies and valuation methods**

**a) Balance sheet date**

The financial statements of the consolidated companies, with the exception of CABB Karnavati Rasayan Ltd., India, are prepared as of the balance sheet date of the consolidated financial statements (31 December). For the purpose of the consolidated financial statements, CABB Karnavati Rasayan Ltd. has prepared interim financial statements for the period ending 31 December 2012.

**b) Uniform valuation**

The assets and liabilities included in the consolidated financial statements for the companies which have been integrated are recognised and valued uniformly in accordance with the principles described in this document.

**c) Eliminations**

Internal balances within the Group as well as unrealised income and expenses from internal transactions within the Group are eliminated as parts of the process of preparing the consolidated financial statements.

**d) Capital consolidation**

Capital is consolidated at the time of acquisition using the revaluation method (purchase method). The first step is to measure all assets, liabilities and additional intangible assets which have to be capitalised with their fair values. The costs of purchase of the equity participations are netted with the proportionate revalued shareholders' equity which has been acquired. Any differences which result from this process are capitalised as goodwill and are written down only in the event of an impairment. If the proportionate amount of the acquisition of net assets measured at fair value exceeds the costs of purchase of the business combination, the identification and valuation of the identified assets, liabilities and contingent liabilities of the acquired company as well as the measurement of the costs of purchase of the business combination are reassessed. Any difference remaining after the reassessment is recognised directly in the income statement. The costs incurred for carrying out a business combination are recognised in the income statement.

**e) Foreign currency translation**

The consolidated financial statements are prepared in Euros.

Transactions of assets and liabilities in foreign currency are translated into the respective functional currency using the spot rate applicable on the date of the transaction. In the financial statements of the individual Group companies, monetary items which are not denominated in the functional currencies of the subsidiaries are translated on the balance sheet date using the rate applicable at the end of the year. The resultant currency gains and losses are recognised directly in the income statement.

The assets and liabilities of subsidiaries whose functional currency is not the Euro are translated using the reference date rate into the reporting currency (Euro), which is also the functional currency of CABB International GmbH. Expenses and income are translated using the average rate. All cumulative differences resulting from the currency translation of the shareholders' equity of foreign subsidiaries attributable to changes in the exchange rates are shown directly in equity.

The following exchange rates have been used:

| | Average exchange rate 2012 | Exchange rate on the balance sheet date 31.12.2012 | Average exchange rate 2011* | Exchange rate on the balance sheet date 31.12.2011 |
|---|---|---|---|---|
| Argentinean Peso | 5.8794 | 6.4754 | 5.7376 | 5.5693 |
| Indian Rupee | 69.0941 | 72.4609 | 66.7324 | 68.5855 |
| Swiss Francs | 1.2055 | 1.2073 | 1.2118 | 1.2165 |
| US Dollar | 1.2861 | 1.3186 | 1.3999 | 1.2932 |

* The average exchange rates relate to the period 13 April to 31 December 2011

**f) Revenue recognition**

Revenues are recognised when products are delivered or services are rendered and when ownership and risks have been transferred to the purchaser. The revenues comprise the fair value received for the sale of products and services, excl. sales taxes and taxes on consumption, less discounts and price reductions and after the elimination of internal sales within the Group.

**g) Cost of sales**

Cost of sales comprises the costs of materials, personnel expenses, proportionate depreciation and amortisation, repairs and maintenance, energy, analysis and ecology, production overheads, plant overheads as well as costs of packaging the products.

**h) Distribution and logistics expenses**

Distribution and logistics expenses comprise the costs of personnel expenses, proportionate depreciation on property, plant and equipment and intangible assets as well as transport costs.

**i) Research and development**

Research costs are recognised immediately as expense when they are incurred. They comprise wages and salaries, cost of materials, proportionate depreciation on property, plant and equipment and overheads. Development costs are only capitalised if, on the basis of various criteria, it is likely that the capitalised amount is covered by future income.

**j) Financial result**

This item contains interest income and expenses as well as foreign currency gains and losses. All interest income and expenses are shown in the income statement.

**k) Borrowing costs**

The process of the acquisition, construction or production of intangible assets or property, plant and equipment does not cover a period of more than one year. Accordingly, no borrowing costs have been capitalised as part of the costs of purchase or production costs.

**l) Goodwill**

Goodwill is only written down in the event of an impairment. The value of goodwill is subject to an annual impairment test, and is also reviewed if there is any indication of an impairment. The goodwill impairment test is carried out on the basis of cash-generating units by comparing the recoverable amount with the carrying amount. The Acetyls and Custom Manufacturing divisions have been identified as cash-generating units which carry goodwill.

Goodwill was not impaired in the financial years 2011 and 2012. The recoverable amount of the cash-generating units was calculated on the basis of the value in use. The cash flow forecast based on financial planning over a period

totalling three years is used for this calculation. A perpetual growth rate of 1% is used for the period beyond the three-year period. A post- tax rate of 8.7% is used for discounting purposes for the Acetyls division, and a post-tax rate of 7.9% is used for discounting for the Custom Manufacturing division.

**m) Intangible assets**

Acquired intangible assets – excluding goodwill as well as intangible assets with an indefinite useful life – are measured at cost of purchase less straight-line depreciation. The respective useful life is based on the length of the underlying agreement and the probable utilisation of the potential use of the intangible asset.

Impairments are recognised if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of net realizable value and the value in use. If the reasons for an impairment are no longer applicable, corresponding write-ups are recognised. Depending on the type of the intangible asset, depreciation is shown under costs of sales, distribution and logistics expenses, research and development expenses or other operating expenses.

A European Community law concerning chemicals and the reliable handling of chemicals came into force on 1 June 2007. This law governs the registration, evaluation, authorisation and restriction of chemicals (REACH). REACH requires the registration of certain substances. The companies of the CABB Group incur costs within the framework of this registration procedure. Theses costs are capitalised as intangible assets in accordance with IAS 38 *Intangible Assets*, and are depreciated over their estimated useful life of twelve years using the straight-line method.

Intangible assets are depreciated using the straight-line method. The average periods of depreciation are as follows:

| Depreciation on intangible assets | in years |
|---|---|
| Capitalised REACH costs | 12 |
| Customer relations | 1–15 |
| Technology | 5 |
| Software | 3 |

**n) Property, plant and equipment**

Property, plant and equipment is measured at cost of purchase or cost of production less depreciation recognised over the standard useful life. The costs of production of an asset comprise the directly attributable costs as well as reasonable amounts of material and production overheads. The revaluation method is not used.

Each item of property, plant and equipment with a significant purchase value in relation to the overall value of the asset is depreciated separately. If a significant item of property, plant and equipment has a useful life and a depreciation method which are identical to those applicable for another part of the same asset, these parts are combined for the purpose of determining the depreciation cost.

Movable and immovable assets are depreciated using the straight-line method. The average periods of depreciation are as follows:

| Depreciation on property, plant and equipment | In years |
|---|---|
| Buildings | 25–40 |
| Technical equipment, plant and machinery | 5–15 |
| IT and other equipment | 3–15 |
| Vehicles | 5–10 |

Impairments are recognised if an asset does not generate sufficient future economic benefit in order to recover its carrying amount. The assessment is made on the basis of the present value of the cash flows expected in future less the expected costs for removing an installation. Impairments are recognised in the amount of the difference between the previous carrying amount and the discounted future cash flows.

**o) Leasing**

In accordance with IAS 17, leases are classified as finance leases and operating leases. Assets used within the framework of an operating lease are not capitalised. The leasing payments to be made are recognised in the income statement in the respective period as incurred. A finance lease is defined as a lease in which essentially all risks and rewards of an asset which are associated with ownership of the asset are transferred to the lessee. Assets which are used within the framework of a finance lease are shown with the present value of minimum leasing payments. The leasing payment to be made is broken down into repayment of principal and an interest component. The repayment of principal

reduces the liability, whereas the interest component is reported as interest expense. Depreciation is recognised over the economic useful life or the shorter life of the lease. The payment obligations resulting from the future leasing instalments are shown under financial liabilities. Details of the leases are set out in the notes under item 25.

**p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets, as defined by IAS 32, are classified depending on the individual case either as financial assets measured at fair value through profit or loss, as loans and receivables, as held-to-maturity financial investments, or as available-for-sale financial assets. The financial assets are measured at fair value upon initial recognition. In the case of financial investments other than those which are measured at fair value through profit or loss, transaction costs which are directly attributable to the acquisition of the asset are also recognised. The financial assets mainly comprise cash and cash equivalents, trade accounts receivable and other financial assets as well as derivative financial assets held for hedging purposes.

The CABB Group has not taken advantage of the opportunity for designating financial assets as financial assets at fair value through profit or loss upon initial recognition.

