



**€300,000,000 3.500% Senior Secured Notes due 2022**

**€300,000,000 4.250% Senior Secured Notes due 2024**

**€250,000,000 6.000% Senior Subordinated Notes due 2025**

We ("Loxam," the "Issuer" or the "Company") are a limited liability company (*société par actions simplifiée*) formed under French law. We are offering (i) €300,000,000 principal amount of our 3.500% senior secured notes due 2022 (the "2022 Senior Secured Notes") (ii) €300,000,000 principal amount of our 4.250% senior secured notes due 2024 (the "2024 Senior Secured Notes") and together with the 2022 Senior Secured Notes, the "Senior Secured Notes") and (iii) €250,000,000 principal amount of our 6.000% senior subordinated notes due 2025 (the "Senior Subordinated Notes" and, together with the Senior Secured Notes, the "Notes").

The 2022 Senior Secured Notes will mature on April 15, 2022. We will pay interest on the 2022 Senior Secured Notes semi-annually on each January 15 and July 15, commencing July 15, 2017, at a rate of 3.500% per annum. The 2022 Senior Secured Notes will not initially be guaranteed and will be secured by security interests with first priority under the Intercreditor Agreement (as defined herein) in our "Loxam" trademark and 100% of the share capital of two of our subsidiaries, Loxam Module and Loxam Power and by a first priority security interest over our Lavendon shares. We may redeem all or part of the 2022 Senior Secured Notes at any time on or after April 15, 2019 at the redemption prices described in this offering memorandum. At any time prior to April 15, 2019 we may redeem all or part of the 2022 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this offering memorandum. At any time prior to April 15, 2019, during each 12-month period commencing on the Issue Date (as defined herein), we may redeem up to 10% of the aggregate principal amount of the 2022 Senior Secured Notes at a redemption price of 103% of the principal amount of the 2022 Senior Secured Notes redeemed. In addition, at any time prior to April 15, 2019 we may also redeem up to 45% of the 2022 Senior Secured Notes with the net proceeds from certain equity offerings. Upon certain events constituting a change of control and a specified rating decline (in each case as defined in the offering memorandum), we may be required to make an offer to purchase the 2022 Senior Secured Notes at a price equal to 101% of the principal amount thereof. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the 2022 Senior Secured Notes.

The 2024 Senior Secured Notes will mature on April 15, 2024. We will pay interest on the 2024 Senior Secured Notes semi-annually on each January 15 and July 15, commencing July 15, 2017, at a rate of 4.250% per annum. The 2024 Senior Secured Notes will not initially be guaranteed and will be secured by security interests with first priority under the Intercreditor Agreement (as defined herein) in our "Loxam" trademark and 100% of the share capital of two of our subsidiaries, Loxam Module and Loxam Power and by a first priority security interest over our Lavendon shares. We may redeem all or part of the 2024 Senior Secured Notes at any time on or after April 15, 2020 at the redemption prices described in this offering memorandum. At any time prior to April 15, 2020 we may redeem all or part of the 2024 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this offering memorandum. At any time prior to April 15, 2020, during each 12-month period commencing on the Issue Date (as defined herein), we may redeem up to 10% of the aggregate principal amount of the 2024 Senior Secured Notes at a redemption price of 103% of the principal amount of the 2024 Senior Secured Notes redeemed. In addition, at any time prior to April 15, 2020 we may also redeem up to 45% of the 2024 Senior Secured Notes with the net proceeds from certain equity offerings. Upon certain events constituting a change of control and a specified rating decline (in each case as defined in the offering memorandum), we may be required to make an offer to purchase the 2024 Senior Secured Notes at a price equal to 101% of the principal amount thereof. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the 2024 Senior Secured Notes.

The Senior Subordinated Notes will mature on April 15, 2025. We will pay interest on the Senior Subordinated Notes semi-annually on each April 15 and October 15, commencing October 15, 2017, at a rate of 6.000% per annum. The Senior Subordinated Notes will initially not be guaranteed and will be expressly subordinated in right of payment to indebtedness incurred under our Revolving Credit Facility (as defined herein), the 2014 Senior Secured Notes (as defined herein), the 2016 Senior Secured Notes (as defined herein), the Senior Secured Notes and other future senior debt. We may redeem all or part of the Senior Subordinated Notes at any time on or after April 15, 2020 at the redemption prices described in this offering memorandum. At any time prior to April 15, 2020 we may redeem all or part of the Senior Subordinated Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this offering memorandum. In addition, at any time prior to April 15, 2020 we may also redeem up to 45% of the Senior Subordinated Notes with the net proceeds from certain equity offerings. Upon certain events constituting a change of control and a specified rating decline (in each case as defined in the offering memorandum), we may be required to make an offer to purchase the Senior Subordinated Notes at a price equal to 101% of the principal amount thereof. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the Senior Subordinated Notes.

This offering memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended. 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 ("Euro MTF").

This offering memorandum includes information on the terms of the Notes, including redemption prices, covenants and transfer restrictions.

**Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 27.**

The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, the offering is being made only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A under the Securities Act. You are hereby notified that the initial purchasers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act. See "Notice to Investors" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions.

**Price for the 2022 Senior Secured Notes: 100%**

**Price for the 2024 Senior Secured Notes: 100%**

**Price for the Senior Subordinated Notes: 100%**  
plus accrued interest, if any, from the issue date.

Delivery of the Notes in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream"), has been made on or about April 4, 2017.

#### **Joint Bookrunners**

**Deutsche  
Bank**

**Crédit Agricole  
CIB**

**Natixis**

**Société  
Générale**

The date of this offering memorandum is March 29, 2017.

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**This offering memorandum may only be used where it is legal to sell these Notes and may only be used for the purposes for which it has been published. The information in this offering memorandum may only be accurate on the date of this offering memorandum.**

## NOTICE TO INVESTORS

We, having made all reasonable inquiries, confirm to the best of our knowledge, information and belief that the information contained in this offering memorandum with respect to us and our consolidated subsidiaries and affiliates taken as a whole and the Notes offered hereby is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this document are honestly held and that there are no other facts the omission of which would make this offering memorandum as a whole misleading in any material respect. Subject to the following paragraphs, we accept responsibility for the information contained in this offering memorandum.

We are providing this offering memorandum only to prospective purchasers of the Notes. You should read this offering memorandum before making a decision whether to purchase any Notes. You must not use this offering memorandum for any other purpose or disclose any information in this offering memorandum to any other person.

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 to 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, offer or sell any Notes or possess or distribute this offering memorandum. We and the initial purchasers are not responsible for your compliance with any of the foregoing legal requirements. See “Plan of Distribution.”

None of us, the initial purchasers or any of our or the initial purchasers’ respective representatives are making an offer to sell the Notes in any jurisdiction except where such an offer or sale is permitted. We are relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements set forth under “Transfer Restrictions” in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering memorandum is based on information provided by us and by other sources that we believe are reliable. The initial purchasers named in this offering memorandum, the Trustee, the Security Agent, the Paying Agent, the Registrar and the Transfer Agent make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers with respect to the Company or the Notes as to the past or the future.

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 has been authorized in connection with any offering made by this offering memorandum to provide any information or to make any representations other than those contained in this offering memorandum. You should carefully evaluate the information provided by the Company in light of the total mix of information available to you, recognizing that the Company can provide no assurance as to the reliability of any information not contained in this offering memorandum.

The information contained in this offering memorandum speaks 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 forth in this offering memorandum or in our business since the date of this offering memorandum.

None of us, the initial purchaser, the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent or any of our or the initial purchaser’s respective representatives are making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, financial, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, financial, business and tax and related aspects of an investment in the Notes. You are responsible for making your own examination of the Company and our business and your own assessment of the merits and risks of investing in the Notes.

You should contact the initial purchasers with any questions about this offering or if you require additional information to verify the information contained in this offering memorandum.

Neither the U.S. Securities and Exchange Commission (the “Commission” or the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In addition, the Notes are subject to restrictions on transferability and resale, which are described under the captions “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 those sections of this offering memorandum.

The Notes have been issued in the form of one or more global notes, all of which will be deposited with or on behalf of, Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and Clearstream or their respective participants. See “Book-Entry, Delivery and Form.”

We will not, nor will any of our agents, have responsibility for the performance of the 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.

We reserve the right to withdraw this offering of the Notes at any time. We and the initial purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The initial purchasers and certain of their related entities may acquire, for their own accounts, a portion of the Notes.

## STABILIZATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING 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 IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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### *Notice relating to the U.S. Securities Act*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, the offering of the Notes is being made only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act). Prospective purchasers that are qualified institutional buyers are hereby notified that the initial purchasers of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in offshore transactions (as defined in Regulation S).

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.

### *Notice to investors in the European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Member State”), each initial purchaser has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Member State other than offers:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers for any such offer; 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 Issuer or any initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Notes in any 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU), and includes any relevant implementing measure in the relevant individual Member States.

### *Notice to certain European investors*

#### *France*

Each initial purchaser has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed any Notes to the public in France, within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général* of the *Autorité des Marchés Financiers* (the French financial markets authority) (the “AMF”). Consequently, the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the

public in France (*offre au public de titres financiers*), and neither this offering memorandum nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

This offering memorandum or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) investment services providers authorized to engage in portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and (b) qualified investors (*investisseurs qualifiés*), other than individuals, as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Prospective investors are informed that:

- (i) neither this offering memorandum nor any other offering material relating to the Notes has been or will be submitted for clearance to the AMF;
- (ii) in compliance with Articles L.411-2 and D.411-1 of the French *Code monétaire et financier*, any qualified investors subscribing for the Notes should be acting for their own account; and
- (iii) the direct and indirect distribution or sale to the public of the Notes acquired by those investors to whom offers and sales of the Notes may be made as described above may only be made in compliance with Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

#### *United Kingdom*

Each initial purchaser has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it 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.

#### *Notice to investors in other jurisdictions*

The distribution of this offering memorandum and the offer and sale or resale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum (or any part hereof) comes are required by us and the initial purchasers to inform themselves about, and to observe, any such restrictions.

## AVAILABLE INFORMATION

Each purchaser of Notes from the initial purchasers will be furnished with a copy of this offering memorandum and, to the extent provided to the initial purchasers by us, any related amendment or supplement to this offering memorandum. So long as any Notes are outstanding and are “restricted securities” within the meaning of Rule 144 under the Securities Act, we will, upon request, furnish to any holder or beneficial owner of the Notes the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes if, at the time of the request, we are neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g 3-2(b) thereunder. Any such request should be directed to the Company at 89, avenue de la Grande Armée, 75219 Paris Cedex 16, France, Attention: Director of Finance and Administration. Telephone: +33 1 58 44 04 00.

Additionally, so long as any of the Notes are listed on the Luxembourg Stock Exchange and its rules so require, copies of these filings, this offering memorandum and other information relating to such issuance of Notes will be available in the specified offices of the listing agent in Luxembourg at the address listed on the inside of the back cover of this offering memorandum. See “General Information.”

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Defined Terms and Conventions

In this offering memorandum, “we,” “us,” “our” and “our group” refer to Loxam S.A.S. and its consolidated subsidiaries, unless the context otherwise requires, and the “Company” and “Issuer” refer to Loxam S.A.S.

In this offering memorandum, references to “euros” or “€” are to the euro, the official currency of the European Union member states participating in the European Monetary Union, references to “\$,” “U.S.\$” and “U.S. dollars” are to the United States dollar, the official currency of the United States, and references to “pounds sterling” or “£” are to the British pound sterling, the official currency of the United Kingdom.

In addition, unless indicated otherwise, or the context otherwise requires, references in this offering memorandum to:

- “2013 Senior Subordinated Notes” are to the €300 million principal amount of 7.375% Senior Subordinated Notes due 2020 issued on January 24, 2013 and redeemed in May 2016;
- “2014 Indentures” are to the 2014 Senior Secured Indenture and the 2014 Senior Subordinated Indenture;
- “2014 Notes” are to the 2014 Senior Secured Notes and the 2014 Senior Subordinated Notes;
- “2014 Senior Secured Indenture” are to the indenture governing the 2014 Senior Secured Notes;
- “2014 Senior Subordinated Indenture” are to the indenture governing the 2014 Senior Subordinated Notes;
- “2014 Senior Secured Notes” are to the €410 million principal amount of 4.875% senior secured notes due 2021 issued on July 23, 2014;
- “2014 Senior Subordinated Notes” are to the €250 million principal amount of 7.000% senior subordinated notes due 2022 issued on July 23, 2014;
- “2016 Indenture” are to the indenture governing the 2016 Senior Secured Notes;
- “2016 Senior Secured Notes” are to the €250 million principal amount of 3.500% senior secured notes due 2023 issued on May 3, 2016;
- “2022 Senior Secured Indenture” are to the indenture governing the 2022 Senior Secured Notes offered hereby;
- “2024 Senior Secured Indenture” are to the indenture governing the 2024 Senior Secured Notes offered hereby;
- “Auditors” are to our statutory auditors, KPMG Audit (a division of KPMG SA) and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited);
- “Bilateral credit facilities” are to the senior unsecured loans borrowed by us and certain of our subsidiaries under various credit lines and instruments;

- “Bridge Facility Agreement” are to the bridge facility agreement entered into on February 10, 2017 among Loxam S.A.S., as borrower, Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale Corporate & Investment Banking, as arrangers, Deutsche Bank AG, London Branch, as agent and Wilmington Trust (London) Limited as security agent, relating to a senior secured facility of up to an aggregate amount of €795 million comprised of a revolving bridge facility in an aggregate amount of up to €80 million and a term bridge facility in an aggregate amount of up to €795 million in connection with the Lavendon Acquisition;
- “EBITDA” are to profit from ordinary operations plus depreciation and amortization of fixed assets;
- “Existing Indentures” are to the 2014 Indentures and the 2016 Indenture;
- “Free cash flow” are to EBITDA less net capital expenditures, finance income and expense, income taxes (expenses payable), capital gains on fleet disposals and certain other income and expenses and changes in working capital. This definition is used for presentation of financial information only and does not correspond to the term Consolidated Cash Flow used in the section “Description of the Senior Secured Notes” and “Description of the Senior Subordinated Notes”;
- “Gross book value” are to the total acquisition cost of the fleet equipment;
- “Gross debt” or “total debt” are to loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt, less capitalized debt issuance costs;
- “Hertz Equipment Acquisition” are to our acquisition of Hertz Equipment Rental Company’s French and Spanish businesses, completed on October 30, 2015 through our purchase of 100% of the share capital and voting rights of Hertz Equipement France and Hertz Alquiler de Maquinaria, respectively;
- “Hune Group” are to Hune Rental S.L., a Spanish company, and its subsidiaries Hune Locations SAS (France), Hune Aluguer Lda (Portugal) and its minority shareholding interests in Hune Specialized International Company (Saudi Arabia) and Gruas y Equipos Hune SAS (Colombia);
- “Hune Group Acquisition” are to our acquisition of Hune Group, completed on February 6, 2017 through our purchase of 100% of the share capital and voting rights of Hune Group;
- “IFRS” are to the International Financial Reporting Standards as adopted by the European Union;
- “Indenture” or “Indentures” are to the 2022 Senior Secured Indenture, the 2024 Senior Secured Indenture and/or the Senior Subordinated Indenture, as the context requires;
- “Intercreditor Agreement” are to the intercreditor agreement which was dated July 23, 2014, and amended and restated on December 29, 2016, entered into among, the Issuer, Wilmington Trust, National Association, as Trustee, Wilmington Trust (London) Limited as security agent for the 2014 Senior Secured Notes, Natixis S.A. as senior agent and security agent for the lenders and the financial institutions listed therein as the lenders under the Revolving Credit Facility, and acceded to by Wilmington Trust, National Association, as trustee for the 2016 Senior Secured Notes, on or about May 3, 2016, as further amended, restated or otherwise modified or varied from time to time and to which the Trustee will accede on or about the Issue Date;
- “Issue Date” are to April 4, 2017;
- “Lavendon” are to Lavendon Group plc;
- “Lavendon Acquisition” are to our acquisition of Lavendon Group plc through a recommended all-cash offer to purchase the entire issued and to be issued share capital of Lavendon followed by a compulsory acquisition pursuant to sections 974 to 991 of the Companies Act 2006;
- “Lavendon Revolving Credit Facility” are to the multicurrency revolving credit facility dated August 29, 2014, entered into, among others, Lavendon, HSBC Bank plc and HSBC Corporate Trustee Company (UK) Limited in relation to an initial €60 million and £50 million credit agreement, as amended and restated from time to time;
- “Lavendon US Private Placements” are to the Lavendon’s €60 million 4.89% series A senior secured notes due July 1, 2019, €17.5 million 2.54% series B senior secured notes due August 31, 2021 and €17.5 million 2.92% series C senior secured notes due August 29, 2024;



- “Like-for-like” are to changes in revenue for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation and the impact of changes in exchange rates, if any;
- “Net book value” are to the total acquisition cost of the fleet equipment less the accumulated depreciation of such equipment;
- “Net capital expenditures” are to capital expenditures net of disposals of fixed assets;
- “Net debt” are to gross debt less cash and cash equivalents (cash plus marketable investment securities);
- “Revolving Credit Facility” are to the €75 million senior revolving credit facility dated February 28, 2017 by, among others, the Company, Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale Corporate and Investment Banking;
- “Revolving Credit Facility Collateral” are to the collateral granted to secure the Revolving Credit Facility pursuant to the French law framework “*Dailly*” receivables security assignment agreement and the French law bank account pledge agreement to be entered into on or about the date the Notes are issued as described in “Description of Certain Indebtedness—Revolving Credit Facility—Security”;
- “Offer” are to our offer to acquire the entire issued and to be issued share capital of Lavendon by way of a takeover offer within the meaning of Part 28 of the Companies Act of 2006 for £2.70 per share in cash or total consideration of £465.5 million (approximately €536.4 million based on the exchange rate as of March 20, 2017), announced on January 18, 2017;
- “Organic” or “constant scope” are to changes in revenue for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation;
- “Replacement value” are to the estimated replacement cost of the rental fleet based on the price of equipment assumed for purposes of preparing our internal budget as of the date indicated;
- “Security Agent” are, as the context requires, either to Natixis S.A. as security agent under the Revolving Credit Facility or to Wilmington Trust (London) Limited as security agent under the 2014 Senior Secured Indenture, the 2016 Indenture and the Senior Secured Indentures;
- “Senior Secured Collateral” are to our “Loxam” trademark and 100% of the share capital of two of our subsidiaries, Loxam Module and Loxam Power;
- “Senior Secured Indentures” are to the 2022 Senior Secured Indenture and the 2024 Senior Secured Indenture;
- “Senior Subordinated Indenture” are to the indenture governing the Senior Subordinated Notes offered hereby;
- “Senior Secured Security” are to the Senior Secured Collateral and, upon issue of the Senior Secured Notes and until their redemption in full, the shares that we hold in Lavendon;
- “Squeeze-Out” are to our compulsory acquisition pursuant to sections 974 to 991 of the Companies Act 2006, on the same terms as the Offer, of the remaining Lavendon shares that were not voluntarily tendered in the Offer;
- “Syndicated credit facilities” are to our senior secured credit facilities entered into with a syndicate of banks and Natixis as agent and collateral agent, which we amended on December 21, 2012;
- “Trustee” are to Wilmington Trust, National Association as trustee for the Notes; and
- “Utilization rate” are to the number of days that our equipment is actually rented in a given period divided by the number of business days in such period, weighted on the basis of our reference rental value of the equipment.