Financial liabilities generally involve an obligation to return cash or another financial asset. These include in particular trade accounts payable, liabilities due to banks, liabilities under finance leases and derivative financial liabilities. Upon initial recognition, financial liabilities are measured with their fair value. The transaction costs which are directly attributable to the acquisition are also recognised for all financial assets which are subsequently not measured at fair value through profit or loss.

The CABB Group has not exercised its option of designating financial liabilities at fair value through profit or loss upon initial recognition.

The subsequent measurement of financial assets and liabilities reflects the category to which they are allocated:

Financial assets held for hedging purposes are measured with their fair value. They consist exclusively of derivative financial instruments which are not included in an effective hedge in accordance with IAS 39 and which thus have to be classified as held for trading. They are shown under current financial assets or liabilities. Any profit or loss resulting from the subsequent measurement is recognised in the statement of comprehensive income. Please refer to our comments under note 28 (Derivative financial instruments).

After initial recognition, financial assets in the category Loans and receivables are shown at amortised cost of purchase less impairments. Please refer to the comments on receivables and other financial assets.

Financial non-derivative assets which are intended to be held until maturity are measured at amortised cost of purchase. The CABB Group has not reported any financial assets held to maturity as of the balance sheet date.

In the CABB Group, the category of available-for-sale financial assets comprises the remaining financial assets which have not been recognised in any other of the categories. At the time of initial acquisition and also subsequently, they are measured at fair value. Unrealised profits and losses are shown directly in a separate item of shareholders' equity after deferred taxes are taken into consideration. Only when the financial assets are sold, or if the financial assets are permanently impaired, are the cumulative profits and losses recognised directly in equity as a result of measurement of fair value recognised in the statement of comprehensive income. For equity instruments for which there is no price quoted on an active markets and whose fair value cannot be reliably determined, the shares are measured at cost of purchase less any impairments.

Cash and cash equivalents consist of cash, demand deposits and other current highly liquid financial assets with an original term of max. three months as well as overdraft facilities. The cash and cash equivalents are measured at amortised cost of purchase. In the balance sheet, overdraft facilities which are utilised are shown as liabilities due to banks under current financial liabilities.

Receivables are normally shown with their amortised cost of purchase. An impairment of trade accounts receivable is recognised if there are objective indications that the due amounts are not fully recoverable. Considerable financial difficulties of a debtor, an increased probability that the borrower will become bankrupt or will have to go through another restructuring process, as well as any breach of contract, e.g. default or late payment of interest and principal, are considered to be an indication of the existence of an impairment. Adequate amounts of individual allowances are recognised in relation to receivables which are very likely to default.

In the CABB Group, impairment accounts are used for recognizing impairments of trade accounts receivable. The amount of the impairment is recognised in the statement of comprehensive income under costs of sales and logistics costs.

Trade accounts payable are measured at amortised cost of purchase.

Upon initial recognition, debt is shown at fair value and after interest paid in advance and transaction costs, to the extent that these are not incurred for separate services. In subsequent periods, they are recognised at amortised cost of purchase in the income statement, using the effective interest rate method.

Loan liabilities are classified as current liabilities provided that the Group does not have the unconditional right to postpone repayment of the liability to a point in time no earlier than 12 months from the balance sheet date.

**q) Taxes**

The current taxes on income are calculated using the current or announced tax rate in relation to the taxable income of the individual group companies.

The deferred taxes on income are accrued on the basis of the current or announced local tax rate in accordance with the liability method in relation to all temporary differences between the uniform measurement in the Group of assets and liabilities and the tax measurement of assets and liabilities. For all major corporations, a combined tax rate of 28.8% (2011: 29.1%) is used in Germany; country-specific tax rates are used for the other companies.

Deferred tax assets resulting from offsettable losses carried forward and temporary differences are only recognised if it is likely that these can be offset against future taxable profits. The change in deferred taxes is recognised via the tax expense, unless they relate to items which have been recognised directly in equity.

Impairments reducing the value of assets to lower fair values are recognised if the expected future results of a company indicate that it is not likely that the tax reduction will be realised.

Deferred tax assets are only netted with deferred tax liabilities of the same maturity if they are due in relation to the same tax authority.

**r) Inventories**

Inventories are carried at amortised cost of purchase or cost of production. If the market prices or the fair values on the basis of net realizable values are lower, these are recognised. The net realizable value is equivalent to the sales proceeds attainable in the normal course of business, less the directly attributable costs up to the point at which the inventories are sold. Costs of production comprise the directly attributable costs as well as reasonable amounts of material and production overheads assuming a normal level of utilisation of the relevant production facilities to the extent that they are incurred in connection with the manufacturing process. Costs of the Company pension scheme, for social facilities of the operation and voluntary social benefits of the Company as well as costs of general administration are also taken into consideration to the extent that they are attributable to manufacturing. Financing costs are not included in costs of production.

Raw materials and supplies, incl. technical material and packagings, are measured at the lower of cost of purchase and net realizable value. An impairment is recognised to reduce the value of such raw materials and supplies to a figure which is lower than the cost of purchase only if the net realizable value of the finished products which include the raw materials and supplies is probably lower than the cost of production of the finished products.

**s) Provisions for pensions and similar obligations**

Provisions for pensions are based on actuarial computations made according to the projected unit credit method, which applies, among others, the following valuation parameters: future developments in compensation, pensions and inflation, the expected performance of plan assets, employee turnover and the life expectancy of beneficiaries. The resulting obligations are discounted by reference to market yields at the balance sheet date on high quality corporate fixed rate bonds with an AA rating.

Actuarial profits and losses resulting from periodic recalculation are recognised in equity. They result from the variance between the actual development in pension obligations and pension assets and the assumptions made at the beginning of the year as well as the updating of actuarial assumptions. The calculation of pension provisions is based on actuarial reports.

The benefit costs incl. interest expenses and expected income from plan assets which are associated with the work carried out in the reporting period are shown (less the contributions of the employees) as personnel expenses in the costs of those functions in which the employees are operating. Benefit costs which constitute past service costs are debited to the income statement up to the point at which the beneficiary becomes entitled to benefits.

**t) Other provisions**

Other provisions are recognised if a present obligation exists as a result of an event, an outflow of economic resources is likely and the corresponding amount can be reliably estimated. Provisions are recognised to the extent of the probable settlement amount.

Provisions for trade tax and corporation tax or equivalent taxes on income are calculated on the basis of the expected taxable incomes of the companies which are included, and are shown net of any advance payments which have been made. Other assessable taxes are taken into consideration accordingly.

Provisions are recognised for environmental protection measures and risks if, as a result of an event, there is a current legal or constructive obligation to carry out measures and if the measures do not result in assets being capitalised.

The probable settlement amount of non-current provisions is discounted if the discounting effect is of a material nature. In this case, the probable settlement amount is recognised with its present value. The discounting effects are shown in financial result.

Provisions for service anniversary payments are mainly calculated in accordance with actuarial principles. For semi-retirement agreements which have been concluded, provisions are recognised for the agreed top-up payments in full, and the wage and salary payments to be made during the passive phase of the semi-retirement arrangement are accumulated in instalments.

**u) Financial risk management**

The CABB Group is exposed to numerous financial risks with its business activities. These risks comprise market, credit, interest rate and exchange rate risks. For details, please refer to note 27 (Financial risk management).

**v) Estimates and assumptions**

The process of preparing consolidated financial statements in accordance with the IFRS requires assessments, assumptions and estimates with regard to the application of accounting policies, and also requires management to make assumptions with regard to future developments. These assessments, assumptions and estimates are based on experience and other factors which are considered to be reasonable under the given circumstances. The actual results may differ from these estimates.

The estimates and the assumptions based on these estimates are continuously reviewed. Changes in accounting-relevant estimates are recognised in the reporting period in which the assessment is revised, and also in future reporting periods if these future reporting periods are affected by the revised estimates. In particular, the following items in the balance sheet have been affected:

***Goodwill***

Goodwill of kEUR 86,439 (2011: kEUR 86,209) resulting from the capital consolidation is recognised in the consolidated financial statements for the period ending 31 December 2012. This figure has to be tested for impairment at least once every year. For the purpose of the impairment test, long-term income forecasts have to be made for the cash-generating units in the context of the development of the Group and also in the context of the development of the overall economy. No impairment cost was incurred in financial years 2011 and 2012.

***Property, plant and equipment and intangible assets***

As of 31 December 2012, the Group had intangible assets (excl. goodwill) with a balance sheet value of kEUR 119,919 (2011: kEUR 141,032) (see note 13) and property, plant and equipment with a balance sheet value of kEUR 261,199 (2011: kEUR 262,399) (see note 14). These assets are tested once a year for indications of impairments. If there are any such indications, estimates of the expected future cash flows from the utilisation and potential disposal of these assets are made for assessing the impairment. The actual cash flows may differ appreciably from the discounted future cash flows which are based on these estimates. Factors such as a change in the planned utilisation of buildings,

machinery and equipment, technical aging or utilisation levels of installations which are lower than original forecasts may reduce the useful service life or may result in an impairment.