This offering memorandum contains references to some of our owned or licensed trademarks, trade names and service marks, which we refer to as our brands. All of the product names and logos included in this offering memorandum are either registered trademarks of ours or of our licensors.

## Loxam Financial Information

Our audited financial statements as of and for the years ended December 31, 2013, 2014, 2015 and 2016, an English language translation of which is included in this offering memorandum, were prepared in accordance with IFRS. Our audited financial statements have been audited by our statutory auditors, KPMG Audit (a division of KPMG SA) and Constantin Associés

(a member of Deloitte Touche Tohmatsu Limited) (together, our “Auditors”). A free English language translation of their audit reports thereon is included elsewhere in this offering memorandum.

## Lavendon Financial Information

Audited financial statements for Lavendon as of and for the year ended December 31, 2016 which are included in this offering memorandum were prepared in accordance with IFRS. Lavendon’s audited financial statements have been audited by their statutory auditors, PricewaterhouseCoopers LLP for the year ended December 31, 2015 and Deloitte LLP for the year ended December 31, 2016. The audit report of Deloitte LLP with respect to the financial statements for the year ended December 31, 2016 is included elsewhere in this offering memorandum.

The discussion of Lavendon’s results of operations refers to indicators relating to its “underlying business,” which exclude charges for amortization of intellectual property and intangibles recognized on acquisitions, and certain exceptional items. Lavendon defines exceptional items to be those that, by virtue of their nature, size or frequency, warrant separate disclosure in the financial statements in order to better understand its underlying performance. Such exceptional items include, but are not limited to, costs of reorganization and restructuring, impairment of non-current assets, significant one-off financing costs and significant one-off claims. The measures described below do not comply with IFRS, see “– Non-IFRS Financial Measures.” Lavendon presents these non-IFRS measures because it believes that they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. Lavendon’s underlying results, for example, facilitate comparison with prior periods and the understanding of its financial performance. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Lavendon management.

Lavendon also provides certain information on the basis of “constant exchange rates.” This means that percentage changes are calculated by comparing (i) figures for the specified year, using foreign currency revenues and expenses converted to pounds sterling on the basis of the exchange rate for the prior year (using the average rate for income statement items and the closing rate for balance sheet items), with (ii) the actual prior year figures. For purposes of these presentations, the following 2015 exchange rates were used for 2016 figures provided at “constant exchange rates:”

Year 2015 (against the pound sterling)	Average rate	Closing rate
Euro	1.3768	1.3570
U.S. dollar*	1.5284	1.4802
UAE Dirham	5.6127	5.4355
Saudi Riyal	5.7306	5.5540
Qatari Riyal	5.5598	5.3856
Bahraini Dinar	0.5725	0.5544
Omani Riyal	0.5866	0.5679

\* The pound sterling/U.S.dollar exchange rate is used by Lavendon in the presentation of its financial information as a proxy for various Middle East currencies that are pegged to the U.S. dollar, to facilitate the presentation and comparability of financial information relating to its operations in the Middle East. In practice, Lavendon accounts for its operations in the applicable local currencies and converts its results to pounds sterling using the applicable foreign exchange rates.

Unless otherwise indicated, amounts expressed both in pounds sterling and in euros were converted at a period-end fixed exchange rate of €0.85618 per pound sterling at December 31, 2016 and €0.85305 per pound sterling at February 28, 2017, and at an average exchange rate of €0.85713 per pound sterling for results of operations for the two months ended at February 28, 2017.

References in the discussion of Lavendon’s financial position and results of operations under “The Lavendon Group” to:

“Underlying EBITDA” are to Lavendon’s earnings before interest, taxation, depreciation and amortization but excluding exceptional items, meaning exceptional operating expenses that Lavendon does not consider representative of its underlying operations; EBITDA should not be considered an alternative to net profit as an indicator of Lavendon’s operating performance or any other measures of performance derived in accordance with IFRS. A reconciliation from profit to Underlying EBITDA is presented below:

**For the year ended  
December 31,**

<b>2015</b>	<b>2016</b>
-------------	-------------

**(in millions of pounds sterling)**

<b>Profit/loss for the year</b> .....	8.3	29.4
Taxation on profit .....	7.8	8.6
Net finance expense .....	4.6	5.5
Depreciation .....	41.4	51.5
Amortization .....	3.1	3.3
Exceptional items* .....	20.6	3.9
<b>Underlying EBITDA</b> .....	<b>85.9</b>	<b>102.1</b>

\* See “Note 3: Exceptional items and amortisation” to Lavendon’s audited consolidated financial statements as of and for the year ended December 31, 2016 for further information on exceptional items.

“Underlying operating profit” are to operating profit excluding amortization of intellectual property, amortization of intangibles recognized on acquisitions and exceptional items which is used by Lavendon to assess the trading performance of its business. A reconciliation from operating profit to underlying operating profit is presented below:

**For the year ended  
December 31,**

<b>2015</b>	<b>2016</b>
-------------	-------------

**(in millions of pounds sterling)**

<b>Operating profit</b> .....	20.7	43.5
Amortization of intellectual property .....	1.7	1.8
Amortization of intangibles recognized on acquisitions .....	-	-
Exceptional items* .....	20.6	3.9
<b>Underlying operating profit</b> .....	<b>43.1</b>	<b>49.1</b>

\* See “Note 3: Exceptional items and amortisation” to Lavendon’s audited consolidated financial statements as of and for the year ended December 31, 2016 for further information on exceptional items.

“Underlying profit before tax” are to profit before taxation excluding amortization of intellectual property, amortization of intangibles recognized on acquisitions and exceptional items. A reconciliation from profit before taxation to underlying profit before taxation is presented below:

**For the year ended  
December 31,**

<b>2015</b>	<b>2016</b>
-------------	-------------

**(in millions of pounds sterling)**

<b>Profit before taxation</b> .....	16.2	38.0
Amortization of intellectual property .....	1.7	1.8
Amortization of intangibles recognized on acquisitions .....	-	-
Exceptional items* .....	20.6	3.9
<b>Underlying profit before taxation</b> .....	<b>38.5</b>	<b>43.6</b>

\* See “Note 3: Exceptional items and amortisation” to Lavendon’s audited consolidated financial statements as of and for the year ended December 31, 2016 for further information on exceptional items.

“Underlying profit after tax” are to profit for the year excluding amortization of intellectual property, amortization of intangibles recognized on acquisitions, exceptional items, tax credits on exceptional items, and the effect of taxation of amortization of intellectual property and intangibles recognized on acquisitions. A reconciliation from profit for the year to underlying profit after tax is presented below:

	For the year ended December 31,	
	2015	2016
	(in millions of pounds sterling)	

<b>Profit/loss for the year</b> .....	8.3	29.4
Amortization of intellectual property.....	1.7	1.8
Amortization of intangibles recognized on acquisitions.....	-	-
Exceptional items*.....	20.6	3.9
Tax credits on exceptional items.....	-	(1.0)
Effect of taxation on amortization of intellectual property and intangibles recognized on acquisitions.....	(0.2)	(0.1)
<b>Underlying profit after tax</b> .....	<b>30.4</b>	<b>34.0</b>

\* See “Note 3: Exceptional items and amortisation” to Lavendon’s audited consolidated financial statements as of and for the year ended December 31, 2016 for further information on exceptional items.

“Underlying EBITDA margin” are to underlying EBITDA divided by revenue;

“Underlying operating profit margin” are to underlying operating profit divided by revenue; and

“Net debt to underlying EBITDA ratio” are to net debt divided by underlying EBITDA.

### Unaudited Pro Forma Consolidated Condensed Financial Information

In this offering memorandum, we present certain unaudited consolidated financial information on a pro forma basis, as if the Lavendon Acquisition and the Hune Group Acquisition had occurred on January 1, 2016 (for income statement purposes) or December 31, 2016 (for balance sheet purposes). The Unaudited Pro Forma Consolidated Condensed Financial Information as of and for the year ended December 31, 2016 has been prepared for illustrative purposes only and does not purport to represent what our actual results of operations or financial condition would have been if the Lavendon Acquisition and the Hune Group Acquisition had occurred on those dates, nor does it purport to be indicative of our future results of operations or financial position. Such Unaudited Pro Forma Consolidated Condensed Financial Information consists only of Unaudited Pro Forma Consolidated Condensed income statement information, an Unaudited Pro Forma Consolidated Condensed balance sheet and explanatory notes.

The Unaudited Pro Forma Consolidated Condensed Financial Information set forth in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the Lavendon Acquisition and the Hune Group Acquisition occurred on January 1, 2016 or December 31, 2016. Additionally, the Unaudited Pro Forma Consolidated Condensed Financial Information was prepared based on the assumption that this offering would include €560,000,000 million aggregate principal amount of senior secured notes and €250,000,000 aggregate principal amount of senior subordinated notes, which was the initial planned size of the offering. The aggregate principal amount of senior secured notes offered hereby was subsequently increased to €600,000,000 and split into the 2022 Senior Secured Notes and the 2024 Senior Secured Notes, but the Unaudited Pro Forma Consolidated Condensed Financial Information was not adjusted accordingly. See “Unaudited Pro Forma Consolidated Condensed Financial Information.”

The Unaudited Pro Forma Consolidated Condensed Financial Information includes the results of operations and financial condition of Lavendon and Hune Group for the periods presented even though we did not control Lavendon and Hune Group for all or any of the duration of the periods presented and we would not have been permitted under IFRS to consolidate the results of Lavendon and Hune Group in any historical financial statements prior to the date of the Lavendon Acquisition and the Hune Group Acquisition. See “Unaudited Pro Forma Consolidated Condensed Financial Information.”

The Unaudited Pro Forma Consolidated Condensed Financial Information has not been prepared in accordance with Article 11 of Regulation S-X under the Securities Act or any generally accepted accounting standards. The Unaudited Pro Forma Consolidated Condensed Financial Information has been prepared in accordance with the basis of preparation described in “Unaudited Pro Forma Consolidated Condensed Financial Information.”

Rounding adjustments have been made in calculating some of the financial and other information included in this offering memorandum. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

### Non-IFRS Financial Measures

This offering memorandum contains measures and ratios that do not comply with IFRS, including EBITDA, free cash flow and net debt, among others. We present these non-IFRS measures because we believe that they and similar measures are

widely used by certain investors as supplemental measures of performance and liquidity. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools. For example, we calculate EBITDA differently from Lavendon's calculation of underlying EBITDA, from which Lavendon excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See "The Lavendon Group – Results of Operations."

Non-IFRS measures and ratios such as EBITDA, underlying EBITDA, free cash flow and net debt are not measurements of our performance or liquidity under IFRS and should not be considered to be alternatives to operating income or any other performance measures derived in accordance with IFRS. Furthermore, they should not be considered to be alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS.

### **As Adjusted Financial Data**

We present in this offering memorandum certain as adjusted financial data that are based on certain Unaudited Pro Forma Consolidated Condensed Financial Information, as adjusted to give effect to issuance of the Notes offered hereby, including the application of the net proceeds of the Notes as set forth under "Use of Proceeds," as of December 31, 2016. See "Summary Consolidated Condensed Financial Information—Unaudited Pro Forma Consolidated Condensed Financial Information" and "Capitalization." The as adjusted financial data have not been prepared in accordance with the requirements of Regulation S-X of the Securities Act or any generally accepted accounting standards. Neither the assumptions underlying the related adjustments nor the resulting as adjusted financial data have been audited or reviewed in accordance with any generally accepted auditing standards.

### **Use of Industry and Market Data in this Offering Memorandum**

Unless otherwise expressly indicated or noted below, all information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our business contained in this offering memorandum are based on estimates prepared by us based on certain assumptions and our knowledge of the industry in which we operate, as well as data from various market research publications, publicly available information and industry publications, including reports published by various third-party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data.

We use a combination of data provided by the European Rental Association, KHL Group, DLR Federation Nationale, Euroconstruct, IPAF Powered Access Rental and BMI among others.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market related analysis and estimates, requiring us to rely on our own internally developed estimates regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants based on experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors. While we have examined and relied upon certain market or other industry data from external sources as the basis for our estimates, neither we nor the initial purchasers have verified that data independently. We and the initial purchasers cannot assure you of the accuracy and completeness of, and take no responsibility for, such data. Similarly, while we believe our internal estimates to be reasonable, these estimates have not been verified by any independent source and we and the initial purchasers cannot assure you as to their accuracy. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Forward-Looking Statements" and "Risk Factors."

### **Other Information in this Offering Memorandum**

Certain information provided in this offering memorandum has been sourced from third parties. We confirm that such third-party information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the third-party information reproduced herein inaccurate or misleading.

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 or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, this offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request.

## FORWARD-LOOKING STATEMENTS

This offering memorandum includes “forward-looking statements” within the meaning of the U.S. federal securities laws, which involve risks and uncertainties, including, without limitation, certain statements regarding management’s expectations as to our expectations regarding our business, growth, future financial condition, results of operations and prospects and other statements made in the sections entitled “Summary,” “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” You can identify forward-looking statements because they contain words such as “believe,” “expect,” “may,” “should,” “seek,” “intend,” “plan,” “estimate,” or “anticipate” or similar expressions that relate to our strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We have based these forward-looking statements on our current views and assumptions about future events. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. We cannot assure you that future results will be achieved. All forward-looking statements are based upon information available to us on the date of this offering memorandum.

Important factors that could cause actual results to differ materially from our expectations (“cautionary statements”) are disclosed under “Risk Factors” and elsewhere in this offering memorandum, including, without limitation, in conjunction with the forward-looking statements included in this offering memorandum. All forward-looking information in this offering memorandum and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our actual results include:

- declines in construction and civil engineering activities, or a downturn in the economy in general;
- unfavorable conditions or disruptions in the capital and credit markets;
- the effects of competition;
- increases in the cost of equipment for our rental fleet;
- our ability to obtain additional capital as required;
- our ability to forecast trends accurately;
- execution of our organic and external growth strategy;
- our ability to achieve the targeted benefits from the Lavendon Acquisition and the Hune Group Acquisition;
- the loss of core senior management or other key personnel;
- our ability to collect amounts due from customers;
- our dependence on equipment manufacturers to obtain adequate rental equipment on a timely basis;
- increases in the cost of maintaining and repairing our rental fleet;
- residual value risk upon disposition of fleet equipment;
- disruptions in our information technology system or the implementation of new platforms;
- compliance with laws and regulations, including those relating to environmental, health and safety matters;
- our significant amount of outstanding debt and our ability to incur substantially more debt in the future;
- the restrictive covenants in our debt agreements;
- our ability to generate the cash required to service our indebtedness;
- our success at managing the foregoing risks; and
- other risks and uncertainties described in this offering memorandum.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to our business. In addition, in light of these risks, uncertainties and assumptions, the forward-looking events discussed in this offering memorandum might not occur. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this offering memorandum, including those described in the section entitled “Risk Factors.”

## EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, high, low, average and period-end daily reference U.S. dollar/euro exchange rates based on the noon buying-rate, as defined below, expressed in U.S. dollars for €1.00. The information concerning the U.S. dollar exchange rate is based on the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the “Noon Buying Rate”). We provide the exchange rates below solely for your convenience. We do not represent that euros were, could have been, or could be, converted into U.S. dollars at these rates or at any other 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.

Because the Noon Buying Rate is not published on a daily basis, we have also obtained information on the dollar-euro exchange rate published by the European Central Bank (the “ECB”). On April 11, 2017, the ECB daily reference exchange rate was U.S.\$1.06 = €1.00.

	U.S. dollar/Euro			
	Period End	Average rate <sup>(1)</sup>	High	Low
<b>Month</b>				
April 2017 (through April 7, 2017).....	1.06	1.06	1.07	1.06
March 2017 .....	1.07	1.07	1.09	1.05
February 2017 .....	1.06	1.06	1.08	1.06
January 2017 .....	1.08	1.06	1.08	1.04
December 2016 .....	1.06	1.05	1.08	1.04
November 2016.....	1.06	1.08	1.11	1.06
<b>Year</b>				
2017 (through April 7, 2017) .....	1.06	1.07	1.09	1.04
2016 .....	1.06	1.11	1.15	1.04
2015 .....	1.09	1.11	1.20	1.05
2014 .....	1.21	1.33	1.39	1.21
2013 .....	1.38	1.33	1.38	1.28
2012 .....	1.32	1.29	1.35	1.21
2011 .....	1.30	1.39	1.49	1.29

(1) The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Lavendon’s consolidated IFRS financial statements are prepared in pounds sterling. As a result, fluctuations in the value of the pound sterling against the euro may affect Lavendon’s results when translated into euros.

The following table sets forth, for the periods indicated, high, low, average and period-end daily reference pound sterling/euro exchange rates as reported by the ECB. We provide the exchange rates below solely for your convenience. We do not represent that euros were, could have been, or could be, converted into pounds sterling at these rates or at any other 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.

	Pound Sterling/Euro			
	Period End	Average rate	High	Low
<b>Month</b>				
April 2017 (through April 11, 2017).....	0.85	0.85	0.86	0.85
March 2017 .....	0.86	0.87	0.88	0.86
February 2017 .....	0.85	0.85	0.86	0.84
January 2017 .....	0.86	0.86	0.88	0.85
December 2016 .....	0.86	0.84	0.86	0.83
November 2016.....	0.85	0.87	0.90	0.85
<b>Year</b>				
2017 (through April 11, 2017) .....	0.85	0.86	0.88	0.84
2016 .....	0.86	0.82	0.90	0.73
2015 .....	0.73	0.73	0.78	0.70
2014 .....	0.78	0.81	0.84	0.78
2013 .....	0.83	0.85	0.88	0.81
2012 .....	0.82	0.81	0.85	0.78
2011 .....	0.84	0.87	0.91	0.83

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in the exchange rates that may occur at any time in the future. No representations are made in this offering memorandum that the euro, pound sterling or U.S. dollar amounts referred to herein could have been or could be converted into euros, pounds sterling or U.S. dollars, as the case may be, at any particular rate.



## SUMMARY

*This summary highlights selected information from this offering memorandum to help you understand our business and the terms of the Notes. You should carefully read all of this offering memorandum, including the consolidated financial statements and related notes of Loxam and Lavendon, to understand fully our business, results of operations and financial condition, and the terms of the Notes, as well as some of the other considerations that may be important to you in making your investment decision. You should pay special attention to the “Risk Factors” section of this offering memorandum to determine whether an investment in the Notes is appropriate for you.*

### Introduction

We are a leading European equipment rental group for the construction, industry, public works and events sectors. Loxam has ranked first among Europe’s equipment rental companies (based on revenues) since 2005. We have strong brand recognition in our home market of France and a long-standing presence throughout Europe. In recent years, we have pursued a strategy of increasing our international presence through organic growth and strategic acquisitions. We have also sought to diversify the end-markets that we serve, focusing our efforts on markets with strong growth potential or greater resilience to economic cycles.

On January 18, 2017, we announced a recommended cash offer for Lavendon, a publicly listed company that is the market leader (based on revenues) in access equipment rental in the United Kingdom and one of the leaders in the Middle East. Following our successful offer, we now own approximately 98.4% of Lavendon’s shares and are in the final stages of the Squeeze-Out to acquire the remaining shares. Once that is complete, we will have paid a total price of £465.5 million (€536.4 million based on the exchange rate as of March 20, 2017) for 100% of the share capital of Lavendon. The purpose of the offering of the Notes made hereby is to refinance the €795 million bridge facility that we used to pay for the Lavendon Acquisition and to refinance substantially all of Lavendon’s debt and certain costs and expenses in connection with the Lavendon Acquisition.

On February 6, 2017, we acquired Hune Group, the number two equipment rental company in Spain, which also has branches in Portugal and France, and joint ventures in Saudi Arabia and Colombia. We acquired Hune Group for total consideration of €121 million. The acquisition makes us the market leader in Spain, and provides us with presence in Portugal.

These acquisitions will strengthen our position as the clear European market leader in equipment rental. Our combined group has a total of 750 branches and a fleet of approximately 250,000 units with an aggregate gross book value of €2.8 billion as of December 31, 2016. On a pro forma basis, as if the acquisitions had occurred as of January 1, 2016, our revenues would have been €1,330.0 million (compared to €926.8 million for Loxam on a historical basis), and our Pro Forma Adjusted EBITDA would have been €450.2 million representing a Pro Forma Adjusted EBITDA margin of 33.9% (compared to Loxam’s historical EBITDA of €304.8 million and EBITDA margin of 32.9% in 2016) (pro forma figures exclude any synergies).

The acquisitions provide us with significant strategic benefits:

- We have consolidated our undisputed leadership position in the European market, where we are now almost twice as large as our nearest competitor based on 2015 revenue (the latest year for which competitor information is available).
- We have increased our exposure to markets with strong fundamentals, supportive structural trends and, we believe, a positive near-term outlook.
- We have further diversified geographically, reducing the proportion of our 2016 revenues earned in France from 79.5% on a historical basis to 58.7% on a pro forma basis. We have also further diversified our end-markets, products and client base.
- We have acquired well-run businesses, and will implement a clear integration plan with the potential to generate synergies.
- We have enhanced the financial profile of our group by acquiring businesses with strong EBITDA margins.

In the discussion that follows, we first describe our historical business and its strengths and strategy. We then describe the businesses of Lavendon and Hune Group, and discuss the significant benefits that we hope to realize from the acquisitions.

### Business of Loxam

Prior to the acquisition of Lavendon and Hune Group, we were the leading equipment rental company in Europe, based on revenues in 2016. Our historical activity was split in three business divisions, which constitute our reporting segments:

- Generalist France division, which includes equipment for earth moving (backhoes and loaders), aerial work (booms and scissors), handling (forklifts and tele-handlers), compaction (compactors and rollers), and building (concrete mixers and saws), as well as hand tools such as power drills, chainsaws and jackhammers. As of

December 31, 2016, our generalist network included 426 branches. Our generalist network trades under the LOXAM Rental brand.

- Specialist France division, which includes high-access equipment, modular shelters, large compressors and generators, heavy compaction equipment, suspended platforms and scaffolding. As of December 31, 2016, our specialist network in France included 73 branches. We rent specialist equipment in France under several specific brands, such as LOXAM Access, LOXAM Lev, LOXAM Module, LOXAM Power, LOXAM Laho TEC, LOXAM TP and LOXAM Event.
- International division, which comprises our specialist and generalist equipment offerings in 11 countries outside of France (Denmark, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg, Morocco and Norway). As of December 31, 2016, our international division had a network of 144 branches. We have been present in Brazil since April 2015 through our 25% stake (which we increased to 25.71% in April 2016) in Degraus, a Brazilian equipment rental company that operates a network of 23 branches.

Without taking into account the acquisitions, we rent over 1,500 different types of equipment and tools. We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. As of December 31, 2016 (before the acquisitions), our rental fleet exceeded 220,000 pieces of equipment (excluding accessories) with a gross book value of €1.8 billion. We have the largest rental network in Europe. As of December 31, 2016 (without taking into account the acquisitions), we had 643 branches across 11 countries, of which 499 were located in France.

We generated revenue of €926.8 million and EBITDA of €304.8 million for the year ended December 31, 2016, representing an EBITDA margin of 32.9%. In 2016, 61.9% of our revenue was generated by our generalist France division, 17.6% by our specialist France division and 20.5% by our international division. As of December 31, 2016, our net debt (as defined below) (excluding derivative instruments) was €1,140.8 million and our shareholder's equity, group share was €479.9 million.

### **Competitive Strengths**

We believe the acquisitions of Lavendon and Hune Group will enhance the following historical competitive strengths that have been instrumental in our success and will provide a solid foundation for our future growth:

#### ***European market leader with dense local network and strong brand recognition.***

We believe we are the largest equipment rental service provider in Europe based on 2016 revenue, with operations across 11 European countries (in addition to Morocco and Brazil owned jointly with a local partner) as of December 31, 2016. In France, our largest market, we are the leading industry participant, with a national market share of approximately 20% in 2016 (assuming a total market size of €3.6 billion as calculated by the European Rental Association), and we believe that we are consistently one of the two largest players in most of the regions and metropolitan areas where we are active. As of December 31, 2016, our network included 426 generalist branches and 73 specialist branches in France, as well as 144 branches in 11 other countries. The density of our network allows us to maintain close relationships with clients at the local level, which we see as an important competitive advantage in understanding our clients' needs and winning profitable business.

The Loxam brand benefits from strong recognition in France. We believe that many of our professional customers consider Loxam to be a trusted partner in their day-to-day operations, principally as a result of our reliability in terms of service and fleet availability across a wide range of products. Our portfolio of clients in our generalist France business included approximately 105,000 customers as of December 31, 2016. Our RentalMan platform allows us to set up a national account for each entity and for each branch.

#### ***Diversified business model***

Our business model and size result in a significant diversification in terms of offering, customers, end-markets and regions. With a total of over 220,000 machines, representing a gross book value of €1.8 billion as of December 31, 2016 (and an estimated replacement value of €2.1 billion as of the same date), we believe we offered the largest fleet on the European market by gross book value prior to the acquisitions of Lavendon and Hune Group, which have further enhanced our offerings. Our fleet provides for a full-range of client needs for earth moving, aerial work, handling, compaction, energy, modular and building equipment, including both generalist and specialist equipment.

Our broad and diversified customer base (representing approximately 174,000 customers across all divisions as of December 31, 2016, prior to the acquisitions) includes construction, industrial and specialist customers, from small business and craftsmen to large international groups. Most of our largest customers operate multiple divisions, which results in a large portion of our business being carried out directly between our local branches and the local divisions or subsidiaries of larger groups, which further increases our level of customer diversification. Our top 10 customers at the group level, all of which operate in the civil engineering, construction or utilities sectors, accounted for 18% of our revenue for 2016 compared to 20% in 2015. We have

also diversified our revenue across industries. Revenue generated outside of the construction and civil engineering sectors accounted for 36% of our 2016 revenue, an increase from 34% in 2014. While there is some variability in the composition of our customer base, the same 10 clients have comprised our 10 largest customers in France, our largest market, in every fiscal year since 2007. Our largest client over the past three years accounted for 5.8%, 5.7% and 5.2% of our revenue in 2014, 2015 and 2016, respectively. Our customer and industry diversification will be enhanced by the acquisitions of Lavendon and Hune Group.

The significant density of our network and large number of customers we serve limit the impact of localized economic fluctuations in certain end-markets or geographies and reduce our dependence on any particular customer or group of customers.

#### ***Acceleration of international development in recent years***

On the back of our strong national market leadership position in France, we started to expand across Europe in 1996. Before the acquisitions of Lavendon and Hune Group, we were active in 11 European countries as well as in Morocco and Brazil. In Denmark, the Netherlands and Belgium, we believe we were the number two player in terms of revenue in 2016. Our international position has been driven by organic growth and successful strategic acquisitions over many years. We believe we are the only rental group to operate through a portfolio of generalist and specialist brands on a comparable scale in several countries.

Our network of branches in our international division increased from 99 branches as of December 31, 2013 to 144 branches as of December 31, 2016 (prior to the acquisitions of Lavendon and Hune Group). This growth has been driven by our acquisition strategy, as well as organic developments in our international markets. As a result of this growth, the revenue generated from our international division increased from €158.3 million for the year ended December 31, 2014 to €189.9 million for the year ended December 31, 2016. The percentage of our revenue generated by our international division increased from 19.5% of our total revenue in 2014 to 20.5% of our total revenue for the year ended December 31, 2016.

Taking into account the Lavendon and Hune Group acquisitions, we operate a total of 244 branches outside of France, generating €549.3 million in revenue and representing 41.3% of the combined group's revenue on a pro forma basis.

#### ***Strong financial track record***

We operate in a cyclical industry and, as a result, we have gained a significant amount of experience in managing risks and tracking signs of market slowdown and recovery. We continuously monitor market indicators such as GDP growth and construction activity, as well as information generated from our local branch network and our strong customer relationships, to gain insight on future short- and medium-term demand for our services. This allows us to adjust our operating cost structure in a timely manner in reaction to changes in the industry, as demonstrated by our high level of profitability, with annual group EBITDA margins ranging between 30% and 36% since 2006. Our understanding of the business cycles affecting our industry and a close monitoring of our own set of key internal indicators, such as the age and utilization rates of the different products in our fleet, also allow us to make appropriate decisions with respect to our capital expenditure programs.

In a growth cycle, we use free cash flow to invest in our rental fleet to enhance our product offering and expand into new products and markets. It is our view that larger market participants such as Loxam are well positioned to take advantage of the return to growth in the rental market while maintaining a strong financial position. In a downturn, we tend to right-size our business, reduce capital expenditure and apply cash flow to pay down debt. Investment in the fleet can be quickly limited to a strict minimum by our management and we have no long-term engagements in respect of capital expenditure. Following the onset of the global financial crisis, we significantly reduced our investments in new equipment and increased our asset sales, primarily during the 2009 fiscal year, when our investments were only €28.1 million, a fraction of our normal level of investments. In contrast, we increased our new fleet investments in 2014 in an effort to diversify and rejuvenate our fleet in France, and to sustain the organic growth of our international division. In 2015, we again reduced our capital expenditures significantly, by 47.1% compared to 2014, in response to weaker demand in the French market and the downward adjustment of our expenditures in connection with the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet. In 2016, we increased our capital expenditures by 59.8% compared to 2015 to €197.6 million in order to take advantage of increased demand for our rental fleet.

We believe that our focus on quickly adjusting our operating costs and our fleet to market conditions is a competitive advantage. We have been able to maintain a high level of profitability throughout the business cycles, while maintaining an active and modern fleet.

#### ***Flexibility and responsiveness of our network***

Our reactivity and flexibility is driven by our dense branch network, which is supported by a well-trained and motivated workforce, a standardized premium rental equipment fleet and an optimized IT system. The capacity to anticipate and

adapt to changes in market environment is an important part of our business culture. Our branches are deeply embedded in local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level to better anticipate their needs. Typically, the selection of a rental equipment provider is made locally by the construction site supervisor, and we believe the key factors in this decision are proximity, product offering and reliability. Our key clients show significant loyalty and generate significant recurring revenue. Our business model combines a centrally-determined investment budget with large autonomy for regional and branch managers in spending their respective budget allocations, which allows us to adapt our equipment fleet at the branch level to accurately address local demand. Branches serve as a continuous source of information by reporting the latest market opportunities and seamlessly feed information up to the rest of the organization.

We operate a high-quality and well-invested fleet that has the breadth to meet the specific and complex needs of our most demanding customers. Across our rental fleet, we aim to obtain standardized equipment from our suppliers by providing them with uniform specifications, according to our high standards. A standardized fleet lowers maintenance costs and reduces training time for our staff. It also makes it easier to share spare parts between branches and transfer equipment from one branch to another, resulting in greater fleet utilization.

Our network is well-managed through close quality control of our branches, optimized IT systems and strong reporting tools, allowing information sharing and internal benchmarking and resulting in a highly dynamic and flexible network. We monitor the quality of our branches through regular audits (both internal and external). In order to support our network and preserve its quality and dynamism, we provide our employees with different types of comprehensive internal training across all levels and divisions to foster the development of multiple skill sets, resulting in a more efficient utilization of our employees.

### ***Experienced and proven management team***

Our senior management team is led by Mr. Gérard Déprez, our president, CEO and controlling shareholder who has 30 years of experience with Loxam. The members of our management committee have significant industry experience. Our management team has experienced several economic cycles of expansion and downturn in our industry and has proven its ability to consistently maintain strong financial performance and protect cash flow generation. Our management team has also successfully acquired and integrated several businesses with over 130 branches since 2013. Our top management is supported by divisional and regional managers in an organizational structure that empowers middle management and keeps bureaucratic processes at a minimum. This encourages strong commitment and entrepreneurial spirit across the Company and ensures lean corporate functions.

Our shareholders include Pragma Capital, which has strong expertise in the rental industry stemming from previous investment in the sector. Pragma Capital participates actively in our strategic decisions through its representatives on our Strategic Committee. See “Management—Strategic Committee.”

### **The Lavendon Acquisition**

On January 18, 2017, we announced a recommended all-cash offer pursuant to which we offered to acquire the entire issued and to be issued share capital of Lavendon for £2.70 per share, or total consideration of £465.5 million (approximately €536.4 million based on the exchange rate as of March 20, 2017) for 100% of Lavendon. On January 31, 2017, the board of directors of Lavendon unanimously recommended that Lavendon shareholders accept the Offer after finding its terms fair and reasonable. On February 13, 2017, the boards of Lavendon and Loxam announced that we had received valid acceptances in respect of approximately 88.32% of Lavendon’s share capital. As a result of further acceptances, as of March 24, 2017, we had acquired 98.4% of Lavendon’s shares and are currently in the final stages of the Squeeze-Out, following which we will own 100% of Lavendon’s shares. On March 20, 2017, Lavendon’s shares were delisted from the London Stock Exchange.

Lavendon is a leader in the rental of powered access equipment, also known as aerial work platforms (AWPs) or mobile elevating work platforms (MEWPs), in Europe and the Middle East. Its range of powered access equipment enables people to work safely, productively and efficiently at height whatever the application, and offers an attractive alternative to traditional access methods such as ladders, mobile access towers and scaffolding.

Lavendon’s diverse fleet consists of over 21,000 units offering high-quality products across five categories of powered access equipment: low level access platforms, scissor lifts, boom lifts, van mounts and truck mounts. See “The Lavendon Group – Overview.”

Lavendon’s customer base spans different market sectors and geographic regions. The group is present in Europe (primarily the United Kingdom, as well as Belgium, France and Germany) and the Middle East (primarily Saudi Arabia, as well as Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates). Lavendon’s biggest market is the United Kingdom, which accounted for 44.9% of its total revenues in 2016, followed by Continental Europe (28.2%) and the Middle East (27.0%).

Lavendon services customers of all sizes and across a range of markets, from global businesses and multinationals to national, regional and privately-owned companies and individual traders. The market sectors that Lavendon services include construction, facilities management, infrastructure and utilities, industrial, energy, oil and gas, film, television and media. The largest markets it serves are the commercial, industrial and infrastructure construction sectors. Because these markets are inherently cyclical, Lavendon has sought to mitigate its exposure by expanding in sectors that offer more predictive demand cycles. Lavendon routes its customers' enquiries through a team of skilled hire desk controllers, who match each customer's needs to the appropriate units from within its fleet. Larger clients are serviced by national account teams that have specialist sector knowledge and skills for more complex arrangements.