***Pension provisions***

As of 31 December 2012, the Group reports provisions of kEUR 40,989 (2011: kEUR 39,254) for pensions and similar obligations. The valuation of these pension provisions is influenced by assumptions regarding the future development of wages and salaries or pensions as well as interest rates.

In Germany, retirement benefits are provided via the pension fund of the employees of the Hoechst Group VVaG. The Swiss employees of the Group are insured with the pension fund (Pensionskasse – PK) of CABB AG, Pratteln, Switzerland. The retirement benefits of the Finnish employees are processed via the pension insurance company Ilmarinen Ltd. The calculations of the assets and liabilities recognised with regard to these facilities are based on statistical and actuarial calculations of the actuaries. In particular, the present value of the defined-benefit obligation depends on assumptions such as the discount rate and the pension growth rate used for calculating the present value of the future pension obligations. Future salary increases and increases in the other benefits to employees also influence the calculation of the present value of the future pension obligations. In addition, the independent actuaries engaged by the Group also use statistical data such as probability of departure and life expectancy of the insured parties for their assumptions.

***Environmental provisions***

As of 31 December 2012, the provisions of the CABB Group recognised for environmental protection measures amounted to kEUR 2,926 (2011: kEUR 4,007) (see note 20). This figure is based on the best possible estimate of the expected outflow of funds. The provisions relate to the expected costs of rehabilitating toxic waste sites in Switzerland as well as waste disposal at the production location in Kokkola. The future development depends on many factors. These include the method to be used, the extent of the rehabilitation measures as well as the shares attributable to the Group or external parties.

Based on the currently available information, management overall considers that the provisions which have been recognised are adequate. Because it is very difficult to estimate costs in the environmental field, it is possible that additional costs may occur which exceed the recognised provisions. The effects of the rehabilitation measures on future results of the business cannot be definitively predicted.

***Deferred tax assets***

Accruals for deferred taxes are also recognised for tax losses carried forward. The extent to which they can be realised depends on future taxable results of the respective Group company. If there are any doubts regarding the extent to which the loss carry forwards can be realised, appropriate impairments are recognised in relation to the deferred tax assets as required.

**(4) Scope of Consolidation**

The scope of consolidation comprises CABB International GmbH, with registered offices in Sulzbach am Taunus, as well as all domestic and international subsidiaries. CABB International GmbH directly or indirectly owns a majority of voting rights in these companies. There are no joint ventures or associated companies.

As of 31 December 2012 and 31 December 2011, the consolidated financial statements comprised CABB International GmbH as well as ten direct and indirect subsidiaries:

| No. | Name | Share of capital |
|---|---|---|
| 1 | CABB International GmbH, Sulzbach am Taunus | |
| 2 | CABB Holding GmbH, Sulzbach am Taunus | 100% |
| 3 | CABB Europe GmbH, Sulzbach am Taunus | 100% |
| 4 | CABB GmbH, Gersthofen | 100% |
| 5 | CABB Karnavati Rasayan Ltd., Ahmedabad (India) | 76% |
| 6 | CABB North America Inc., Huntersville/NC (USA) | 100% |
| 7 | CABB AG, Pratteln (Switzerland) | 100% |
| 8 | CABB S.r.l., Buenos Aires (Argentina) | 100% |
| 9 | CABB UK Ltd., Altrincham (Great Britain) | 100% |
| 10 | CABB Finland Oy, Helsinki (Finland) | 100% |
| 11 | CABB Oy, Kokkola (Finland) | 100% |

The companies No. 2 to 9 were acquired indirectly from Platin 588. GmbH as part of the acquisition of CABB Investment GmbH on 13 April 2011. The former ultimate parent company of the Group CABB Investment GmbH was merged with the merger agreement of 23 May 2011 with Platin 588. GmbH, which has been trading as CABB International GmbH since 1 June 2011, as the incorporating legal entity.

At the time of the acquisition on 13 April 2011, there were two companies in Switzerland:

AXCABB AG, a subsidiary of CABB Europe GmbH, and its wholly owned subsidiary CABB AG. With the merger agreement of 29 June 2011, CABB AG was merged with AXCABB AG as the incorporating legal entity, and AXCABB AG was subsequently renamed CABB AG.

The Finnish companies (no. 10 and 11) were acquired by CABB AG with effect from 11 August 2011.

**(5) Acquisitions**

In financial year 2012 no business combinations occurred. Regarding information on the acquisition of the CABB Group on 13 April 2011 and the acquisition of the KemFine companies on 11 August 2011 please refer to the consolidated financial statements 2011. There has no subsequent modification of the purchase price allocation taken place on the previous year's acquisitions.

**Notes to the consolidated statement of comprehensive income**

**(6) Sales**

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Business units: | | |
| Acetyls | 165,193 | 118,323 |
| Custom Manufacturing | 261,974 | 151,029 |
| **Sales** | **427,167** | **269,352** |

**(7) Cost of sales**

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Costs of raw materials and supplies | 152,156 | 108,116 |
| Costs of production | 129,475 | 92,083 |
| Depreciation | 33,065 | 20,966 |
| **Cost of sales** | **314,696** | **221,165** |

**(8) Distribution and logistics costs**

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Transport costs | 30,127 | 20,599 |
| Depreciation | 18,860 | 11,168 |
| Personnel expenses | 3,942 | 2,034 |
| Other | 2,199 | 1,844 |
| **Distribution and logistics costs** | **55,128** | **35,645** |

**(9) General and administrative expenses**

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Personnel expenses | 7,047 | 3,716 |
| Insurance premiums | 2,260 | 1,475 |
| Legal and consultancy costs | 1,803 | 10,037 |
| Other | 3,009 | 4,336 |
| **General and administrative expenses** | **14,119** | **19,564** |

## (10) Personnel expenses

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Wages and salaries | 63,468 | 43,359 |
| Retirement benefit costs | −3,313 | 3,614 |
| Other costs for social security | 10,875 | 1,638 |
| **Personnel expenses** | **71,030** | **48,611** |

## (11) Financial result

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Foreign currency gains (net) | 539 | 0 |
| Interest income | 635 | 71 |
| **Financial income** | **1,174** | **71** |
| Interest expenses bank loans | −14,187 | −10,204 |
| Interest expenses shareholder loans | −10,616 | −6,609 |
| Other financial costs | −4,100 | −2,089 |
| Foreign currency losses (net) | 0 | −10,353 |
| **Financial expenses** | **−28,903** | **−29,255** |
| **Financial result** | **−27,729** | **−29,184** |

## (12) Taxes on income

CABB International GmbH and its German subsidiaries are subject to German corporation tax and trade tax. The corporation tax rate applicable for the financial year 2012 is 15%. A solidarity surcharge of 5.5% is also imposed. Trade income tax is approximately 13%.

Taxes on income for the financial year 2012 is broken down as follows:

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| | kEUR | |
| Current taxes | −9,477 | 2,290 |
| Income from deferred taxes | 6,646 | 4,729 |
| **Taxes on income** | **−2,831** | **7,019** |

The effective tax rate of the Group differs from an assumed tax rate of 28.84% (2011: 29,1%) as follows:

| | 01.01.–31.12.2012 | | 01.01.–31.12.2011 | |
|---|---|---|---|---|
| | kEUR | in % | kEUR | in % |
| Earnings before taxes | 13,398 | 100,0 | −37,607 | 100,0 |
| Expected taxes on income (income) | −3,864 | 28,8 | 10,944 | −29,1 |
| Change in tax rates | 0 | 0,0 | 1,436 | −3,8 |
| Non-deductible interest expense | −1,405 | 10,5 | −2,563 | 6,8 |
| Foreign Tax Rate differential | 1,024 | −7,6 | −781 | 2,1 |
| Effect of tax losses used | 1,736 | −13,0 | 0 | 0,0 |
| Losses, for which no deferred tax assets have been recognized as well as change in the allowances | 0 | 0,0 | −1,762 | 4,7 |
| Trade tax income | −577 | 4,3 | −363 | 0,9 |
| Other differences | 255 | −1,9 | 108 | −0,3 |
| **Taxes on income** | **−2,831** | **21,1** | **7,019** | **−18,7** |

The interest cap rule is applicable for the German Group companies. Under the basic rule of the interest cap, net interest costs are only deductible up to an amount of 30% of tax EBITDA. The non-deductible portion of interest expenses amounted to kEUR 4,783 for the financial year 2012 (2011: kEUR 8,808). This non-deductible interest has to be carried forward for tax purposes. Because this interest will not be deductible in the foreseeable future, no deferred tax assets have been recognised.