In 2016, Lavendon generated total revenue of £282.2 million (approximately €344.6 million) and underlying EBITDA (meaning EBITDA excluding amortization of intangibles and acquisition-related items, and certain exceptional charges, which in 2016 included mainly restructuring charges in Germany) of £102.1 million (approximately €124.7 million). Lavendon's net financial debt was £156.6 million (approximately €183.0 million) as of December 31, 2016, and at the date of this offering, we had refinanced substantially all of Lavendon's debt as part of the acquisition. See "The Acquisitions - Funding of the Lavendon Acquisition."

We financed the acquisition price of the Lavendon acquisition with a €795 million bridge facility agreement. We also used the bridge facility to refinance substantially all of Lavendon's debt (with the exception of approximately €5.0 million of lease financings as of February 28, 2017). The bridge facility agreement will be repaid in full with the net proceeds of the offering of the Notes made hereby. See "Use of Proceeds."

### **The Hune Group Acquisition**

On February 6, 2017, we acquired Hune Group, a leading equipment rental company in Spain with a network of 37 branches, including 34 branches in Spain in addition to two branches in Portugal and one in France. Hune also operates in Saudi Arabia and Colombia through joint ventures. This acquisition is expected to reinforce our presence in Spain, and spread our geographical presence into Portugal, thereby strengthening our position as the leading player in the European equipment rental industry, and will also give us a presence in Saudi Arabia and Colombia. We acquired Hune Group for total consideration of €121 million using cash on hand and refinanced substantially all of Hune Group's outstanding debt.

### **Our Group Following the Acquisitions**

The acquisitions of Lavendon and Hune Group will strengthen our position as the clear European market leader in equipment rental. Combined, we had a total of 750 branches and a fleet of approximately 250,000 units with a gross book value of €2.8 billion as of December 31, 2016. On a pro forma basis, as if the acquisitions had occurred as of January 1, 2016, our revenues would have been € 1,330.0 million (compared to €926.8 million for Loxam on a historical basis), and our Pro Forma Adjusted EBITDA would have been €450.2 million representing a Pro Forma Adjusted EBITDA margin of 33.9% (compared to Loxam's historical EBITDA of €304.8 million and EBITDA margin of 32.9% in 2016) (pro forma figures exclude any synergies).

The acquisitions provide us with significant strategic benefits that we believe have the potential to generate substantial future growth for our group, as described below.

#### ***Undisputed Leadership in Europe and a Leading Position in the Middle East.***

We have consolidated our undisputed leadership position in the European market. Our combined pro forma revenues in 2016 (the latest year for which competitor information is available) were approximately 1.9 times the 2016 revenues of our nearest European rival. Based on 2016 revenues, we believe we are the market leader in France and Spain and hold a number two position in Denmark, Belgium, the Netherlands, Luxembourg and Switzerland. We are the leader in access equipment rental in the United Kingdom (where we believe our access equipment rental revenues in 2016 were almost three times those of our nearest rival). We are also the leader in access equipment rental in the Middle East based on revenue for 2015 (which is the latest year for which competitor information is available).

Our reinforced leadership provides us with a number of benefits: the ability to consolidate local positions, strengthened procurement that should reduce costs, enhanced brand recognition, comprehensive quality programs, broader innovation, greater opportunities for training and attracting talent, and sharing of best practices.

We have a well-invested, combined fleet of approximately 250,000 units with an aggregate gross book value as of December 31, 2016 of €2.8 billion. We intend to continue to pursue our strategy of adapting our capital expenditures to our perceptions of market trends, a strategy that Lavendon has also used successfully for many years. These investments will rejuvenate our fleet and allow us to take advantage of expected market growth.

#### ***Increased Exposure to Markets with Strong Fundamentals.***

We have increased our exposure to markets with strong fundamentals, with supportive structural trends and, we believe, a positive near-term outlook. In particular, we believe we have the potential to benefit from the following favorable positions:

- Our leadership and traditional strength in the French market, where the first signs of a recovery have appeared in early 2017, positions us ideally to take full advantage of this trend.
- Our significantly enhanced position in the United Kingdom, which has shown strong resilience despite the uncertainties resulting from the United Kingdom's vote to leave the European Union.
- Our new position as the market leader in Spain, where the rental market showed strong growth in 2016.
- Lavendon's 20 years of experience in the Middle East equipment rental market, which has strong potential in the coming years from major event preparation (such as the World Expo in Dubai in 2020 and the 2022 Football World Cup in Qatar), economic diversification efforts seeking to reduce dependency on oil and gas, and significant potential infrastructure spending by governments and through public-private partnerships.

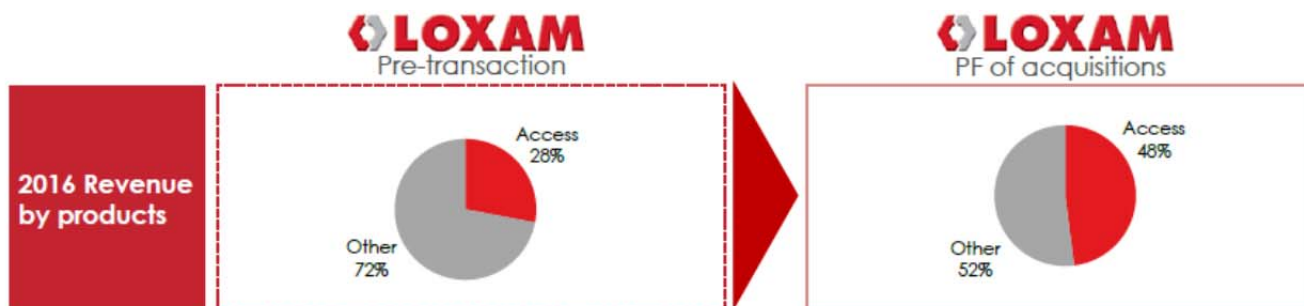
### ***Multi-dimensional Diversification***

The acquisitions of Lavendon and Hune Group have provided us with enhanced diversification, in three areas: geographical exposure, end-markets and products.

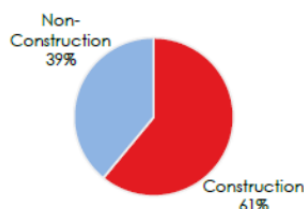
We have diversified geographically, reducing the proportion of our 2016 revenues earned in France from approximately 79.5% on a historical basis to approximately 58.7% on a pro forma basis (as if the acquisitions had occurred on January 1, 2016). As the following map indicates, our geographical presence is highly complementary to the markets in which Lavendon and Hune Group operate.



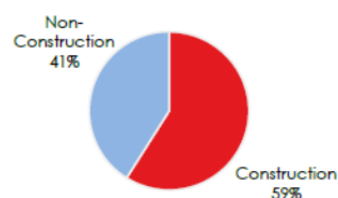
We will also realize a significantly greater proportion of our revenues from powered access equipment rentals, a market that we believe has particularly high potential for growth as end-users increase their focus on workplace safety and operational efficiency, both of which are enhanced through the use of access equipment. In addition, powered access equipment rentals generate attractive margins as they require a less dense branch network, resulting in lower fixed costs. The following graphic shows the proportion of our historical and pro forma revenues generated from access equipment rentals.



We have also further diversified our end-markets, product lines and client base. As the following graphic indicates, the acquisitions will increase the proportion of our revenues generated outside the construction and civil engineering sectors, continuing our strategy of end-market diversification and lessening the impact of conditions in the construction and civil engineering sectors on our revenues.



**LOXAM**  
Pre-transaction



**LOXAM**  
PF of acquisitions

(a) non-construction includes industry, local authorities, landscaping, events, retail, services and individuals.

Our enhanced end-market diversification further expands our customer base. On a combined basis, our top ten customer groups represented 12.0% of our 2016 pro forma revenues. No single customer group represented more than 3.4% of our 2016 pro forma revenues.

### ***An Integration Plan with the Potential to Generate Synergies***

We have acquired well-run businesses, and will implement a clear integration plan with the potential to generate synergies. We believe that our track record of 19 successful acquisitions in the past 11 years (excluding the Lavendon and Hune Group acquisitions) demonstrates our experience and our ability to fully integrate our acquired companies in an effective manner.

Given favourable outlook for construction industries in the markets in which we operate, we believe that revenue synergies may be achieved through geographic and end-market diversification, as well as other revenue optimization strategies, and that these effects may outweigh what we expect to be only modest client attrition given the limited overlap of our client bases with those of Lavendon. We also believe that cost synergies may be achieved through consolidating corporate functions, improving scale, streamlining administration and reorganizing and rationalizing operations.

For purposes of planning the integration of Lavendon and Hune Group and establishing objectives to be used by our integration teams, the synergy targets that we have established for 2017, for the three years ending in 2019, and on an annual “run-rate” basis, as well as our expected integration costs, are described under “The Acquisitions – Rationale for the Acquisitions – An Integration Plan with the Potential to Generate Synergies.” We cannot be certain that we will in fact be able to achieve these (or any other level) of synergies. See “Risk Factors – Risks Relating to the Acquisitions.”

### ***Enhanced Financial Profile***

We have enhanced the financial profile of our group by acquiring businesses with strong EBITDA margins. In particular, Lavendon generated an underlying EBITDA margin of 36.2% in 2016, with particularly attractive margins in the United Kingdom and the Middle East, while Hune Group’s EBITDA margin was 31.1% in 2016. On a pro forma basis, as if the acquisitions had occurred on January 1, 2016, our 2016 Pro Forma Adjusted EBITDA would have been €450.2 million (before synergies), representing a Pro Forma Adjusted EBITDA margin of 33.9%. Our 2016 Pro Forma Adjusted EBITDA was approximately 47.7% more than our historical EBITDA of €304.8 million, representing an EBITDA margin of 32.9%. We will also benefit from Lavendon’s well-invested fleet.

### ***Our Strategy***

Prior to the acquisitions, the key elements described below formed the base of our business strategy. We believe the acquisitions of Lavendon and Hune Group will solidify our ability to pursue this strategy successfully.

### ***Continuously refine our network coverage to capture profitable growth***

We will continue to focus on generating profitable growth through the optimization of our branch network at the local, national and international levels.

We aim to defend our national leadership position in France on the back of strong market shares in all the local markets in which we are active. We continue to monitor the efficiency of our network of 499 branches in France (prior to the acquisitions of Lavendon and Hune Group) through regular reviews of the profitability of each individual branch and the utilization rates of our fleet. Based on a certain number of key indicators relating to our network and our fleet, as well as our expectations of future local market conditions, we adjust our coverage and product offerings accordingly. We are able to open new branches in dynamic areas while reducing our presence where demand is weaker. For example, in 2016 (prior to the acquisitions of Lavendon and Hune Group), we opened 11 branches, including six in our generalist France division, closed two branches and conducted 35 mergers of branches as part of the optimizing of our network. Among the branch mergers, 34 took place in France as we continued to consolidate our network following the Hertz Equipment Acquisition.

### ***Further diversify our end-markets***

We will continue our strategy of diversifying our end-markets. For example, we have strengthened our focus on renovation, which is less cyclical than the overall new construction market, and we have also reduced the share of our business generated from civil engineering. We have increased as well our exposure to other end-markets, such as manufacturing, local authorities, event organization, landscaping, retail, petro-chemical, training, demolition and facilities management. The customers in these sectors often have higher expectations in terms of quality of service (24 hours a day/7 days a week), which helps us maintain a high standard of service and equipment quality across our business. We are also seeking to target additional client categories, such as small and medium enterprises (SME) or craftsmen who need smaller equipment. Our expansion of our access equipment business through the Lavendon Acquisition will allow us to diversify our end-markets even further.

We are also broadening our customer base through the development of partnerships with major do-it-yourself retail chains, sometimes based on a co-branding model. We already have co-branding partnerships in place with Leroy Merlin, Bricoman and Weldom, three French do-it-yourself chains. We also continue to open shops in Paris branded Loxam City to offer our customers proximity to their sites in parts of the city where traffic is heavy. We opened a new Loxam City branch in Paris in 2016, and had a total of 10 branches as of December 31, 2016.

### ***Managing lifecycle and performances of our rental equipment***

We will continue to actively monitor the size, quality, age, composition and efficiency of our rental fleet. We are committed to the disciplined management of our fleet to optimize utilization and profitability through the following strategies:

- Leveraging our scale to negotiate fleet purchase prices and develop customized services and bespoke equipment addressing our internal requirements in terms of quality, safety and low maintenance costs. In addition, our long-lasting relationship with key equipment suppliers will allow us to obtain useful information on new product innovations and assess market demand.
- Using our comprehensive information systems to increase our utilization rate and yield. We will continue redeploying assets within our branch network, optimizing pricing, adjusting our fleet mix on a real time basis and maintaining fleet quality and diversification. We will focus our primary investments in the most active markets where our fleet has a higher utilization rate and where we expect stronger market trends.
- Continuing a rigorous maintenance program by tracking the servicing history of each piece of equipment.
- Seeking to remove older or idle equipment from our fleet at optimal times, and rejuvenating our fleet so as to be well positioned to serve customers and meet higher demands as a result of a strengthening market.
- Optimizing recycling of equipment through repair and salvage is an integral part of our approach. Fleet equipment that leaves our active rental fleet at the end of its lifecycle is sent to a reprocessing facility near Alençon. This facility evaluates the equipment and helps us to determine whether to sell such equipment to third parties or to recycle it for spare parts for our fleet. These recycling efforts allow us to take advantage of lower costs for certain replacement parts for our rental fleet.

### ***Continue to adapt our financial discipline to business cycles***

Our management's experience in equipment rental gives us a long-term vision of cyclicity in the construction and public works industries and thus of demand for our equipment. Our diversified and flexible business model enables us to maintain high EBITDA margins and quickly adjust our capital expenditure investments to demand in order to protect cash flow generation. This strategy relies on strong financial discipline implemented across our platform, and the cash flows we generated during the downturn are evidence of our success in relying on this discipline in the past.

We plan to continue using this experience to help us identify the inflection points in the business cycle, when we must decide whether to reduce capital investments and apply cash to debt repayment or make further expenses to meet growing market demand. Our approach helps us to avoid either excess fixed costs related to over-investment when demand drops or lost revenue opportunities and customer dissatisfaction due to under-investment when demand picks up. We intend to continue managing our operations with a clear focus on EBITDA and cash flow growth to fund our future investments and service our debt.



### ***Maintain our commitment to innovation, quality, sustainability and corporate and social responsibility***

We intend to remain at the forefront of innovation in the industry and leverage our reputation for quality, safety, reliability and environmental commitment, as evidenced by our ISO 9001, ISO 14001, MASE and VCA certifications.

We continually strive to offer the best level of safety to users of our equipment, and as such we endeavor to work only with well-known manufacturers. Our long-standing relationships and cooperation with our suppliers makes us well positioned to highlight difficulties in the use of equipment or safety issues and thereby improve machine design standards. By accounting for market changes, feedback from users in the field and changes to regulations, we strive to ensure that the equipment we offer our customers is increasingly reliable and practicable.

We also endeavor to train our employees throughout their careers. The Loxam School in Bagneux, near Paris, has been open to our French employees across our divisions and has offered sessions to both beginners and experienced staff since 2008. The aim of the Loxam School is to improve the key skills of our employees. Training is provided by experienced professionals from our network. They deal with a variety of fields including knowledge of equipment, safety, environment (waste processing, energy savings, etc.) sales skills and team management, among others.

In October 2015, we became a member of the UN Global Compact programme, the world's largest corporate sustainability initiative. We issued our first Corporate Social Responsibility brochure, "Responsible Rental," in 2014 providing information about our corporate responsibility initiatives. In December 2015 Loxam underwent an audit of its corporate and social responsibility actions according to the guidelines of the ISO 26000:2010 standard. We have been rewarded in France with a performance rating of three (on a scale of five) in the ISO 26000:2010, which demonstrates our level of commitment and maturity with regards to our corporate and social responsibility.

### **Recent Developments**

#### ***Current trading***

Excluding Lavendon and Hune Group, which were consolidated as of February 1, 2017, our revenue grew by 9.5% from January 1, 2017 to February 28, 2017 compared to the same period of 2016. Revenue generated from France increased by 10.1%, primarily as a result of a strong kick-off in construction activity, whereas our revenue generated from our international activities grew by 7.0%. Taking into account the Lavendon and Hune Group acquisitions, our revenue increased by 34.3% from January 1, 2017 to February 28, 2017 compared to the same period of 2016. As of February 28, 2017, our gross debt, net of capitalized debt issuance costs, was estimated at €2,081.2 million, as compared to €1,296.6 million as of December 31, 2016 primarily due to the acquisitions of Lavendon and Hune Group.