Income taxes of kEUR 2,060 (2011: kEUR 2,704) have been recognised directly in equity in connection with actuarial losses which have been recognised in the other comprehensive income.

The deferred taxes resulting from temporary differences tax balances and with balances according to IFRS are broken down as follows:

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Property, plant and equipment | 40,060 | 44,286 |
| Intangible assets | 31,609 | 37,163 |
| Inventories | 2,566 | 2,832 |
| Receivables | 347 | 368 |
| Other assets | 583 | 670 |
| Provisions | 2,990 | 748 |
| Bank loans and other liabilities | 1,699 | 1,965 |
| **Deferred tax liabilities as of the reference date** | **79,854** | **88,032** |
| Goodwill | 1,060 | 1,211 |
| Pension provisions | 8,138 | 7,642 |
| Other assets and liabilities | 3,803 | 3,767 |
| **Deferred tax assets as of the reference date** | **13,001** | **12,620** |
| **Deferred tax liabilities as of the reference date, net** | **66,853** | **75,412** |

**Note to the consolidated balance sheet**

**(13) Intangible assets**

| | Goodwill | Customer relations | Technology | Other | Total intangible assets |
|---|---|---|---|---|---|
| | | | kEUR | | |
| **Purchase values** | | | | | |
| **As of 1 January 2011** | **0** | **0** | **0** | **0** | **0** |
| Additions due to company acquisitions | 84,490 | 138,171 | 12,133 | 3,458 | 238,252 |
| Other additions | 0 | 0 | 0 | 50 | 50 |
| Exchange differences | 1,719 | 452 | 483 | −24 | 2,630 |
| **As of 31 December 2011/1 January 2012** | **86,209** | **138,623** | **12,616** | **3,484** | **240,932** |
| Additions | 89 | 0 | 0 | 871 | 960 |
| Disposals | 0 | 0 | 0 | −83 | −83 |
| Exchange differences | 141 | 52 | 51 | −93 | 151 |
| **As of 31 December 2012** | **86,439** | **138,675** | **12,667** | **4,179** | **241,960** |
| **Cumulative amortisation and impairments** | | | | | |
| **As of 1 January 2011** | **0** | **0** | **0** | **0** | **0** |
| Additions | 0 | 10,976 | 1,585 | 1,130 | 13,691 |
| **As of 31 December 2011/1 January 2012** | **0** | **10,976** | **1,585** | **1,130** | **13,691** |
| Additions | 0 | 18,850 | 2,536 | 654 | 22,040 |
| Disposals | 0 | 0 | 0 | −83 | −83 |
| Exchange differences | 0 | 3 | 2 | −51 | −46 |
| **As of 31 December 2012** | **0** | **29,829** | **4,123** | **1,650** | **35,602** |
| **Residual carrying amounts** | | | | | |
| 31 December 2011 | 86,209 | 127,647 | 11,031 | 2,354 | 227,241 |
| **31 December 2012** | **86,439** | **108,846** | **8,544** | **2,529** | **206,358** |

Goodwill is allocated to the cash-generating units as follows:

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Business units: | | |
| Acetyls | 32,948 | 32,924 |
| Custom Manufacturing | 53,491 | 53,285 |
| **Goodwill** | **86,439** | **86,209** |

Customer relations and technologies acquired in connection with the acquisitions have been measured as part of the purchase price allocation process; they are written down over their expected useful life.

Amortisation of intangible assets is included in the costs of sales as well as in distribution and logistics expenses.

There are contractual obligations of kEUR 19 (2011: kEUR 0) for acquiring intangible assets. All intangible assets are pledged.

## (14) Property, plant and equipment

| | Land and buildings | Technical equipment and machinery | Operational and office equipment, other installations | Work in progress | Total property, plant and equipment |
|---|---|---|---|---|---|
| | | | kEUR | | |
| **Purchase values** | | | | | |
| **As of 1 January 2011** | **0** | **0** | **0** | **0** | **0** |
| Additions due to company acquisitions | 106,394 | 131,701 | 9,954 | 9,389 | 257,438 |
| Other additions | 432 | 10,101 | 664 | 1,868 | 13,065 |
| Transfers | 94 | 1,717 | 34 | −1,845 | 0 |
| Disposals | 0 | −1,766 | −14 | −134 | −1,914 |
| Exchange differences | 5,826 | 4,069 | 621 | 264 | 10,780 |
| **As of 31 December 2011/1 January 2012** | **112,746** | **145,822** | **11,259** | **9,542** | **279,369** |
| Additions | 268 | 2,020 | 425 | 25,040 | 27,753 |
| Transfers | 866 | 12,694 | 407 | −13,967 | 0 |
| Disposals | 0 | −1,839 | −227 | −4 | −2,070 |
| Exchange differences | 594 | 426 | 65 | 19 | 1,104 |
| **As of 31 December 2012** | **114,474** | **159,123** | **11,929** | **20,630** | **306,156** |
| **Cumulative depreciation and impairments** | | | | | |
| **As of 1 January 2011** | **0** | **0** | **0** | **0** | **0** |
| Additions | 2,813 | 14,267 | 1,531 | 0 | 18,611 |
| Disposals | 0 | −1,632 | −9 | 0 | −1,641 |
| Exchange differences | 0 | 0 | 0 | 0 | 0 |
| **As of 31 December 2011/1 January 2012** | **2,813** | **12,635** | **1,522** | **0** | **16,970** |
| Additions | 4,450 | 23,384 | 2,158 | 0 | 29,992 |
| Disposals | 0 | −1,800 | −219 | 0 | −2,019 |
| Exchange differences | 3 | 11 | 0 | 0 | 14 |
| **As of 31 December 2012** | **7,266** | **34,230** | **3,461** | **0** | **44,957** |
| **Residual carrying amounts** | | | | | |
| 31 December 2011 | 109,933 | 133,187 | 9,737 | 9,542 | 262,399 |
| **31 December 2012** | **107,208** | **124,893** | **8,468** | **20,630** | **261,199** |

Depreciation on property, plant and equipment is mainly included in the cost sales.

There are contractual obligations of kEUR 2,418 (2011: kEUR 1,032) for acquiring property, plant and equipment. All items of property, plant and equipment are pledged.

## (15) Inventories

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Raw materials and supplies | 10,230 | 9,517 |

| | | |
|---|---|---|
| Unfinished products | 6,345 | 8,250 |
| Finished products | 17,221 | 16,553 |
| Technical material and packaging | 11,180 | 10,947 |
| Precious metals | 7,434 | 7,089 |
| **Total inventories** | **52,410** | **52,356** |

Inventories of kEUR 1,440 (2011: kEUR 5,887) are measured at the lower fair value less costs to sell.

In the financial year 2012, the cost of materials amounted to kEUR 152,156 (kEUR 108,116), and impairments on inventories recognised as expense amounted to kEUR 448 (2011: kEUR 371).

All inventories are used as collateral for banks.

## (16) Accounts receivable, trade

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Accounts receivable, trade | 54,252 | 60,171 |
| less allowances | −99 | −135 |
| **Total accounts receivable, trade** | **54,153** | **60,036** |

| Total accounts receivable, trade | in TFC | kEUR | in TFC | kEUR |
|---|---|---|---|---|
| Receivables in EUR: | | 35,840 | | 39,324 |
| Receivables in foreign currency (FC): | | | | |
| Swiss Francs | 13,397 | 11,097 | 13,833 | 11,371 |
| US Dollar | 8,647 | 6,558 | 9,479 | 7,330 |
| Indian Rupee | 17,970 | 248 | 113,921 | 1,661 |
| Japanese Yen | 45,514 | 401 | 34,780 | 347 |
| British Pound Sterling | 7 | 9 | 3 | 3 |
| | | **54,153** | | **60,036** |

Valuation allowances for doubtful receivables developed as follows:

| | 2012 | 2011 |
|---|---|---|
| | kEUR | |
| **At beginning of the financial year** | **135** | **0** |
| Addition due to acquisitions | 0 | 263 |
| Additions | 7 | 0 |
| Utilization | −44 | 0 |
| Reversal | 0 | −134 |
| Exchange differences | 1 | 6 |
| **At the end of the financial year** | **99** | **135** |

### Credit risks

The following table shows details of the credit risks associated with trade accounts receivable:

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Not yet due | 48,033 | 52,658 |
| Overdue for | | |
| 1–90 days | 5,975 | 7,161 |
| 91–180 days | 30 | 11 |
| 181 days–1 year | 13 | 92 |
| more than 1 years | 102 | 114 |
| **Total** | **54,153** | **60,036** |
| Receivables adjusted by individual allowances | 99 | 135 |
| **Gross receivables** | **54,252** | **60,171** |

With regard to the receivables which are past-due but which are not impaired, there are no indications that the customers, on the basis of their credit history and current credit-worthiness ratings, are not able to meet their obligations.

## (17) Cash and cash equivalents

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Cash and cash at bank | 29,848 | 25,804 |
| Current investments | 21,414 | 7,672 |
| **Total cash and cash equivalents** | **51,262** | **33,476** |

| In foreign currency | in TFC | kEUR | in TFC | kEUR |
|---|---|---|---|---|
| Liquid assets in EUR: | | 29,152 | | 21,607 |
| Liquid assets in foreign currency: | | | | |
| Swiss Francs (CHF) | 15,752 | 13,047 | 9,991 | 8,213 |
| US Dollar (USD) | 11,154 | 8,459 | 4,353 | 3,366 |
| Indian Rupee (INR) | 39,998 | 552 | 12,277 | 179 |
| British Pound Sterling (GBP) | 16 | 19 | 63 | 75 |
| Argentinean Peso (ARS) | 214 | 33 | 200 | 36 |
| | | **51,262** | | **33,476** |

The current investments include a fixed term deposit account of kEUR 5,000, which can only be utilised with the approval of DZ Bank AG.

## (18) Capital

### Subscribed capital

CABB International GmbH was established on 12 October 2010 with share capital of kEUR 25.

### Capital reserves

In connection with the acquisition of CABB Investment GmbH, the sole partner European Chemical Services S.à r.l. made a voluntary additional payment of kEUR 59,500 into the capital reserves of CABB International GmbH pursuant to the partners' resolution of 12 April 2011. Pursuant to the partners' resolution of 10 August 2011, a further voluntary additional payment of kEUR 6,054 was made into the capital reserves of CABB International GmbH in connection with the acquisition of the KemFine Group Oy.

### Capital management

The objective of the Group is to maintain an adequate capital base in order to maintain the confidence of lenders and the market and also in order to strengthen the future business development.

## (19) Provisions for pensions and similar obligations

The CABB Group provides its employees with retirement benefits in the form of defined-benefit plans. In Germany, retirement benefits are provided via the pension fund of the employees of the Hoechst Group VVaG. The Swiss employees of the Group are insured with the pension fund (Pensionskasse – PK) of CABB AG, Pratteln, Switzerland. The retirement benefits of the Finnish employees are processed via the pension insurance company Ilmarinen Ltd., Ilmarinen (Finland).

In accordance with IAS 19, the present value of the defined-benefit obligation is calculated using the actuarial valuation method for current one-off premiums or in accordance with the projected unit credit method on the basis of specific parameters. The fair value of the plan assets is deducted from the present value of the pension obligation. The extent of the obligation as well as the plan assets are determined at regular intervals of not more than twelve months; in the case of all defined-benefit plans, they are calculated every year as of 31 December.

Actuarial profits and losses in the defined-benefit plans and also costs resulting from the capping of plan assets are recognised directly in equity. Plan assets which exceed the extent of the obligation are shown under financial assets, with due consideration being given to the capping limits.

The following parameters have been used as the basis for determining the present value of the benefit obligations as of 31 December 2012 for the domestic and international companies:

| Actuarial Assumptions | 31.12.2012 | | 31.12.2011 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| Biometric probability | RT 2005 G Dr. Heubeck | Various | RT 2005 G Dr. Heubeck | Various |
| Discount rate | 3,00% | 2,0%–3,0% | 4,50% | 2,5%–5,0% |
| Expected return from pension funds | 0,00% | 3,50%–4,25% | 0,00% | 4,25%–4,5% |
| Pension trend | 1,75% | 0,1%–2,1% | 1,75% | 0,1%–2,1% |
| Salary trend | 2,50% | 1,0%–2,5% | 2,50% | 1,0%–2,5% |

Age- and gender-related fluctuation probabilities have been used.

In Switzerland and in Finland, the expected return from pension funds is determined on the basis of the companies investment strategy on the respective underlying assets. The expected return of fixed-interest bonds is based on the market value as of the balance sheet date. Experience has shown that the expected returns from shares and real estate reflect long-term dividend yields on the respective markets.

The actuarial assumptions may differ from the actual results due to the change in market conditions and economic climate, higher or lower retirement rates, longer or shorter lives of insured parties and also other estimated factors. These differences can have an impact on the pension obligations recognised in future reporting periods.

The status of pension obligations determined on the basis of the above assumptions is set out in the following:

| | 31.12.2012 | | 31.12.2011 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | kEUR | | | |
| Present value of the defined-benefit obligation | −7,735 | −183,707 | −5,803 | −178,038 |
| Fair value of the plan assets | 0 | 150,453 | 0 | 144,587 |
| **Pension provisions** | **−7,735** | **−33,254** | **−5,803** | **−33,451** |

The present value of the defined-benefit obligations has developed as follows in the financial year 2012:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | kEUR | | | |
| Defined-benefit obligation at the beginning of the period | 5,803 | 178,038 | 0 | 0 |
| Addition due to acquisitions | 0 | 0 | 4,848 | 158,778 |
| Current service cost | 260 | 5,088 | 191 | 3,423 |
| Interest expense | 259 | 4,729 | 162 | 3,810 |
| Payments made by plan participants | 2 | 1,560 | 51 | 522 |
| Change in actuarial profits (−) and losses (+) | 1,420 | 11,165 | 636 | 8,044 |
| Pension payments | −132 | −9,248 | −85 | −7,107 |
| Past service cost | 123 | −8,784 | 0 | 0 |
| Curtailments and settlements | 0 | −128 | 0 | 0 |
| Exchange differences | 0 | 1,287 | 0 | 10,568 |
| **Defined-benefit obligation at the end of the period** | **7,735** | **183,707** | **5,803** | **178,038** |

The fair value of the plan assets of the foreign companies developed as follows in the reporting period:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | kEUR | | | |
| Fair value at the beginning of the period | 0 | 144,587 | 0 | 0 |
| Addition due to acquisitions | 0 | 0 | 0 | 139,788 |
| Expected income of plan assets | 0 | 6,239 | 0 | 4,681 |
| Contribution payments by CABB | 0 | 1,315 | 0 | 357 |
| Contribution payments of employees | 0 | 2,751 | 0 | 1,400 |
| Change in actuarial profits (+) − and losses (−) | 0 | 3,898 | 0 | −3,941 |
| Pension payments | 0 | −9,235 | 0 | −7,107 |
| Curtailments and settlements | 0 | −128 | 0 | 0 |
| Exchange differences | 0 | 1,026 | 0 | 9,409 |

| | | | | |
|---|---|---|---|---|
| **Fair value at the end of the period** | **0** | **150,453** | **0** | **144,587** |

For the financial year 2012, the actual income from the fund assets amounted to kEUR 8,342 (2011: kEUR 649) in Switzerland and kEUR 1,795 (2011: kEUR 140) in Finland.

The plan assets are broken down as follows (in percent):

| Share of plan assets | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Securities | 27% | 31% |
| Fixed-income bonds | 54% | 50% |
| Real estate | 6% | 5% |
| Miscellaneous | 14% | 14% |

The following experience adjustments have resulted from changes in holdings:

| | 31.12.2012 | | 31.12.2011 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | kEUR | | | |
| Present value of the defined-benefit obligation | −7,735 | −183,707 | −5,803 | −178,038 |
| Fair value of the plan assets | 0 | 150,453 | 0 | 144,587 |
| **Shortfall (−)/surplus (+)** | **−7,735** | **−33,254** | **−5,803** | **−33,451** |
| Experience adjustments for the defined-benefit obligations | 520 | 3,090 | −36 | 1,365 |
| Experience adjustments for plan assets | 0 | −2,470 | 0 | −3,926 |

The costs of the defined-benefit plans recognised in the financial year are broken down as follows:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Germany | Abroad | Germany | Abroad |
| | kEUR | | | |
| Current service cost | 260 | 5,088 | 191 | 3,423 |
| Interest expense | 259 | 4,729 | 162 | 3,810 |
| Expected income from plan assets | 0 | −6,239 | 0 | −4,681 |
| Past service cost | 123 | −8,784 | 0 | 0 |
| **Pension expense** | **642** | **−5,206** | **353** | **2,552** |

Income from past service cost relate to a reduction of the conversion rate ("Umwandlungssatz") of the Swiss pension scheme in 2012.

In 2012, additional employer contributions of kEUR 3,556 (2011: kEUR 2,172) were made into statutory pension insurance schemes (defined-contribution plans).