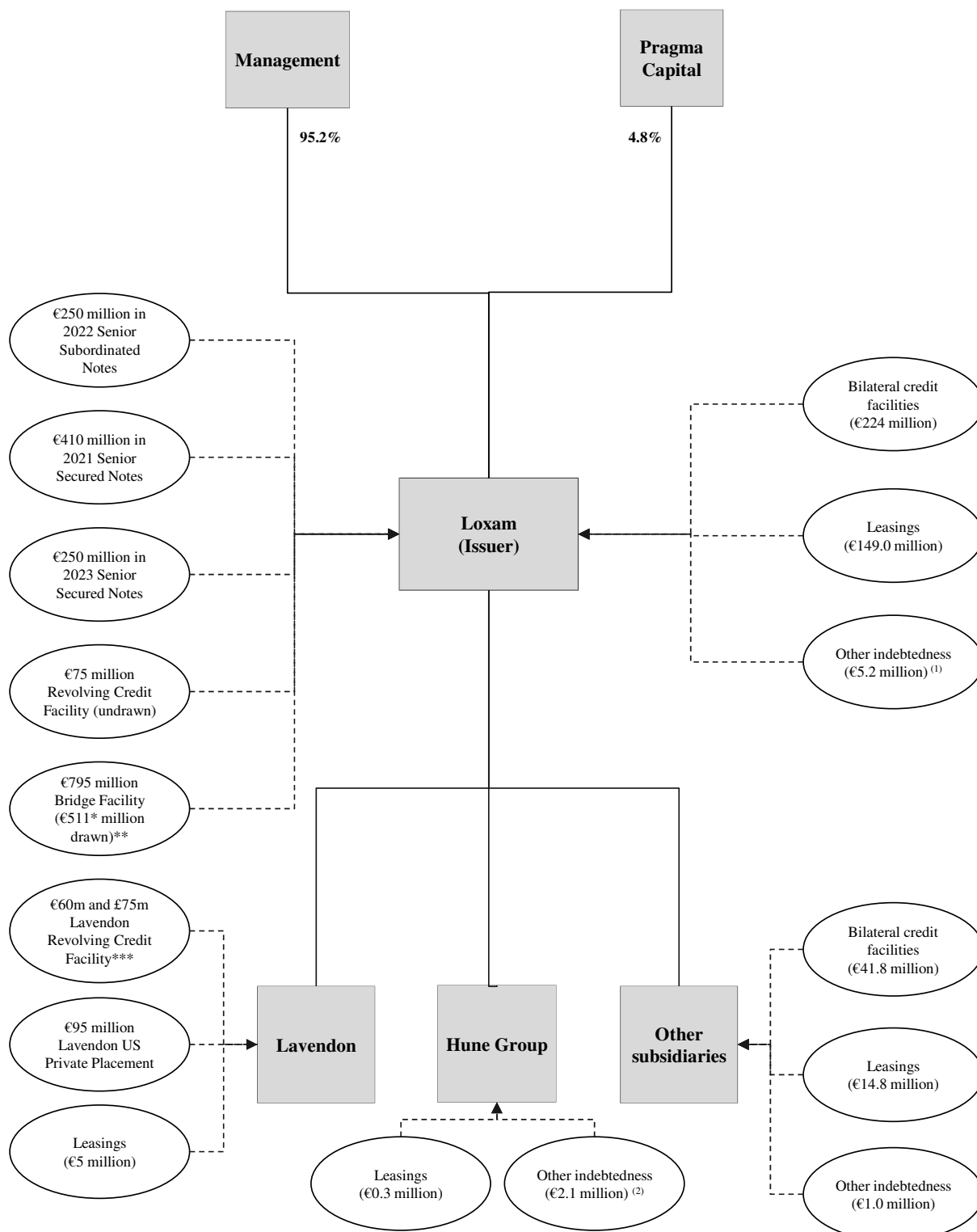
Lavendon's total revenue from January 1, 2017 to February 28, 2017 decreased by 1.4% at constant exchange rates compared to the same period in 2016. The decline in total revenue reflects lower sales of new equipment during the period in contrast to an increase in rental revenue. Lavendon's revenue from the United Kingdom increased by 7.5% for the period from January 1, 2017 to February 28, 2017 compared to the same period of 2016. Its revenue from the Middle East declined by 14.0% at constant exchange rates due to lower sales of new equipment while rental revenue remained stable for the period from January 1, 2017 to February 28, 2017 compared to the same period of 2016. Its revenue from Continental Europe increased by 4.3% at constant exchange rates for the period from January 1, 2017 to February 28, 2017 compared to the same period in 2016.

As of February 28, 2017, Lavendon's gross debt, net of capitalized debt issuance costs, was £189.3 million (€221.9 million), as compared to £172.7 million (€201.7 million) as of December 31, 2016 as a result of an additional drawing under a revolving credit facility. As of the date of this Offering Memorandum, a substantial majority of Lavendon's indebtedness has been repaid through drawings under the Bridge Facility Agreement. See "The Lavendon Acquisition - Financing of the Acquisition."

## Summary Corporate and Financing Structure

The diagram below illustrates, in simplified form, our corporate and financing structure as of February 28, 2017 on an actual basis, after giving effect to the Lavendon Acquisition and the Hune Group Acquisition and drawings under the Bridge Facility Agreement but before the issuance of the Notes offered hereby and the application of the proceeds therefrom.

### *Corporate and financing structure as of February 28, 2017, historical*



\* €511 million were drawn on February 24, 2017

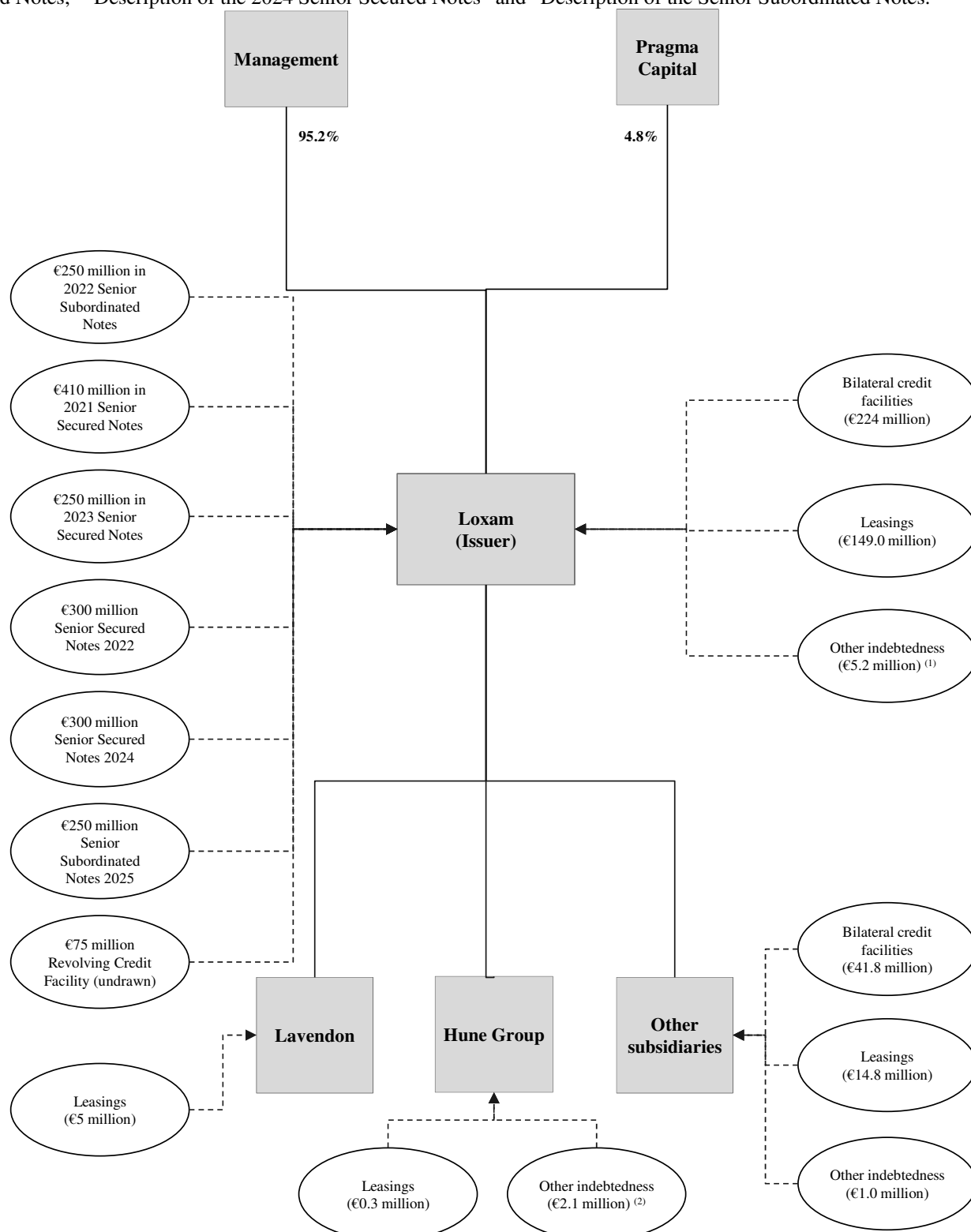
\*\* to be fully refinanced with the net proceeds from the offering.

\*\*\* €121.8 million drawn.

**Corporate and financing structure as of February 28, 2017, as adjusted**

The diagram below illustrates, in simplified form, our corporate and financing structure as of February 28, 2017, as adjusted for (i) the issuance of the Notes offered hereby and the application of the net proceeds therefrom in the manner described under “Use of Proceeds”; and (ii) the repayment on March 15, 2017 of the Lavendon US Private Placement and the Lavendon Revolving Credit Facility through a €230.8 million drawing under the Bridge Facility Agreement made on March 14, 2017.

See “Use of Proceeds,” “Capitalization,” “Description of Certain Indebtedness,” “Description of the 2022 Senior Secured Notes,” “Description of the 2024 Senior Secured Notes” and “Description of the Senior Subordinated Notes.”



(1) Other indebtedness is composed of accrued interest on loans, bank overdrafts, minority shareholder loans and other financial debt, and is presented net of capitalized debt issuance costs. As of February 28, 2017, we had a total of €(7.7) million of capitalized debt issuance costs, which are included in the figures for other indebtedness in the historical diagram above.

(2) Other indebtedness is comprised of discounted bills.

## THE OFFERING

For the purposes of this section captioned “The Offering,” references to “we,” “our” and similar expressions are to Loxam only and not to its subsidiaries.

<b>The Issuer</b>	Loxam
<b>Securities Offered</b>	(i) €300,000,000 aggregate principal amount of 3.500% senior secured notes due 2022 (the “2022 Senior Secured Notes”) (ii) €300,000,000 aggregate principal amount of 4.250% senior secured notes due 2024 (the “2024 Senior Secured Notes”) and together with the 2022 Senior Secured Notes, the “Senior Secured Notes”) and (iii) €250,000,000 aggregate principal amount of 6.000% senior subordinated notes due 2025 (the “Senior Subordinated Notes” and together with the Senior Secured Notes, the “Notes”).
<b>Issue Date</b>	April 4, 2017.
<b>Transfer Restrictions</b>	We have not registered the Notes under the Securities Act or any state securities laws. You may not offer or sell the Notes except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See “Transfer Restrictions.”
<b>Use of Proceeds</b>	We expect to receive gross proceeds from the offering of €850 million. We intend to use the net proceeds from this offering to repay indebtedness incurred under the Bridge Facility Agreement, to pay directly for remaining Lavendon shares acquired through the Squeeze-Out and certain costs and expenses in connection with the Lavendon Acquisition and for other general corporate purposes. See “Use of Proceeds.”

### The Senior Secured Notes

<b>Issue Price</b>	<ul style="list-style-type: none"><li>• for the 2022 Senior Secured Notes: 100% (plus accrued and unpaid interest from the Issue Date); and</li><li>• for the 2024 Senior Secured Notes: 100% (plus accrued and unpaid interest from the Issue Date).</li></ul>
<b>Maturity</b>	The 2022 Senior Secured Notes will mature on April 15, 2022 and the 2024 Senior Secured Notes will mature on April 15, 2024.
<b>Interest</b>	<ul style="list-style-type: none"><li>• for the 2022 Senior Secured Notes: 3.500% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2017; and</li><li>• for the 2024 Senior Secured Notes: 4.250% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2017.</li></ul>
<b>Ranking</b>	<p>The Senior Secured Notes:</p> <ul style="list-style-type: none"><li>• will be our general senior secured obligations;</li><li>• will be secured as set forth under “—Security for the Senior Secured Notes”;</li><li>• will rank <i>pari passu</i> in right of payment among themselves and with any existing and future obligations that are not expressly subordinated in right of payment to the Senior Secured Notes, including the Revolving Credit Facility, the 2016 Senior Secured Notes, the 2014 Senior Secured Notes and the bilateral credit facilities extended to Loxam;</li><li>• will not be guaranteed on the Issue Date and as a result will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and</li><li>• will be effectively subordinated to any of our and our subsidiaries’ existing or future obligations that are 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 obligations, including the Revolving Credit</li></ul>

Facility which will be secured by commercial receivables that are not pledged for the benefit of the holders of the Senior Secured Notes, and additional indebtedness to be incurred as permitted under the Senior Secured Indentures and secured by assets other than the property and assets securing the Senior Secured Notes.

#### **Security for the Senior Secured Notes**

The Senior Secured Notes will be secured by:

- a security interest granted over the Senior Secured Collateral on a first-priority basis by virtue of the Intercreditor Agreement. Holders of the 2014 Senior Secured Notes and of the 2016 Senior Secured Notes agreed in the Intercreditor Agreement that the holders of the Senior Secured Notes and themselves will be deemed and treated for the purpose of the Intercreditor Agreement (including, *inter alia*, its provisions relating to the application of proceeds following the enforcement of the Senior Secured Collateral) as secured *pari passu*, notwithstanding the ranking of their respective security interests. References to first-priority basis under the Intercreditor Agreement means that, notwithstanding their rank in the Senior Secured Collateral, the security interests therein are contractually *pari passu* first-priority and entitled to equal treatment with other first-priority secured creditors by virtue of the Intercreditor Agreement; and
- a first priority security interest in the Lavendon shares held by Loxam.

See “Description of Certain Indebtedness — Intercreditor Agreement.”

#### **Intercreditor Agreement**

To establish the relative rights of certain of our creditors under our financing arrangements, we entered into the Intercreditor Agreement with, among others, the Security Agent, the trustees for the 2014 Notes, the trustee for the 2016 Senior Secured Notes and the lenders under the Revolving Credit Facility. In connection with the issuance of the Senior Secured Notes, the Trustee will accede to the Intercreditor Agreement in its capacity as trustee for the 2022 Senior Secured Notes and the 2024 Senior Secured Notes.

For further information see “Description of Certain Indebtedness—Intercreditor Agreement.”

#### **Optional Redemption**

We may redeem all or part of the 2022 Senior Secured Notes at any time on or after April 15, 2019 at the redemption prices described in this offering memorandum. At any time prior to April 15, 2019 we may redeem all or part of the 2022 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this offering memorandum. At any time prior to April 15, 2019 during each 12-month period commencing on the Issue Date, we may redeem up to 10% of the aggregate principal amount of the 2022 Senior Secured Notes at a redemption price of 103% of the principal amount of the 2022 Senior Secured Notes redeemed. In addition, at any time prior to April 15, 2019 we may also redeem up to 45% of the 2022 Senior Secured Notes with the net proceeds from certain equity offerings.

We may redeem all or part of the 2024 Senior Secured Notes at any time on or after April 15, 2020 at the redemption prices described in this offering memorandum. At any time prior to April 15, 2020 we may redeem all or part of the 2024 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this offering memorandum. At any time prior to April 15, 2020 during each 12-month period commencing on the Issue Date, we may redeem up to 10% of the aggregate principal amount of the 2024 Senior Secured Notes at a redemption price of 103% of the principal amount of the 2024 Senior Secured Notes redeemed. In addition, at any time prior to April 15, 2020 we may also redeem up to 45% of the 2024 Senior Secured Notes with the net proceeds from certain equity offerings.

#### **Change of Control**

Upon certain events constituting a change of control and a rating decline (which is defined to include, among other things, Standard & Poor’s issuing, confirming or maintaining a corporate rating of the Issuer that is below B+ at any time

during the period commencing on the date of the first public notice of the occurrence the change of control and ending on the date that is ninety (90) days following the occurrence of such event), the Issuer may be required to make an offer to purchase the Senior Secured Notes at a price equal to 101% of the principal amount thereof.

**Redemption for Changes in Tax Law**

We will be required to pay additional amounts to the holders of the Senior Secured Notes to compensate them for any amounts deducted from payments to them in respect of the Senior Secured Notes on account of certain taxes and other governmental charges. If we become obliged to pay such additional amounts as a result of a change in law, the Senior Secured Notes will be subject to redemption, in whole but not in part, at our option at a price equal to 100% of the principal amount of the Senior Secured Notes.

**Certain Covenants and Events of Default**

The indenture governing the Senior Secured Notes will contain certain covenants and events of default that, among other things, limit our ability and that of certain of our subsidiaries to:

- incur or guarantee additional indebtedness or issue preferred shares;
- pay dividends or make other distributions;
- purchase equity interests or redeem subordinated indebtedness prior to its maturity;
- create or incur certain liens;
- create or incur restrictions on the ability to pay dividends or make other payments to us;
- enter into certain transactions with affiliates;
- impair the Senior Secured Security; and
- sell assets (including the capital stock of our subsidiaries) or merge or consolidate with another company.

All of these limitations are subject to a number of important qualifications and exceptions.

If at any time the Senior Secured Notes receive ratings of BBB- or higher from Standard & Poor's and Baa3 or higher from Moody's Investors Service, Inc. ("Moody's"), and no default or event of default has occurred and is continuing, certain restrictions, covenants and events of default will cease to be applicable to the Senior Secured Notes for so long as the Senior Secured Notes maintain such ratings.

**Taxation**

For a description of the material tax consequences of an investment in the Senior Secured Notes, see "Taxation."

**Denomination**

Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.

**Listing**

Application has been made to admit the Senior Secured Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF.

**Governing Law**

The Senior Secured Indentures and the Senior Secured Notes will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Agreement is governed by, and construed in accordance with the laws of England and Wales.

**Trustee**

Wilmington Trust, National Association

**Security Agent**

Wilmington Trust (London) Limited

**Paying Agent**

Deutsche Bank AG, London Branch

**Luxembourg Listing Agent, Transfer Agent and Registrar**

Deutsche Bank Luxembourg S.A.

*For further information regarding the Notes, see "Description of the 2022 Senior Secured Notes" and "Description of the 2024 Senior Secured Notes."*

## **The Senior Subordinated Notes**

<b>Issue Price</b>	100% (plus accrued and unpaid interest from the Issue Date).
<b>Maturity</b>	The Senior Subordinated Notes will mature on April 15, 2025.
<b>Interest</b>	6.000% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2017.
<b>Ranking</b>	<p>The Senior Subordinated Notes:</p> <ul style="list-style-type: none"><li>• will be general unsecured senior subordinated obligations;</li><li>• will be expressly subordinated in right of payment to indebtedness incurred under the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes and other future senior debt;</li><li>• will rank <i>pari passu</i> in right of payment to any of our existing or future indebtedness (other than our senior debt) that is not expressly subordinated in right of payment to the Senior Subordinated Notes, including the 2014 Senior Subordinated Notes;</li><li>• will not be guaranteed on the Issue Date and as a result will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and</li><li>• will be effectively subordinated to all secured debt (including the Senior Secured Notes and the Revolving Credit Facility) to the extent of the value of the collateral securing such debt (including the Senior Secured Security and the Revolving Credit Facility Collateral).</li></ul>
<b>Intercreditor Agreement</b>	<p>To establish the relative rights of certain of our creditors under our financing arrangements, we entered into the Intercreditor Agreement with, among others, the Security Agent, the trustees for the 2014 Notes, the trustee for the 2016 Senior Secured Notes and the lenders under the Revolving Credit Facility. In connection with the issuance of the Senior Subordinated Notes, the Trustee will accede to the Intercreditor Agreement in its capacity as trustee for the Senior Subordinated Notes.</p> <p>For further information see “Description of Certain Indebtedness—Intercreditor Agreement.”</p>
<b>Optional Redemption</b>	We may redeem all or part of the Senior Subordinated Notes at any time on or after April 15, 2020 at the redemption prices described in this offering memorandum. At any time prior to April 15, 2020 we may redeem all or part of the Senior Subordinated Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this offering memorandum. In addition, at any time prior to April 15, 2020 we may also redeem up to 45% of the Senior Subordinated Notes with the net proceeds from certain equity offerings.
<b>Change of Control</b>	Upon certain events constituting a change of control and a rating decline (which is defined to include, among other things, Standard & Poor’s issuing, confirming or maintaining a corporate rating of the Issuer that is below B+ at any time during the period commencing on the date of the first public notice of the occurrence the change of control and ending on the date that is ninety (90) days following the occurrence of such event), the Issuer may be required to make an offer to purchase the Senior Subordinated Notes at a price equal to 101% of the principal amount thereof.
<b>Redemption for Changes in Tax Law</b>	We will be required to pay additional amounts to the holders of the Senior Subordinated Notes to compensate them for any amounts deducted from payments to them in respect of the Senior Subordinated Notes on account of certain taxes and other governmental charges. If we become obliged to pay such additional amounts as a result of a change in law, the Senior Subordinated Notes will be subject to redemption, in whole but not in part, at our option at a price equal to 100% of the principal amount of the Senior Subordinated Notes.

**Certain Covenants and Events of Default**

The indenture governing the Senior Subordinated Notes will contain certain covenants and events of default that, among other things, limit our ability and that of certain of our subsidiaries to:

- incur or guarantee additional indebtedness or issue preferred shares;
- pay dividends or make other distributions;
- purchase equity interests or redeem subordinated indebtedness prior to its maturity;
- create or incur certain liens;
- create or incur restrictions on the ability to pay dividends or make other payments to us;
- enter into certain transactions with affiliates; and
- sell assets (including the capital stock of our subsidiaries) or merge or consolidate with another company.

All of these limitations are subject to a number of important qualifications and exceptions.

If at any time the Senior Subordinated Notes receive ratings of BBB- or higher from Standard & Poor's and Baa3 or higher from Moody's Investors Service, Inc. ("Moody's"), and no default or event of default has occurred and is continuing, certain restrictions, covenants and events of default will cease to be applicable to the Senior Subordinated Notes for so long as the Senior Subordinated Notes maintain such ratings.

**Taxation**

For a description of the material tax consequences of an investment in the Senior Subordinated Notes, see "Taxation."

**Denomination**

Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.

**Listing**

Application has been made to admit the Senior Subordinated Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF.

**Governing Law**

The Senior Subordinated Indenture and the Senior Subordinated Notes will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Agreement is governed by, and construed in accordance with the laws of England and Wales.

**Trustee**

Wilmington Trust, National Association

**Paying Agent**

Deutsche Bank AG, London Branch

**Luxembourg Listing Agent, Transfer Agent and Registrar**

Deutsche Bank Luxembourg S.A.

*For further information regarding the Notes, see "Description of the Senior Subordinated Notes."*

**Risk Factors**

Investment in the Notes offered hereby involves certain risks. You should carefully consider the information under "Risk Factors" and all other information included in this offering memorandum before investing in the Notes.



## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

### Summary Loxam Financial Information

The following summary consolidated financial information as of and for the years ended December 31, 2014, 2015 and 2016 has been derived from our audited consolidated annual financial statements as of and for the years ended December 31, 2014, 2015 and 2016, which were audited by our Auditors. An English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2013, 2014, 2015 and 2016 is included elsewhere in this offering memorandum, together with a free English language translation of the audit reports thereon from our independent auditors, KPMG Audit (a division of KPMG SA) and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited). Our consolidated financial statements were prepared in accordance with IFRS.

The summary consolidated financial information included below is not necessarily indicative of our future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, including the notes thereto, a free English language translation of which is included elsewhere in this offering memorandum. You should also read the tables below in conjunction with “Presentation of Financial and Other Information – Loxam Financial Information,” “Use of Proceeds,” “Capitalization,” “Selected Consolidated Condensed Financial Information for Loxam,” “Unaudited Pro Forma Consolidated Condensed Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

### Consolidated Income Statement Information

	Year ended December 31,		
	2014	2015	2016
	(in millions of euros)		
Revenue .....	812.3	838.3	926.8
Other income <sup>(*)</sup> .....	50.6	57.4	56.3
<b>Operating income</b> .....	<b>862.9</b>	<b>895.7</b>	<b>983.0</b>
Purchases consumed .....	(92.1)	(92.0)	(105.5)
Personnel expenses .....	(215.5)	(224.6)	(244.4)
Other current expenses .....	(284.2)	(286.4)	(311.7)
Taxes and duties .....	(14.7)	(15.5)	(16.6)
Depreciation and amortization .....	(164.3)	(187.3)	(143.7)
<b>Profit from ordinary operations</b> .....	<b>92.1</b>	<b>90.0</b>	<b>161.1</b>
Other operating income and expenses .....	(2.6)	0.1	(19.9)
<b>Operating profit</b> .....	<b>89.5</b>	<b>90.0</b>	<b>141.2</b>
Interest and financing-related expenses .....	(58.0)	(69.4)	(63.1)
Other financial expenses .....	(11.2)	(2.2)	(31.8)
Financial income .....	2.3	5.0	6.8
<b>Financial income (expense)</b> .....	<b>(66.9)</b>	<b>(66.6)</b>	<b>(88.1)</b>
<b>Profit before tax</b> .....	<b>22.6</b>	<b>23.4</b>	<b>53.0</b>
Share of profit of associates .....	-	(0.4)	(1.0)
Income tax expense .....	(10.9)	(15.3)	(17.6)
<b>Net profit</b> .....	<b>11.7</b>	<b>7.7</b>	<b>34.4</b>
Non-controlling interests .....	(0.1)	(0.3)	0.1
<b>Net profit, Group share</b> .....	<b>11.8</b>	<b>8.0</b>	<b>34.3</b>

(\*) Other income includes capital gains on disposal of fleet assets for €41.5 million, €46.1 million and €43.3 million in 2014, 2015 and 2016, respectively. It also includes income from real estate rentals to third parties for €5.8 million, €5.7 million and €5.8 million in 2014, 2015 and 2016, respectively.

## Consolidated Balance Sheet Information

	As of December 31,		
	2014	2015	2016
	(in millions of euros)		
Intangible assets and goodwill .....	951.6	983.0	969.0
Property, plant and equipment .....	534.2	560.1	630.0
Financial assets .....	6.0	9.4	9.9
Financial derivatives .....	-	-	0.8
Investments in associates .....	-	8.5	9.7
Deferred tax assets .....	9.0	8.6	7.8
<b>Non-current assets .....</b>	<b>1,500.9</b>	<b>1,569.6</b>	<b>1,627.2</b>
Inventories .....	17.2	18.4	18.7
Trade and other receivables .....	185.5	206.4	224.6
Other current assets .....	21.6	21.8	26.1
Corporate income tax receivables .....	11.0	3.9	6.6
Cash management assets .....	5.0	-	-
Cash and cash equivalents .....	139.4	158.2	155.9
<b>Current assets .....</b>	<b>379.7</b>	<b>408.6</b>	<b>431.9</b>
<b>Total assets .....</b>	<b>1,880.7</b>	<b>1,978.2</b>	<b>2,059.1</b>
Share capital .....	258.2	258.2	232.4
Additional paid-in capital .....	1.9	1.9	1.9
Consolidated reserves .....	271.5	278.9	211.3
Net profit for the year .....	11.8	8.0	34.3
<b>Shareholders' equity (Group share) .....</b>	<b>543.4</b>	<b>547.0</b>	<b>479.9</b>
Non-controlling interests .....	0.5	0.2	0.9
<b>Total equity .....</b>	<b>543.9</b>	<b>547.2</b>	<b>480.8</b>
Employee benefits .....	15.1	15.0	18.7
Deferred tax liabilities .....	24.3	21.9	25.4
Borrowings and financial debt .....	1,045.2	1,109.0	1,189.2
Financial derivatives .....	11.8	9.5	4.9
<b>Non-current liabilities .....</b>	<b>1,096.4</b>	<b>1,155.5</b>	<b>1,238.2</b>
Provisions .....	5.6	7.1	4.9
Borrowings and financial debt .....	51.2	73.7	107.4
Trade and other payables .....	90.1	89.4	123.1
Other liabilities .....	93.2	105.3	103.9
Corporate income tax liabilities .....	0.3	0.1	0.7
<b>Current liabilities .....</b>	<b>240.4</b>	<b>275.5</b>	<b>340.1</b>
<b>Total shareholders' equity and liabilities .....</b>	<b>1,880.7</b>	<b>1,978.2</b>	<b>2,059.1</b>

## Consolidated Cash Flow Statement Information

	As of December 31,		
	2014	2015	2016
	(in millions of euros)		
Cash flow from operating activities .....	155.4	153.3	165.6
Cash flow from investing activities .....	(255.0)	(217.3)	(178.3)
Cash flow from financing activities .....	104.3	77.7	7.0
<b>Change in cash and cash equivalents .....</b>	<b>4.8</b>	<b>13.7</b>	<b>(5.7)</b>
Cash and cash equivalents <sup>(*)</sup> at end of period .....	144.3	158.0	155.7

(\*) Cash and cash equivalents at the end of the period is defined net of bank overdrafts.

## Other Financial and Operating Data

The following table presents other financial and operating data which we use to analyze our business on a consolidated basis for the periods indicated.

	As of or for the year ended December 31,		
	2014	2015	2016
	(in millions of euros, except percentages and operational data)		
<b>EBITDA<sup>(1)</sup></b> .....	<b>256.5</b>	<b>277.3</b>	<b>304.8</b>
<b>EBITDA Margin<sup>(1)</sup></b> .....	<b>31.6%</b>	<b>33.1%</b>	<b>32.9%</b>
Gross capital expenditures			
<i>Purchases of rental equipment</i> .....	233.8	123.6	197.6
<i>Purchases of non-rental equipment</i> .....	18.9	27.1	33.2
<b>Total</b> .....	<b>252.8</b>	<b>150.8</b>	<b>230.9</b>
Proceeds from disposal of fixed assets			
<i>Proceeds from disposals of rental equipment</i> .....	49.5	54.3	50.0
<i>Proceeds from disposals of non-rental equipment</i> .....	1.5	4.2	4.6
<b>Total</b> .....	<b>51.0</b>	<b>58.6</b>	<b>54.6</b>
Net capital expenditures <sup>(2)</sup> .....	201.8	92.2	176.3
Change in working capital requirements .....	(1.0)	5.9	6.8
Interest and financing-related expenses .....	58.0	69.4	63.1
Free cash flow <sup>(3)</sup> .....	(47.0)	60.0	(5.4)
Loans and financial debt (gross debt) <sup>(4)</sup> .....	1,096.4	1,182.7	1,296.6
<b>Net debt<sup>(5)</sup></b> .....	<b>952.0</b>	<b>1,024.5</b>	<b>1,140.8</b>

	As of or for the year ended December 31,		
	2014	2015	2016
Employees .....	4,671	5,046	5,007
Number of branches .....	628	668	643
Opening .....	14	11	11
Closures or mergers .....	52	37	(37)
Acquisitions .....	55	66	1
Replacement value of the fleet <sup>(6)</sup> (in millions of euros) .....	1,982	2,126	2,117
Organic growth <sup>(7)</sup> (%) .....	(3.3)	(0.1)	4.8
Revenue from generalist France division <sup>(8)</sup> (%) ..	62.9	61.4	61.9
Revenue from specialist France division <sup>(8)</sup> (%) ..	17.6	16.9	17.6
Revenue from international division <sup>(8)</sup> (%) .....	19.5	21.7	20.5

The following table sets forth certain financial information (as adjusted, see “Capitalization”) and Pro Forma Adjusted EBITDA multiples based on the assumption that the Lavendon Acquisition and the Hune Group Acquisition had occurred on January 1, 2016, as adjusted to give effect to the issuance of the Notes and the use of the net proceeds thereof as set forth under “Use of Proceeds.”

	As Adjusted	xPro Forma Adjusted EBITDA <sup>(9)</sup>
	(in millions of euros)	
Bilateral credit facilities, finance leases and other indebtedness <sup>(10)</sup> .....	179.8	0.4
2014 Senior Secured Notes <sup>(11)</sup> .....	410.0	0.9
2016 Senior Secured Notes <sup>(11)</sup> .....	250.0	0.6
2022 Senior Secured Notes offered hereby <sup>(11)</sup> .....	300.0	0.7
2024 Senior Secured Notes offered hereby <sup>(11)</sup> .....	300.0	0.7
<b>Total priority debt</b> .....	<b>1,439.7</b>	<b>3.2</b>
Bilateral credit facilities and other indebtedness <sup>(10)</sup> .....	196.7	0.4
2014 Senior Subordinated Notes <sup>(11)</sup> .....	250.0	0.6
Senior Subordinated Notes offered hereby <sup>(11)</sup> .....	250.0	0.6
<b>Total financial debt</b> .....	<b>2,136.5</b>	<b>4.7</b>
<b>Cash and cash equivalents<sup>(12)</sup></b> .....	<b>94.5</b>	<b>0.2</b>
<b>Net debt</b> .....	<b>2,042.0</b>	<b>4.5</b>

Notes:

- (1) EBITDA is defined as profit from ordinary operations plus depreciation of fixed assets. We present EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present EBITDA differently than we do. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—EBITDA” for a reconciliation of EBITDA to profit from ordinary operations and net profit. EBITDA Margin is equal to EBITDA divided by revenue for the relevant period.
- (2) Net capital expenditures is capital expenditures net of proceeds from disposals of fixed assets.
- (3) Free cash flow is defined as EBITDA less net capital expenditures, finance income and expense (excluding in particular non-cash costs related to a provision for the cost of interest rate swaps), taxes (expenses payable), less net capital gains on fleet disposals and certain other income and expenses and changes in working capital. We present free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow differently than we do. Free cash flow is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Free cash flow.”
- (4) Gross debt is defined as loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt, less capitalized debt issuance costs. As of December 31, 2016 we had €244.7 million outstanding under our bilateral credit facilities. Amounts outstanding under finance leases and other indebtedness were €143.7 million and €(1.8) million (net of €(8.1) million in capitalized debt issuance costs), respectively, as of December 31, 2016. From December 31, 2016 to February 28, 2017, we entered into new bilateral credit facilities in an amount of €49.7 million, new finance leases in an amount of €29.0 million and we drew €511.0 million under the Bridge Facility Agreement. We also entered into the Revolving Credit Facility, which replaced our old revolving credit facility, for €75 million which remains undrawn. The change in the scope of our Group as a result of the Lavendon Acquisition and the Hune Group Acquisition also resulted in an increase in gross debt by €276.6 million. At the same time, we repaid €72.4 million under our bilateral credit facilities and €15.1 million under our finance leases, respectively. As a result, as of February 28, 2017, our gross debt was €2,081.2 million, the amount outstanding under our bilateral credit facilities increased to €387.6 million and the amount outstanding under our finance leases increased to €169.1 million. Our other indebtedness as of February 28, 2017 was €8.4 million (net of €(7.7) million in capitalized debt issuance costs). Additionally, there were no committed but undrawn amounts under our bilateral credit facilities and the committed but undrawn amount under the Bridge Facility Agreement was €284.0 million, each as of February 28, 2017. Amounts drawn under the Bridge Facility Agreement will be refinanced with the net proceeds of the offering of the Notes. See “Use of Proceeds.”
- (5) Net debt is defined as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Net debt” for a reconciliation of net debt to certain financing items on our balance sheet.
- (6) The replacement value of the fleet is defined as the estimated replacement cost of the rental fleet based on the price of equipment assumed for purposes of preparing our internal budget as of the date indicated. We cannot assure you that we would be able to replace our fleet at these prices.
- (7) Changes in revenue for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation.
- (8) Due to an internal reorganization between the generalist France and the specialist France divisions, the year-end revenue allocations between generalist and specialist have been restated since January 1, 2016. The revenue allocation before restatement at December 31, 2015 was 61.1% for our generalist France division, 17.2% from our specialist France division and 21.7% from our international division.
- (9) “Pro Forma Adjusted EBITDA” is used in the table above, reflecting Loxam’s historical EBITDA and that of Hune Group, and the EBITDA of Lavendon (as adjusted for purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information), which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” Pro Forma Adjusted EBITDA Margin is equal to Pro Forma Adjusted EBITDA divided by revenue for the relevant period.
- (10) Our bilateral credit facilities consist of senior unsecured loans borrowed by us and certain of our subsidiaries from a variety of banks. Of the total amount drawn under bilateral credit facilities as of December 31, 2016, €202.3 million was owed by Loxam S.A.S., and €42.4 million was owed by our subsidiaries (a portion of which was guaranteed by Loxam S.A.S.). As of February 28, 2017, the amount outstanding under our bilateral credit facilities was €387.6 million (of which the Lavendon portion was subsequently repaid on March 15, 2017), with €224.0 million owed by Loxam S.A.S. and €163.6 million owed by our subsidiaries. Loxam S.A.S. also drew an amount of €511.0 million under the Bridge Facility Agreement. Our finance leases are secured by liens over equipment in our fleet and generally have maturities of five years. Of the amounts drawn under finance leases as of December 31, 2016, €128.4 million was owed by Loxam S.A.S. and €15.4 million was owed by our subsidiaries, including €5.2 million of Lavendon finance leases and €0.3 million Hune Group finance leases that were taken over by our group following acquisitions. As of February 28, 2017, amounts drawn under finance leases amounted to €169.1 million, with €149.0 million owed by Loxam S.A.S. and €20.1 million owed by our subsidiaries. Other financial debt is composed of €4.9 million of accrued interest on loans, €1.1 million of other financial debt and €0.2 million of bank overdrafts, less capitalized debt issuance costs of €8.1 million, as adjusted to take into account €(15.9) million capitalized debt issuance costs related to the issuance of the Notes offered hereby. As of February 28, 2017, our other indebtedness was composed of €12.8 million accrued interest on loans, €3.1 million of other financial debt and €0.1 million of bank overdrafts, less capitalized issuance costs of €(7.7) million.
- (11) This amount reflects issuance at par.
- (12) Cash and cash equivalents as adjusted includes cash and cash equivalents brought into our group following the Lavendon Acquisition and the Hune Group Acquisition and the impact of the Hune Group Acquisition.