## (20) Other provisions

| | Environment and rehabilitation | Personnel obligations | Other provisions | Total |
|---|---|---|---|---|
| | kEUR | | | |
| As of 1 January 2012 | 4,007 | 6,001 | 3,178 | **13,186** |
| Additions | 399 | 5,459 | 327 | **6,185** |
| Consumption | −1,369 | −3,399 | −2,388 | **−7,156** |
| Reversal | −132 | −897 | −547 | **−1,576** |
| Changes in value due to exchange rate factors | 21 | 2 | 0 | **23** |
| **As of 31 December 2012** | **2,926** | **7,166** | **570** | **10,662** |
| Thereof: current | 1,019 | 6,332 | 570 | 7,921 |

The provision for environment and rehabilitation relates to the responsibility of the Group in relation to the cost of rehabilitating legacy issues in landfill sites in Switzerland as well as waste disposal obligations in Finland. The rehabilitation costs are borne by operating companies established with other parties, whereby the share of CABB AG is

defined in accordance with a distribution formula. The amount of the provision is the best estimate of management for the future outflow of funds in connection with the rehabilitation obligations. It is expected that the process of rehabilitating the largest landfill site will be completed by the year 2013. The provision is not discounted in view of the uncertainty regarding the time scale of the rehabilitation process and the time of future outflows of funds.

The personnel obligations include premiums and bonus payments of kEUR 3,115 (2011: kEUR 2,407), service anniversary payments of kEUR 385 (2011: kEUR 321), semi-retirement agreements of kEUR 99 (2011: kEUR 194) as well as contributions of kEUR 116 (2011: kEUR 153) to the Berufsgenossenschaft (Employers' Liability Insurance Association).

The other provisions mainly comprise provisions for other uncertain liabilities.

## (21) Bank loans

| | 31.12.2012 | | | | 31.12.2011 | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Up to 1 year | 1 to 5 years | more than 5 years | Total | Up to 1 year | 1 to 5 years | more than 5 years |
| | | | | kEUR | | | | |
| Bank loans | **262,451** | 9,887 | 79,625 | 172,939 | **281,269** | 12,417 | 80,713 | 188,139 |
| Other borrowings | **710** | 484 | 226 | 0 | **414** | 0 | 414 | 0 |
| **Total financial liabilities** | **263,161** | 10,370 | 79,852 | 172,939 | **281,683** | 12,417 | 81,127 | 188,139 |

The acquisition of CABB Investment GmbH and the KemFine Group Oy was mainly financed by way of various loan tranches which were extended by a banking syndicate headed by Commerzbank AG, DZ Bank AG Deutsche Zentral- Genossenschaftsbank and Société Générale (London branch). The senior facilities agreement underlying the loan tranches was initially concluded on 10 April 2011 for a volume of kEUR 235,000. It consisted of facility A with a volume of kEUR 72,500, facility B with a volume of kEUR 112,500, a Capex or acquisition facility with a volume of kEUR 30,000 as well as a revolving facility with a volume of kEUR 20,000; only the facilities A and B were paid out on 13 April 2011 in various tranches in the currencies CHF, EUR and USD. In connection with the acquisition of the KemFine Group Oy, facility A was extended by kEUR 40,000 on 4 August 2011, facility B was extended by kEUR 60,000 and the revolving facility was extended by kEUR 1,000.

The loan facilities reported the following remaining amounts as of 31 December 2012:

| Facility | Effective interest rate | Currency | Remaining term | Residual amount as of 31.12.12 | Market value as of 31.12.2012 |
|---|---|---|---|---|---|
| | | | | in TEUR | in TEUR |
| A | 4,04%-4,73% | EUR; USD; CHF | 13.04.2017 | 97,714 | 97,714 |
| B | 4,93%-5,32% | EUR; USD | 13.04.2018 | 173,274 | 173,274 |
| **Total** | | | | **270,988** | |
| Accrued financing costs | | | | −8,547 | |
| Short-term bank loans | | | | 10 | |
| **Total bank loans** | | | | **262,451** | |

The interest relating to the EUR loan tranches is based on EURIBOR plus a margin of between 3.5% and 4.5% per annum, and the interest rate of the foreign currency loan tranches is based on LIBOR plus the above margins. Facility A started to be repaid on 31 December 2011 in six-monthly instalments which increase from an initial 2.3% to 13.5% during the term of the agreement. On the other hand, facility B is repayable upon final maturity. The loans are due to be repaid immediately in the event of a change of owner or if all major assets of the CABB Group are sold.

The senior facilities agreement defines various debt covenants which entitle the banking syndicate to renegotiate the loan agreement if they are not met. These debt covenants were complied with in the financial years 2011 and 2012.

The bank loans are secured in full by way of liens and similar rights. These consist of a subordination agreement and a binding declaration for the shareholder loan, assignation of rights arising from all loans and receivables with regard to Group companies, assignation of claims for damages or claims for compensation arising from the Company purchase agreement, pledging of all credit balances on accounts maintained with credit institutions, blanket assignment of the trade accounts receivable of all external debtors, assignation of the inventories and property, plant and equipment, assignation of the rights arising from the Company-specific insurance policies which have been concluded and assignation of all patents, licences and brand rights. All shares in CABB International GmbH held by the sole partner European Chemical Services S.à r.l. also serve as collateral for the bank loans.

The bank loans are recognised at amortised cost of purchase using the effective interest rate method. Transaction costs, which are amortised over the term of the loan, are deducted; they amounted to kEUR 8,548 as of 31 December 2012 (2011: kEUR 10,306).

The market value of the variable-interest bank loans is equivalent to the nominal value.

**(22) Shareholder loans**

The company acquisitions carried out in the financial year 2011 were financed by way of bank loans and in particular by way of shareholder loans which were extended to CABB International GmbH by European Chemical Services S.à r.l. (ECS) between April and August 2011. The notional value of these shareholder loans amounts to kEUR 131.247. Interest is payable on all loans at a rate of 8.0% per annum, whereby the cumulative interest is retained over the term of the agreement. The cumulative interest as of 31 December 2012 amounted to kEUR 17,043 (2011: kEUR 6,609).

Each of the loans has been extended for a term of ten years starting on the date on which the loan is extended, whereby CABB International GmbH has the right to terminate the loan at any time, subject to providing four weeks' notice. ECS is able to terminate the loans if (i) CABB International GmbH is wound up, (ii) insolvency proceedings are initiated or terminated due to lack of assets, (iii) CABB International GmbH is grossly negligent in violating its contractual obligations, (iv) the investment ratio of ECS falls below 50% or (v) CABB International GmbH or one of its subsidiaries is listed on the stock exchange.

In 2012, a voluntary partial repayment of kEUR 2,500 (including kEUR 182 accumulated interest) was made.

The shareholder loans are subordinated with regard to the bank loans.

**(23) Accounts payable, trade**

The trade accounts payable result from the ongoing sourcing of raw materials and supplies as well as services. Included are payables in foreign currency as follows:

| | 31.12.2012 | | 31.12.2011 | |
|---|---|---|---|---|
| | in TFC | kEUR | in TFC | kEUR |
| Payables in EUR: | | 41,837 | | 36,061 |
| Payables in foreign currency (FC): | | | | |
| Swiss Francs | 14,870 | 12,317 | 17,722 | 14,568 |
| US Dollar | 2,000 | 1,517 | 2,535 | 1,960 |
| Others | | 713 | | 1,102 |
| **Accounts payable, trade** | | **56,384** | | **53,691** |

**Other disclosures**

**(24) Related parties**

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Liabilities due to related parties (loan of European Chemical Services S.à r.l. to CABB International GmbH, including capitalised interest) | 145,972 | 137,856 |
| Interest expense due to shareholder loans | 10,616 | 6,609 |

The sole shareholder of CABB International GmbH is European Chemical Services S.à r.l., Luxembourg. The latter is 95.3% owned by Bridgepoint Europe IV Investments S.à r.l.; the remaining 4.7% are held by CABB Management Beteiligungs GmbH & Co. KG. CABB Management Beteiligungs GmbH & Co. KG was established in the course of the acquisition of the CABB Group in order to provide the management team, the members of the advisory board as well as additional senior executives of the Group with the opportunity of participating indirectly in this acquisition. In the event of the sale of CABB International GmbH or other Group companies, the shareholders and managing directors as well as some employees and the members of the advisory board of the CABB Group are therefore entitled to participate in the disposal proceeds. However, this will not result in any financial charges for CABB International GmbH or another Group company.

Consultancy fees of kEUR 350 were paid in the financial year 2012 (2011: kEUR 346) to Bridgepoint Advisers Limited, an affiliated company of Bridgepoint Europe IV Investments S.à r.l. A provision for outstanding charges was also recognised as of 31 December 2012.

The members of the administrative board and key members of management are also considered to be related parties.

The following persons were managing directors of CABB International GmbH in the financial year 2012:

- Dr. Martin Wienkenhöver, Chief Executive Officer, Leverkusen
- Dr. Uwe Salzer, Chief Financial Officer, Aschaffenburg

Apart from the managing directors, the following persons belong to the management team of the CABB Group and are shareholders of CABB international GmbH unless otherwise stated.