## Summary Lavendon Financial Information

The following summary consolidated financial information as of and for the years ended December 31, 2015 and 2016 has been derived from Lavendon's audited consolidated annual financial statements as of and for the year ended December 31, 2016, which were audited by Deloitte LLP. The audited consolidated financial statements as of and for the year ended December 31, 2016 are included elsewhere in this offering memorandum, together with the audit report thereon from Deloitte LLP. Lavendon's consolidated financial statements were prepared in accordance with IFRS.

The summary consolidated financial information included below is not necessarily indicative of Lavendon's future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, Lavendon's consolidated financial statements, including the notes thereto, which are included elsewhere in this offering memorandum. You should also read the tables below in conjunction with "Presentation of Financial and Other Information – Lavendon Financial Information," "Selected Consolidated Condensed Financial Information For Lavendon," and "Unaudited Pro Forma Consolidated Condensed Financial Information."

The summary consolidated financial information below is presented in pounds sterling. See "Exchange Rate Information."

### *Group Income Statement*

	Year ended December 31,	
	2015	2016
	(in millions of pounds sterling)	
Revenue .....	248.6	282.2
Cost of Sales .....	(136.1)	(153.5)
Gross Profit.....	112.5	128.7
<b>Operating expenses .....</b>	<b>(91.8)</b>	<b>(85.3)</b>
<b>Operating profit/(loss) .....</b>	<b>20.7</b>	<b>43.5</b>
Net finance expense .....	(4.6)	(5.5)
<b>Profit/(loss) before taxation.....</b>	<b>16.2</b>	<b>38.0</b>
Taxation on profit/(loss) .....	(7.8)	(8.6)
<b>Profit/(loss) for the year.....</b>	<b>8.3</b>	<b>29.4</b>

## Group Balance Sheet

	As of December 31,	
	2015	2016
	(in millions of pounds sterling)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill .....	45.5	45.5
Other intangible assets .....	6.6	6.1
Property, plant and equipment .....	284.2	339.3
	<b>336.4</b>	<b>390.9</b>
<b>Current assets</b>		
Inventories .....	5.4	5.5
Trade and other receivables .....	72.5	90.9
Cash and cash equivalents .....	11.9	16.1
	<b>89.8</b>	<b>112.5</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Financial liabilities - borrowings .....	(0.3)	(1.1)
Trade and other payables .....	(55.3)	(47.8)
Current tax liabilities .....	(4.2)	(6.3)
	<b>(59.8)</b>	<b>(55.1)</b>
Net current assets .....	<b>30.0</b>	<b>57.4</b>
<b>Non-current liabilities</b>		
Financial liabilities - borrowings .....	(130.8)	(171.6)
Deferred tax liabilities .....	(12.7)	(13.9)
	<b>(143.5)</b>	<b>(185.5)</b>
<b>Net assets</b> .....	<b>222.9</b>	<b>262.7</b>
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary shares .....	1.7	1.7
Share premium .....	105.3	105.4
Capital redemption reserve .....	-	-
Other reserves .....	(6.6)	12.1
Retained earnings .....	122.5	143.5
<b>Total equity</b> .....	<b>222.9</b>	<b>262.7</b>

## Group Cash Flow Statement

	Year ended December 31,	
	2015	2016
	(in millions of pounds sterling)	
Cash flow from operating activities .....	(21.1)	(2.8)
Cash flow from investing activities .....	(4.4)	(6.1)
Cash flow from financing activities .....	19.9	11.4
<b>Change in cash and cash equivalents (after exchange differences)*</b>	<b>(5.7)</b>	<b>4.1</b>
Cash and cash equivalents at end of period .....	11.9	16.1

(\*) Effects of exchange rates amount to £(0.2) million and £1.6 million in 2015 and 2016, respectively.

***Other Financial and Operating Data***

	<b>As of or for the year ended December 31,</b>	
	<b>2015</b>	<b>2016</b>
	<b>(in millions of pounds sterling, except percentages and operational data)</b>	
<b>Underlying EBITDA .....</b>	<b>85.9</b>	<b>102.1</b>
<b>Underlying EBITDA Margin .....</b>	<b>34.5%</b>	<b>36.2%</b>
Capital expenditures.....	95.5	86.0
Revenue growth .....	0.9%	13.5%
Revenue growth at constant exchange rates.....	2.4%	6.9%
Employees (average).....	1,650	1,868
Branches (depots) .....	70	70

## Summary Unaudited Pro Forma Consolidated Condensed Financial Information

The following tables set forth Unaudited Pro Forma Consolidated Condensed Financial Information, prepared as if the Lavendon Acquisition and Hune Group Acquisition had occurred on January 1, 2016 (for income statement purposes) or December 31, 2016 (for balance sheet purposes), as of and for the year ended December 31, 2016. This Unaudited Pro Forma Consolidated Condensed Financial Information has been prepared for illustrative purposes only and does not purport to represent what our actual results of operations would have been if the Lavendon Acquisition and the Hune Group Acquisition had occurred on those dates, nor does it purport to be indicative of our future results of operations or financial condition. The Unaudited Pro Forma Consolidated Condensed Financial Information set forth in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the events above occurred on January 1, 2016 or December 31, 2016. See “Unaudited Pro Forma Consolidated Condensed Financial Information.”

The Lavendon historical EBITDA figures presented in the table below reflect what Lavendon refers to as “underlying” EBITDA, which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” Loxam does not report EBITDA on an “underlying” basis. Accordingly, charges such as those excluded by Lavendon from its underlying EBITDA will not be excluded from Loxam’s EBITDA in its future consolidated financial statements. For this reason, we restated Lavendon’s “underlying” EBITDA in order to align it with Loxam’s EBITDA. We refer to the term “Pro Forma Adjusted EBITDA” in the table below, reflecting our historical EBITDA and that of Hune Group, and the EBITDA of Lavendon as adjusted for purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information.

Lavendon information in the unaudited condensed consolidated financial information has been translated from pounds sterling to euro on the basis of the exchange rate set forth under “Unaudited Pro Forma Consolidated Condensed Financial Information.”

### Unaudited Pro Forma Consolidated Condensed Income Statement

#### Year ended December 31, 2016

	Historical data of Loxam	Historical data of Lavendon	Historical data of Hune	Combination of historical financial data of Loxam, Lavendon and Hune	Pro Forma Adjustments				Total pro forma
					Acquisition costs <sup>1</sup>	Re-Financing of the transaction <sup>2</sup>	Presentation Adjustment <sup>3</sup>	Combined adjustments	
				(in millions of euros)					
Revenue .....	926.8	344.6	66.4	1,337.8	-	-	(7.8)	(7.8)	1,330.0
Other income.....	56.3	-	0.8	57.1	-	-	6.0	6.0	63.1
<b>Operating income.....</b>	<b>983.0</b>	<b>344.6</b>	<b>67.2</b>	<b>1,394.9</b>	-	-	<b>(1.8)</b>	<b>(1.8)</b>	<b>1,393.1</b>
Purchases consumed ....	(105.5)	(27.1)	(8.5)	(141.0)	-	-	1.2	1.2	(139.8)
Personnel expenses .....	(244.4)	(94.3)	(20.4)	(359.0)	-	-	2.3	2.3	(356.7)
Other current expenses .....	(311.7)	(98.6)	(21.8)	(432.1)	-	-	4.0	4.0	(428.2)
Taxes and duties .....	(16.6)	-	-	(16.6)	-	-	(1.7)	(1.7)	(18.3)
Depreciation and amortization .....	(143.7)	(66.9)	(14.9)	(225.6)	-	-	3.9	3.9	(221.7)
<b>Profit from ordinary operations .....</b>	<b>161.1</b>	<b>57.8</b>	<b>1.6</b>	<b>220.5</b>	-	-	<b>8.0</b>	<b>8.0</b>	<b>228.5</b>
Other operating income and expenses .....	(19.9)	(4.7)	-	(24.6)	(25.9)	-	(8.3)	(34.2)	(58.9)
<b>Operating profit .....</b>	<b>141.2</b>	<b>53.1</b>	<b>1.6</b>	<b>195.9</b>	<b>(25.9)</b>	-	<b>(0.3)</b>	<b>(26.2)</b>	<b>169.7</b>
Interest and financing-related expenses .....	(63.1)	(6.7)	(3.6)	(73.4)	-	(30.4)	-	(30.4)	(103.9)
Other financial expenses .....	(31.8)	-	-	(31.8)	-	(12.4)	-	(12.4)	(44.3)
Financial income .....	6.8	-	112.7	119.6	-	(0.5)	(111.9)	(112.4)	7.2
<b>Financial income (expense) .....</b>	<b>(88.1)</b>	<b>(6.7)</b>	<b>109.1</b>	<b>14.3</b>	-	<b>(43.3)</b>	<b>(111.9)</b>	<b>(155.2)</b>	<b>(141.0)</b>
<b>Profit before tax .....</b>	<b>53.0</b>	<b>46.4</b>	<b>110.7</b>	<b>210.2</b>	<b>(25.9)</b>	<b>(43.3)</b>	<b>(112.2)</b>	<b>(181.5)</b>	<b>28.7</b>
Share of profit of associates .....	(1.0)	-	(0.5)	(1.5)	-	-	-	-	(1.5)
Income tax expense (*) .....	(17.6)	(10.5)	(0.5)	(28.6)	7.0	9.5	0.3	16.8	(11.8)
<b>Net profit .....</b>	<b>34.4</b>	<b>35.9</b>	<b>109.7</b>	<b>180.0</b>	<b>(18.9)</b>	<b>(33.8)</b>	<b>(111.9)</b>	<b>(164.7)</b>	<b>15.4</b>
Non-controlling interests .....	(0.1)	-	-	(0.1)	-	-	-	-	(0.1)
<b>Net profit, Group share .....</b>	<b>34.3</b>	<b>35.9</b>	<b>109.7</b>	<b>179.9</b>	<b>(18.9)</b>	<b>(33.8)</b>	<b>(111.9)</b>	<b>(164.7)</b>	<b>15.3</b>
<b>Pro Forma Adjusted EBITDA (**). .....</b>	<b>304.8</b>	<b>124.7</b>	<b>16.6</b>	<b>446.1</b>	-	-	<b>4.1</b>	<b>4.1</b>	<b>450.2</b>



\* The tax effect amount of the adjustment for the pro forma information was calculated using a tax rate of 34.43% for Loxam, 20% for Lavendon and 25% for Hune Group.

\*\* The Lavendon historical EBITDA figures presented in the table above reflect what Lavendon refers to as “underlying” EBITDA, which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” Loxam does not report EBITDA on an “underlying” basis. Accordingly, charges such as those excluded by Lavendon from its underlying EBITDA will not be excluded from Loxam’s EBITDA in its future consolidated financial statements. For this reason, we restated Lavendon “underlying” EBITDA in order to align it with Loxam’s EBITDA. We refer to the term “Pro Forma Adjusted EBITDA” in the table below, reflecting our historical EBITDA and that of Hune Group, and the EBITDA of Lavendon as adjusted for purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information.

### *Unaudited Pro Forma Consolidated Condensed Balance Sheet*

As at December 31, 2016

	Historical data of Loxam	Historical data of Lavendon	Historical data of Hune	Combination of historical financial data of Loxam, Lavendon and Hune	Acquisition Loxam, Lavendon, Hune <sup>1</sup>	Total Refinancing Loxam, Lavendon, Hune <sup>2</sup>	Total Pro Forma
	(in millions of euros)						
Intangible assets and goodwill ...	969.0	60.3	35.0	1,064.2	228.7	-	1,292.9
Property, plant and equipment ...	630.0	396.3	60.5	1,086.8	-	-	1,086.8
Financial assets .....	9.9	-	2.4	12.3	-	-	12.3
Financial derivatives	0.8	-	-	0.8	-	(0.7)	0.1
Investments in associates .....	9.7	-	10.5	20.3	-	-	20.3
Deferred tax assets .....	7.8	-	4.6	12.4	-	-	12.4
<b>Non-current assets .....</b>	<b>1,627.2</b>	<b>456.5</b>	<b>113.0</b>	<b>2,196.8</b>	<b>228.7</b>	<b>(0.7)</b>	<b>2,424.8</b>
Inventories .....	18.7	6.4	1.3	26.4	-	-	26.4
Trade and other receivables .....	224.6	106.2	29.1	359.9	-	-	359.9
Other current assets .....	26.1	-	0.2	26.3	-	-	26.3
Corporate income tax receivables .....	6.6	-	-	6.6	7.0	-	13.6
Cash management assets .....	-	-	0.6	0.6	-	-	0.6
Cash and cash equivalents .....	155.9	18.8	6.3	180.9	(622.1)	503.2	62.0
<b>Current assets</b>	<b>431.9</b>	<b>131.4</b>	<b>37.4</b>	<b>600.7</b>	<b>(615.1)</b>	<b>503.2</b>	<b>488.9</b>
<b>Total assets</b>	<b>2,059.1</b>	<b>587.9</b>	<b>150.4</b>	<b>2,797.5</b>	<b>(386.4)</b>	<b>502.5</b>	<b>2,913.6</b>
Share capital .....	232.4	125.1	23.8	381.3	-	-	381.3
Additional paid-in capital .....	1.9	-	219.6	221.5	-	-	221.5
Consolidated reserves .....	245.6	181.8	(182.2)	245.2	(386.4)	(15.8)	(157.0)
<b>Shareholders’ equity (Group share) .....</b>	<b>479.9</b>	<b>306.9</b>	<b>61.2</b>	<b>847.9</b>	<b>(386.4)</b>	<b>(15.8)</b>	<b>445.8</b>
Non-controlling interests .....	0.9	-	-	0.9	-	-	0.9
<b>Total equity</b>	<b>480.8</b>	<b>306.9</b>	<b>61.2</b>	<b>848.9</b>	<b>(386.4)</b>	<b>(15.8)</b>	<b>446.7</b>
Employee benefits .....	18.7	-	-	18.7	-	-	18.7
Deferred tax liabilities .....	25.4	16.2	0.6	42.2	-	-	42.2
Borrowings and financial debt ...	1,189.2	200.5	61.4	1,451.1	-	533.0	1,984.1
Financial derivatives .....	4.9	-	-	4.9	-	-	4.9
<b>Non-current liabilities .....</b>	<b>1,238.2</b>	<b>216.7</b>	<b>62.0</b>	<b>1,516.9</b>	<b>-</b>	<b>533.0</b>	<b>2,049.9</b>
Provisions .....	4.9	-	1.4	6.3	-	-	6.3
Borrowings and financial debt ...	107.4	1.2	13.5	122.1	-	(14.7)	107.4
Trade and other payables .....	123.1	55.8	12.4	191.3	-	-	191.3
Other liabilities .....	103.9	-	-	103.9	-	-	103.9
Corporate income tax liabilities..	0.7	7.3	-	8.0	-	-	8.0
<b>Current liabilities .....</b>	<b>340.1</b>	<b>64.3</b>	<b>27.2</b>	<b>431.7</b>	<b>-</b>	<b>(14.7)</b>	<b>417.0</b>
<b>Total shareholders’ equity and liabilities</b>	<b>2,059.1</b>	<b>587.9</b>	<b>150.4</b>	<b>2,797.5</b>	<b>(386.4)</b>	<b>502.5</b>	<b>2,913.6</b>

(1) **Goodwill:** The acquisitions of Lavendon and Hune Group should be accounted in accordance with IFRS 3 revised (Business combination), and would also imply that goodwill should be determined as the difference between the fair value of the consideration transferred and the fair value of the amount of the identifiable assets and liabilities. However, in the context of the Unaudited Condensed Consolidated Pro Forma Financial Information and with no available information about the fair value of the identifiable assets and liabilities, goodwill is determined as the difference between the consideration transferred and the net carrying value of the assets and liabilities, recognized in the consolidated balance sheet of the Lavendon and Hune Group as at December 31, 2016. As a result, the so-called “preliminary” goodwill in the Unaudited Pro Forma Consolidated Financial Information is not the goodwill that will be recognized in the consolidated in the financial statements of the combined group that will be prepared for the year ended December 31, 2017.

(2) **Financing the Transaction:** In the context of financing the transaction, the Pro Forma Consolidated Statement of Financial Position reflects the replacement of “old financing arrangement” that existed in Lavendon and Hune Group as at December 31, 2016, with the “new financing arrangement” for the combined purposes of the three groups, consisting of the Notes offered hereby (which refinanced the Bridge Facility Agreement used to pay for the Lavendon Acquisition and substantially all of the Lavendon and Hune Group financial debt). The rate and the amount of the breakdown of the nominal value of the Notes offered hereby between Senior Secured Notes and Senior Subordinated Notes are estimated at the time of the preparation of the pro-forma financial information.