- Ulf Björkqvist, Helsinki, Finland
- Dr. Uwe Brunk, Leverkusen
- Dr. Robert Dahinden, Reinach, Switzerland

The advisory board of the Company consists of the following persons:

- Anthony Clinch, management consultant, Buckinghamshire, Great Britain
- Dr. Hans Elmsheuser, agricultural economist, Rümmingen, Germany
- Graham Oldroyd, investment manager, Weybridge, Surrey, Great Britain (until 31 December 2012)
- Werner Spinner, management consultant, Cologne, Germany (until 31 March 2012)
- Dr. Carl Voigt, management consultant, Rodenbach, Germany
- Marc Zügel, investment manager, Frankfurt, Germany

**Total remuneration of key members of management**

The key members of management are the members of the advisory board, the managing directors of CABB International GmbH as well as the management team of the CABB Group.

The total remuneration of the key members of management amounted to kEUR 2,637 in the financial year 2012 (2011: kEUR 2,725), and is broken down as follows:

| | 2012 | 2011 |
|---|---|---|
| | kEUR | |
| Benefits due in the near future | 2,052 | 2,311 |
| Cost of personnel benefits and social benefits | 584 | 414 |
| **Total remuneration management** | **2,637** | **2,725** |

The total remuneration paid to the members of the management body in the financial year 2012 amounted to kEUR 1,248 (2011: kEUR 2,170). The total remuneration of the advisory board amounted to kEUR 128 in the financial year 2012 (2011: kEUR 113).

There are no provisions (allowances) for doubtful receivables due from key members of management. Moreover, no costs have been incurred for irrecoverable or doubtful receivables.

**(25) Leasing**

Operating leases in which the CABB Group is the lessee:

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| | kEUR | |
| Minimum lease payment obligation for non-cancellable agreements | | |
| Leasing duties up to 1 year | 3,109 | 2,875 |
| Leasing duties 1 to 5 years | 949 | 3,538 |

| | | |
|---|---|---|
| Leasing duties more than 5 years | 20 | 677 |
| **Leasing expense in the current year** | **3,099** | **2,104** |

Leasing obligations include one lease for the anode in the electrolysis function of CABB AG with annual leasing costs of kEUR 387, which was extended for five years on 1 March 2007.

Finance leases in which the CABB Group is the lessee:

| | 2012 | 2011 |
|---|---|---|
| | kEUR | |
| Leasing costs | 154 | 64 |
| Interest costs | 12 | 5 |
| **Total costs of finance leases** | **166** | **69** |
| Future interest costs of existing leases | | |
| Up to 1 year | 22 | 5 |
| 1 to 5 years | 48 | 3 |
| More than 5 years | 0 | 0 |
| **Total of future interest costs for finance leases** | **70** | **8** |

The finance leases cover technical equipment and machinery.

There are no further major leasing obligations.

## (26) Financial instruments

The carrying amounts and market values broken down according to valuation categories for the financial assets and liabilities, set out according to the classes in the balance sheet, are shown in the following table:

| | Valuation category acc. to IAS 39 | Carrying amount 31.12.2012 | Market value 31.12.2012 | Carrying amount 31.12.2011 | Market value 31.12.2011 |
|---|---|---|---|---|---|
| | | | kEUR | | |
| Derivatives | HfT | 15 | 15 | 436 | 436 |
| Accounts receivable, trade | LaR | 54,153 | 54,153 | 60,036 | 60,036 |
| Other financial assets | LaR | 10 | 10 | 40 | 40 |
| Cash and cash equivalents | LaR | 51,262 | 51,262 | 33,476 | 33,476 |
| **Financial assets** | | **105,440** | **105,440** | **93,988** | **93,988** |
| Shareholder loans | FLAC | 145,972 | 145,972 | 137,856 | 137,856 |
| Bank loans | FLAC | 263,161 | 263,161 | 281,683 | 281,683 |
| Liabilities due to finance leases | n.a. | 389 | 389 | 173 | 173 |
| Accounts payable, trade | FLAC | 56,384 | 56,384 | 53,691 | 53,691 |
| **Financial liabilities** | | **465,906** | **465,906** | **473,403** | **473,403** |

**Abbreviations of valuation categories**
HfT: Held for Trading
LaR: Loans and Receivables
AfS: Available for Sale
FLAC: Financial Liablity at Amortised Cost
n.a. not applicable

The following hierarchy has been used for determining the fair values of financial assets and financial liabilities:

- The fair value of financial assets and financial liabilities with standard terms and conditions which are traded on active markets is determined with reference to the listed market prices (comprising listed puttable shares, bills of exchange, bonds and debt instruments).

- The fair value of other financial assets and financial liabilities (excl. derivative instruments) is determined in accordance with generally recognised valuation models based on discounted cash flow analyses and using prices of observable current market transactions and trader listings for similar instruments.

- The fair value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are used in conjunction with the corresponding interest rate structure curves for the term of the instruments for derivatives without optional elements and also option price models for

derivatives with optional elements. Currency futures are measured on the basis of listed futures prices or interest rate structure curves derived from listed market rates in relation to the terms of the agreements. Interest rate swaps are measured with the present value of the estimated future cash flows. They are discounted using the relevant interest rate structure curves derived from listed interest rates.

- The fair value of the financial guarantees is determined by using option price models. The core assumptions in these models are the probability of default of the counterparty (derived from market-based creditworthiness information) and also the amount payable under the guarantee in the event of a default.

The following table shows the financial instruments which are subsequently measured at fair value. These are broken down into levels 1 to 3, depending on the extent to which the fair value is observable:

- Level 1 measurements at fair value are defined as those resulting from listed prices (unadjusted) on active markets for identical financial assets or liabilities.

- Level 2 measurements at fair value are defined as those which do not reflect listed prices for assets and liabilities as in level 1 (data), either derived directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 measurements at fair value are defined as those which result from models which use parameters for measuring assets or liabilities which are not based on observable market data (non-observable parameters, assumptions).

| | Level 1 31.12.2012 | Level 2 31.12.2012 | Level 3 31.12.2012 | Total 31.12.2012 |
|---|---|---|---|---|
| | | kEUR | | |
| Financial assets – HfT | 0 | 15 | 0 | 15 |
| **Financial assets** | **0** | **15** | **0** | **15** |
| Financial liabilities – HfT | 0 | 0 | 0 | 0 |
| **Financial liabilities** | **0** | **0** | **0** | **0** |

| | Level 1 31.12.2012 | Level 2 31.12.2012 | Level 3 31.12.2012 | Total 31.12.2012 |
|---|---|---|---|---|
| | | kEUR | | |
| Financial assets – HfT | 0 | 436 | 0 | 436 |
| **Financial assets** | **0** | **436** | **0** | **436** |
| Financial liabilities – HfT | 0 | 0 | 0 | 0 |
| **Financial liabilities** | **0** | **0** | **0** | **0** |

There were no transfers between level 1 and 2 during the reporting period.

Cash and cash equivalents, trade accounts receivable, other financial assets in the category “Loans and receivables” as well as trade accounts payable and other financial liabilities mainly have short remaining terms. Accordingly, the figures shown in the balance sheet as of the reference date are approximately equivalent to the fair value.

The net results in relation to the valuation categories have developed as follows:

| | | From subsequent measurement | | | Net result | |
|---|---|---|---|---|---|---|
| | From interest rates | At fair value | Currency translation | Adjustment | 2012 | 2011 |
| | | | kEUR | | | |
| Derivatives | 0 | −421 | 0 | 0 | −421 | −956 |
| Loans and receivables | 635 | 0 | 40 | 0 | 675 | −2,387 |
| Financial liabilities at amortised cost | −24,803 | 0 | 920 | 0 | −23,883 | −24,708 |
| **Total** | **−24,168** | **−421** | **960** | **0** | **−23,629** | **−28,051** |

Non-current financial liabilities are recognised at amortised cost of purchase using the effective interest rate method. The negative net result is mainly attributable to the interest expense incurred for the loans raised as part of the Company acquisitions in 2011 as well as the interest on the shareholder loan.

## (27) Financial risk management

The operations of the Group are exposed to market, credit, interest rate and exchange rate risks.

### Foreign currency risks

The Group has raised some of the bank loans in foreign currency. The Group is exposed to changes in exchange rates in the case of operating expenses and sales which are invoiced in foreign currencies.

The following table shows the transaction-related foreign currency risk broken down over the individual main currencies as of 31 December 2012 and 31 December 2011. The effect of an assumed 10% increase in the foreign currency would have the following impact on the consolidated result:

| | Value of assets | | Value of liabilities | | Net effect | |
|---|---|---|---|---|---|---|
| | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 |
| | | | kEUR | | | |
| Currency: | | | | | | |
| USD | 15,017 | 10,696 | −55,316 | −64,960 | −4,030 | −5,426 |
| CHF | 24,144 | 19,584 | −34,045 | −40,137 | −990 | −2,055 |
| **Total effect** | | | | | **−5,020** | **−7,482** |

### Interest rate risk

A one percentage point increase in the market interest rate would be reflected in the following change in the market values of the financial assets and financial liabilities:

| | Carrying amount 31.12.2012 | Market value 31.12.2012 | Interest rate | Market value assuming a change of interest rate: Increase 1% | Market value assuming a change of interest rate: Reduction 1% |
|---|---|---|---|---|---|
| | | | kEUR | | |
| Bank loan tranche A | 97,714 | 97,714 | Variable | 0 | 0 |
| Bank loan tranche B | 173,274 | 173,274 | Variable | 0 | 0 |
| Shareholder loan European Chemical Services S.à r.l. | 145,972 | 145,972 | Fix | 135,596 | 157,250 |
| Cash and cash equivalents | 51,262 | 51,262 | Variable | 0 | 0 |

| | Carrying amount 31.12.2011 | Market value 31.12.2011 | Interest rate | Market value assuming a change of interest rate: Increase 1% | Market value assuming a change of interest rate: Reduction 1% |
|---|---|---|---|---|---|
| | | | kEUR | | |
| Bank loan tranche A | 116,664 | 116,664 | Variable | 0 | 0 |
| Bank loan tranche B | 173,485 | 173,485 | Variable | 0 | 0 |
| Shareholder loan European Chemical Services S.à r.l. | 137,856 | 137,856 | Fix | 149,894 | 163,112 |
| Cash and cash equivalents | 33,476 | 33,476 | Variable | 0 | 0 |

On 31 December 2012, and as a result of rate cap agreements, a figure of kEUR 249,898 (2011: kEUR 128,604) out of the bank loans was hedged against rate increases until 30 September 2014. These rate caps ensure that the Group's maximum interest rate for EURIBOR is 2.33% per annum, and that the corresponding figures for USD LIBOR and CHF LIBOR are 1.1% p.a. and 0.77% p.a. respectively.

Changes in the market rates of interest rate derivatives (interest swaps, interest caps) which are not included in a hedge in accordance with IAS 39 have an impact on the other operating income and the other operating expenses, and are therefore included in the result-based sensitivity calculations.

Currency derivatives are not included in the scenario of interest rate risks.

In the CABB Group, there were variable-interest financial liabilities of kEUR 270,988 as of the balance sheet date (2011: kEUR 290,149). These are opposed by variable-interest liquid assets of kEUR 51,262 (2011: kEUR 33,476).

The following table shows the theoretical effects of a 1% increase or decline in interest rates on consolidated result and the change in value recognised directly in equity (both after tax):

| | 31.12.2012 | | 31.12.2011 | |
|---|---|---|---|---|
| | Group result | Recognised changes in value | Group result | Recognised changes in value |
| | kEUR | | | |
| 1% increase in interest rates | −1,564 | 0 | −1,820 | 0 |
| 1% decrease in interest rates | 1,564 | 0 | 1,820 | 0 |

**Counterparty risk**

A default risk of derivative financial instruments arises if counterparties are not able to meet their payment obligations, or are not able to meet these obligations in full. Contracts are therefore only concluded with selected banks and thus with contract partners with a first-class rating in order to limit this risk.

**Credit risks**

The risk attributable to trade accounts receivable or financial receivables is defined as the risk that outstanding receivables are not settled on time or that they are not settled at all. The debtor management function therefore carries out credit checks for new customers and customers based in risk countries. Down-payments and advance payments are agreed in certain cases, or collateral is used, e.g. documentary letters of credit. As soon as receivables have reached the second reminder stage, the sales department is required to make clear payment agreements with the customer. A reminder run is carried out every week. If a receivable reaches the third reminder stage, further deliveries are suspended until payment is actually received.

CABB GmbH and CABB AG have also insured their receivables.

**Liquidity risk**

The current financial liabilities and the financial liabilities expected in future are backed by unutilised credit lines of EUR 50 million. Current obligations are financed out of the cash flow of the Group. It is not expected that any further loans will be raised.

Debt financing arrangements have resulted in the following future obligations (repayment amount and interest), which can also be financed out of cash flow.

| | 31.12.2012 Total | Up to one year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| | | kEUR | | |
| Bank loan (nominal TEUR 270,988 plus transaction costs of TEUR 8,548) | 323,093 | 23,326 | 124,292 | 175,475 |
| Shareholder loan European Chemical Services S.à r.l. | 270,184 | 0 | 0 | 270,184 |
| Other | 780 | 22 | 758 | 0 |
| **Financial liabilities** | **594,057** | 23,348 | 125,050 | 445,659 |

| | 31.12.2011 Total | Up to one year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Bank loan (nominal TEUR 290,149 plus transaction costs of TEUR 10,306) | 411,505 | 35,131 | 159,126 | 217,248 |
| Shareholder loan European Chemical Services S.à r.l. | 275,574 | 0 | 0 | 275,574 |
| Other | 480 | 33 | 447 | 0 |
| **Financial liabilities** | **687,559** | 35,164 | 159,573 | 492,822 |

**(28) Derivative financial instruments**

Interest cap agreements have been taken out to cover interest rate risks in connection with the variable-interest bank loans; these provide the CABB Group with protection against an increase in EURIBOR and LIBOR. The nominal volume of these interest caps amounted to kEUR 197,135, TUSD 49,406 as well as TCHF 18,466 as of 31 December 2012. The agreements are due to run until the year 2014. The market value of these agreements shown under the other receivables and assets amounted to kEUR 15 as of 31 December 2012 (2011: kEUR 436).

## (29) Contingencies and other financial obligations

The following obligations from long-term rental, lease and other service agreements are applicable for the next few years:

| Year | kEUR |
|---|---|
| 2013 | 8,935 |
| 2014 | 2,621 |
| 2015 | 2,552 |
| 2016 | 2,552 |
| 2017 | 2,552 |
| 2018 | 2.552 |
| **Total obligations** | **21,764** |

The term of the agreement is not defined as the period up to the point at which the agreement can be terminated at the earliest possible time; instead, an economic assessment of the fulfilment period is used as the definition of the term.

The firm orders for investments in non-current assets amounted to kEUR 2,437 as of 31 December 2012 (2011: kEUR 1,032).

## (30) Contingent liabilities

At the time of preparing the financial statements, there are no major contingent liabilities due to third parties that require disclosure.

## (31) Information regarding employees

Taking account of the company acquisitions which took place last year, the Company employed on average of 1,084 (2011: 687) persons during the year; the break-down is as follows:

| | 01.01.–31.12.2012 | 01.01.–31.12.2011 |
|---|---|---|
| Production and Technology | 933 | 586 |
| Research and development | 21 | 14 |
| Administration and sales | 130 | 87 |
| **Total average** | **1,084** | **687** |

As of the balance sheet date 31 December 2012, the Group employed 1,078 (2011: 980) persons.

## (32) Auditor's fees

KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (KPMG), has been engaged to audit the consolidated financial statements of the CABB Group. Overall, the companies of the CABB Group have utilised the following services of KPMG:

| | 2012 | 2011 |
|---|---|---|
| | kEUR | |
| Audit of financial statements | 135 | 143 |
| Other certification services | 15 | 4 |
| Tax advisory services | 165 | 98 |
| Other services | 0 | 812 |
| **Total** | **315** | **1,057** |

**(33) Events after the balance sheet date**

There were no major events after the balance sheet date.

Sulzbach am Taunus, 21 March 2013
CABB International GmbH
Management

Dr. Martin Wienkenhöver Dr. Uwe Salzer

The following independent auditor's report (*Bestätigungsvermerk*), prepared in accordance with §322 HGB (German Commercial Code), refers to the complete consolidated financial statements, comprising the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and the notes to the consolidated financial statements together with the group management report. The group management report is not included in this offering memorandum. The above mentioned independent auditor's report and consolidated financial statements are both translations of the respective German language documents. The original German text shall prevail in the event of any discrepancies between the English translation and the German original.

**Auditors' report**

We have audited the consolidated financial statements prepared by CABB International GmbH, Sulzbach am Taunus, comprising the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and the notes to the consolidated financial statements – together with the group management report, for the business year from 1 January to 31 December 2012. The preparation of the consolidated financial statements and the group management report in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB [*Handelsgesetzbuch* – German Commercial Code] are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report, based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [*Handelsgesetzbuch* "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the relevant accounting standards and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a random test basis within the scope of the audit. The audit includes assessing the annual financial statements of companies included in the consolidation, the scope of the consolidation, the accounting and consolidation principles used, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 22 March 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

| | |
|---|---|
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**Monitchem Holdco 3 S.A. and**
**Monitchem Holdco 2 S.A.**

**€175,000,000 Senior Secured Floating Rate Notes due 2021**
**€235,000,000 5.250% Senior Secured Notes due 2021**
**€175,000,000 6.875% Senior Notes due 2022**

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