See “Unaudited Pro Forma Consolidated Condensed Financial Information” for additional detail regarding the foregoing.

### ***Unaudited Pro Forma Consolidated Condensed Financial and Operating Data***

The following table presents other financial and operating data which we use to analyze our business on a consolidated basis for the periods indicated.

	<b>As of or for the year ended December 31, 2016</b>
	<b>(in millions of euros, except percentages and operational data)</b>
<b>Pro Forma Adjusted EBITDA<sup>(1)</sup></b> .....	<b>450.2</b>
<b>Pro Forma Adjusted EBITDA Margin<sup>(1)</sup></b> .....	<b>33.9%</b>
Gross capital expenditures .....	<b>342.6</b>
Proceeds from disposal of fixed assets .....	<b>65.6</b>
Net capital expenditures <sup>(2)</sup> .....	<b>277.0</b>
Interest and financing-related expenses .....	<b>103.9</b>
Loans and financial debt (gross debt) <sup>(3)(4)</sup> .....	<b>2,091.5</b>
<b>Net debt<sup>(4)(5)</sup></b> .....	<b>2,029.5</b>
	<b>As of or for the year ended December 31, 2016</b>
Employees (average) .....	<b>7,379</b>
Number of branches .....	<b>750</b>
Gross book value of the fleet (in millions of euros) .....	<b>2,816.7</b>

(1) “Pro Forma Adjusted EBITDA” is used in the table above, reflecting Loxam’s historical EBITDA and that of Hune Group, and the EBITDA of Lavendon (as adjusted for purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information), which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” We present EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present EBITDA differently than we do. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS. Pro Forma Adjusted EBITDA Margin is equal to Pro Forma Adjusted EBITDA divided by revenue for the relevant period.

(2) Net capital expenditures is capital expenditures net of proceeds from disposals of fixed assets.

(3) Gross debt is defined as loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt, less capitalized debt issuance costs.

(4) See “Capitalization” for a description of our “as adjusted” capital structure as of December 31, 2016.

(5) Net debt is defined as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

## RISK FACTORS

*An investment in the Notes involves a high degree of risk. You should carefully consider the risks described below, together with other information provided to you in this offering memorandum, before deciding whether to invest in the Notes. Any of the risks described below, individually or together, could have a material adverse effect on our business, financial condition, results of operations, ability to meet our financial obligations and prospects as well as the value of the Notes. The risks described below are not the only risks we face. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.*

### **Risks Related to our Industry**

***Declines in construction and civil engineering activities, or a downturn in the economy in general, could lead to decreased demand for equipment and depressed equipment rental rates.***

Our equipment is principally used in connection with construction and civil engineering activities, in addition to industrial activities. These sectors in the markets where we operate are cyclical industries with activity levels that tend to increase during periods of economic growth and decline during economic downturns. The demand for our products is strongly correlated to conditions in the general economy and in the construction, engineering and industrial sectors. Consequently, a downturn in construction, civil engineering or industrial activities, or the economy in general, generally leads to decreased demand for our equipment. Downturns also intensify price competition as equipment rental providers seek to increase utilization of idle equipment.

Construction and civil engineering activities, which account for a majority of our revenue, may be negatively affected, either temporarily or over the long-term, by:

- a decrease in government infrastructure spending;
- a reduction in construction spending levels by either public or private customers;
- unfavorable credit markets affecting our customers' ability to undertake new construction projects;
- an increase in the cost of construction materials; or
- adverse weather conditions affecting a particular region.

Weakness or deterioration in the construction and civil engineering sectors caused by these or other factors could have a material adverse effect on our financial position, results of operations and cash flows in the future. The fragile recovery in Europe following the economic downturn in 2009 has stalled in recent years, which has negatively impacted demand for our equipment. Although some countries have reported economic growth since the downturn, recovery and development in the European market has been heterogeneous and continues to pose macro-economic challenges to our industry.

In 2014 and 2015, demand was weak in the construction market in France. In particular, the civil engineering market declined as municipalities cut expenses following a short-term increase in activity prior to the municipal elections in March 2014. While the construction market in most European countries in which we are present experienced continuing growth in 2016, there can be no assurance that this growth will continue. Further, the Lavendon Acquisition exposes us to the Middle East market, which is more volatile than the markets in which we have traditionally operated. See "Risks Related to the Acquisitions – Lavendon's operations in the Middle East may expose us to risks with which we are unfamiliar." If economic conditions deteriorate or if a return to economic growth is further delayed, our business, financial position, results of operations and cash flows could be adversely affected.

***Unfavorable conditions or disruptions in the capital and credit markets may adversely affect business conditions and the availability of credit.***

Disruptions in the global capital and credit markets as a result of an economic downturn, economic uncertainty, regulatory changes, financial institution failures or other factors could adversely affect our ability to access liquidity to invest in our equipment fleet. The United Kingdom's referendum to leave the European Union ("Brexit") may also lead to significant uncertainty, volatility and disruptions in European economies (particularly in the United Kingdom, where we have made a significant investment through the Lavendon Acquisition). Additionally, unfavorable market conditions may depress construction markets by making it difficult for our customers to obtain financing for their projects and credit on reasonable terms. Unfavorable market conditions also may cause more of our customers to be unable to meet their payment obligations to us, increasing losses on bad debt. See "—Risks Related to our Business—If we are unable to collect amounts due from customers, our operating results would be adversely affected." Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. Moreover, our suppliers may be adversely impacted by unfavorable capital and credit markets, causing disruption or delay of product availability. These events could negatively impact our business, financial position, results of operations and cash flows.

In addition, if the financial institutions that have extended credit commitments to us are adversely affected by the conditions of the capital and credit markets, they may be unable to fund borrowings under those credit commitments, which could have an adverse impact on our financial condition and our ability to borrow funds, if needed, for capital expenditures, working capital, acquisitions, and other corporate purposes.

***The equipment rental industry is highly competitive, which puts downward pressure on prices.***

The equipment rental industry is highly competitive. Many of the markets in which we operate are served by numerous competitors, ranging from national and multi-regional equipment rental companies to small, independent businesses with a limited number of locations. We may encounter increased competition from existing competitors or new market entrants in the future.

In France, we face competition principally from national rental companies as well as from regional and local entities. In our international markets, we similarly face competition from well-established local and national competitors. Some of our competitors outside of France have greater financial, marketing and other resources than we do. We aim to develop a strategy in international markets that reflects our competitive position and financial assets, including focusing our efforts on local customers in markets where we are not a market leader, but such efforts may be unsuccessful. Our competitors may be more specialized or may have greater name recognition in some markets. We also face competition from smaller competitors operating at regional or local levels, many of whom benefit from a strong market presence and local relationships. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the sectors in which we operate. Additionally, our customers might choose to use the services of our competitors rather than ours. Given that our top 10 clients at the group level represented around 18% of our revenue in 2016, our results might be negatively affected if we lose any of our top 10 clients to our competitors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue and a decline in profitability.

From time to time, we or our competitors may attempt to compete aggressively by lowering rental rates or prices. To the extent we lower rental rates or increase our fleet in order to retain or increase market share, our operating margins would be adversely affected. In addition, we may not be able to match a competitors' price reductions or fleet investment, which could cause our customers to reduce their level of business with us. Termination of contractual arrangements by our customers may result in decreased market share and revenue.

***The cost of equipment purchases for use in our rental fleet may increase.***

The cost of new equipment that we purchase for our rental fleet may increase as a result of increased raw material costs, including increases in the cost of steel, which is a primary material used in most of our equipment. These increases could materially affect our financial condition or results of operations in future periods if we are not able to pass such cost increases through to our customers. In addition, changes in customer demand due to changed technology, safety or environmental concerns, regulations, or other factors could cause certain of our existing equipment to become obsolete and require us to purchase new equipment, which would increase our costs.

**Risks Related to our Business**

***Our business could be hurt if we are unable to obtain additional capital as required.***

We use cash generated from our operations, together with borrowings under our credit facilities and bond issuances, to fund our capital requirements. This cash may be insufficient and we may require additional financing to obtain capital for, among other purposes, purchasing equipment, completing acquisitions, establishing new locations and refinancing existing indebtedness. In the past we mainly relied on borrowings under our bilateral credit facilities to fund our capital expenditures, and in 2016 we entered into new bilateral credit arrangements and finance leases in connection with our capital expenditure program. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital expenditures." In the future we may need to rely on different sources of financing for our capital expenditures. Our level of capital expenditures significantly affects the age and size of our equipment fleet, and if we are required to reduce these expenditures for any reason, the reduced availability of equipment or the age of our rental fleet may cause us competitive harm and increase our maintenance costs. Any additional indebtedness that we incur will make us more vulnerable to economic downturns and limit our ability to withstand competitive pressures. If we are unable to obtain sufficient financing in the future, our business could be adversely affected.

***Our revenue and operating results fluctuate.***

Our revenue and operating results have historically varied from period to period. Periods of decline could result in an overall decline in cash flows and profitability and make it more difficult for us to make payments on our indebtedness and grow our business. We expect our results to continue to fluctuate in the future due to a number of factors, including:

- general economic conditions in the markets where we operate;
- our relatively high level of fixed costs, which causes revenue declines to significantly affect cash flow and profitability;

- the cyclical nature of our customers' business, particularly our construction customers;
- seasonal sales and rental patterns of our construction customers, with sales and rental activity decreasing in the winter months;
- severe weather temporarily affecting the regions where we operate;
- changes in private sector demand for plants and facilities or changes in government spending for infrastructure projects;
- the effectiveness of integrating acquired businesses and new start-up locations; and
- timing of acquisitions and new location openings and related costs.

In addition, we may lose sales and incur various costs when integrating newly acquired businesses or opening new start-up locations, and the profitability of a new location is lower in the initial months of operation.

***We may be unable to forecast trends accurately.***

Our decisions about investments in new equipment are based in significant part on our views of future demand. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the construction and civil engineering sectors, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand) and decrease investment just before the top of the cycle (before we expect demand to contract). However, economic volatility or uncertainty makes it difficult for us to forecast trends and set appropriate investment levels, which may have an adverse impact on our business and financial condition. The economic downturn starting in 2009 included significant reductions in available capital and liquidity from banks and other providers of credit, substantial fluctuations in equity and currency values worldwide and concerns that the worldwide economy might enter into a prolonged recessionary period. These factors limited our ability, as well as the ability of our customers and our suppliers, to forecast future product demand trends. We increased our fleet investments significantly in 2014, with a view to rejuvenating our fleet and sustaining the organic growth of our international division. However, in 2015, we significantly reduced our capital expenditures compared to 2014 as a result of continuing weak demand in the French market and the adjustment of our expenditures in connection with the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet. Our capital expenditures related to our fleet increased in 2016 in order to take advantage of increased demand for our rental fleet. If the anticipated growth does not occur, we may not earn the level of returns that we hope to achieve on these investments. More generally, uncertainty regarding future product demand in the markets in which we operate could cause us to maintain excess equipment inventory and increase our capital expenditures beyond what is efficient. Alternatively, this forecasting difficulty could cause a shortage of equipment for rental that could result in an inability to satisfy demand for our products and a loss of market share.

***We may not be able to execute our growth strategy by identifying or completing transactions with attractive acquisition candidates, and future acquisitions may result in significant transaction expenses and integration risks.***

We have historically expanded our business through organic and external growth. While we generally target small acquisition targets, we may also consider more significant, strategic and transformational combinations that may produce pronounced transactional expenses and integration risks, see “ – Risks Related to the Acquisitions” below. The management of our operations has become increasingly complex over the past three years as we have undertaken a significant number of acquisitions and have expanded our business into geographic markets in which we have not previously operated.

We cannot assure you that we will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favorable prices and upon advantageous terms. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we successfully acquire new businesses.

Risks associated with our acquisition strategy, which could materially adversely affect our business, results of operations and financial condition, include the following:

- we may lose sales and incur substantial costs, delays or other operational or financial problems in integrating acquired businesses and integration may take longer than expected;
- we may not achieve financial and operational synergies on a timely basis, if at all;
- acquisitions may divert our management's attention from the operation of existing businesses;
- the assumptions underlying the business plans supporting the valuations may prove inaccurate, in particular with respect to the future performance of the acquired businesses;

- we may be forced to divest or reduce the scope of certain businesses so as to obtain the necessary regulatory authorizations, in particular with respect to anti-trust authorizations;
- we may need to write down goodwill, market shares and certain other intangible assets from our balance sheet if our initial estimates of the value of an acquired business are higher than actual results;
- we may not be able to retain key personnel or customer contracts of acquired businesses; and
- we may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses and the growth of our business.

In the short-term, the disruptive effects of an acquisition can result in lower employee productivity and an increase in the efforts of competitors to lure away customers, which may cause a drop in revenue from acquired branches. We have historically integrated acquired businesses into the group gradually to preserve client relationships, and this integration period tends to be longer for larger acquisitions with many branches. In the longer term, there can be no assurance that, following integration into our group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Although we typically thoroughly analyze each acquisition target, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. In addition, we may have difficulties in implementing our business model within an acquired company due to various factors, including corporate culture. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct and actual developments may differ significantly from our expectations.

Furthermore, acquisitions of companies expose us to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties. Although we typically engage in diligence while analyzing an acquisition opportunity, we cannot ensure that there will not be unexpected risks, liabilities or obligations that could have a material adverse effect on our business, results of operations or financial condition.

In addition to the risks described above, the integration of acquired businesses in our international division may be more difficult and take more time due to logistical, regulatory, cultural and other factors, and competitors may take advantage of these difficulties to weaken our customer base. All of these risks may negatively affect our operations, revenue and profits in the affected country and for the group generally.

Our ability to manage our growth and integrate operations, technologies, services and personnel depends on our administrative, financial and operational controls and our ability to create the infrastructure necessary to exploit market opportunities, as well as our financial resources. In order to compete effectively and to grow our business profitably, we will need, on a timely basis, to maintain and improve our financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire, retain and train a highly qualified workforce. Furthermore, we expect that as we continue to introduce new product offerings and enter new markets, we will be required to manage an increasing number of relationships with various customers and other third parties. The failure or delay of our management in responding to these challenges could have a material adverse effect on our business, financial condition and result of operations.

***We may not be able to execute our growth strategy by identifying and opening attractive new branch locations.***

An element of our growth strategy is to selectively identify and implement new branches, both in France and in our international markets. We cannot assure you that we will be able to identify attractive new branch locations. Opening new branches may require significant investments and may involve risks associated with entering new markets, including markets where we face significant competition. We may not have sufficient management, financial and other resources to successfully operate the new branches. Any significant diversion of management's attention or any major difficulties encountered in the locations that we open in the future could have a material adverse effect on our business, financial condition or results of operations, which could decrease our profitability and make it more difficult for us to grow our business. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we open new branches, which could adversely affect our revenue and profitability.

***We are dependent on our executives, managers and employees.***

Our success depends, to a large degree, upon the continued service and skills of our existing management team, particularly our chairman and chief executive officer, Mr. Gérard Déprez, and our managing director, Mr. Stéphane Hénon. Our management team has significant industry experience. Although our management team is deep, if we lose the services of any key member of our senior management team and are unable to find a suitable replacement in a timely manner, it may be a challenge for us to effectively manage our business and execute our strategy.

Our success also depends on the experience and skills of our regional managers and branch managers, who have extensive knowledge and industry experience. Competition for managers within our industry is generally significant, and, if any of our senior or regional managers joins a competitor or forms a competing company, we may lose customers, know-how and other personnel.

In addition, we depend upon the quality of our staff personnel, including sales and customer service personnel who routinely interact with and fulfill the needs of our customers. Although we believe we have established competitive pay packages, as well as the right working environment for our staff, there is no assurance we can continue to attract, hire, train and retain qualified personnel. A significant increase in personnel turnover could negatively affect our results of operations and financial performance.

***If we are unable to collect amounts due from customers, our operating results would be adversely affected.***

One of the reasons some of our customers find it more attractive to rent equipment than own that equipment is the need to deploy their capital elsewhere. However, some of our customers may have liquidity problems and ultimately may not be able to fulfill the terms of their rental agreements with us. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. If we are unable to manage credit risk adequately, or if a large number of customers faces financial difficulties at the same time, our credit losses could increase above historical levels and our operating results would be adversely affected.

***We depend on equipment manufacturers to obtain adequate rental equipment for our fleet on a timely basis.***

We purchase most of our rental equipment from well-known original equipment manufacturers. However, our suppliers may not be able to fulfill the terms of their agreements with us on a timely basis or at all for logistical or strategic reasons. Further, suppliers may be unwilling to extend contracts that provide favorable terms to us, or they may seek to renegotiate existing contracts with us. As a result, we could face increased costs for our equipment or longer delivery times. Delays in the delivery of new equipment may impair our ability to respond to increases in demand and may cause us to miss opportunities in our markets. Although we believe that we have alternative sources of supply for the equipment we purchase in each of our core product categories, the termination or delay of equipment orders by a major supplier could have a material adverse effect on our business, financial condition or results of operations.

***The maintenance and repair costs associated with our rental fleet may increase.***

As the equipment in our rental fleet ages, the cost of maintaining such equipment, if not replaced within a certain period of time, generally increases. Determining the optimal average age for disposal of our rental fleet is subjective and requires considerable estimates by management. Our future operating results could be adversely affected because our maintenance and repair costs may be higher than estimated.

***Our rental fleet is subject to residual value risk upon disposition.***

Our approach to fleet management is to replace equipment only at the end of its useful rental life, at which time it is used for parts, sold for scrap or sold at auction. Usually a piece of equipment is fully amortized by the time it is removed from the fleet. Nonetheless, the market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- general economic conditions;
- worldwide and domestic demands for used equipment;
- the supply of used equipment on the market;
- the market price for new equipment of the same kind; and
- wear and tear on the equipment relative to its age.

We include in the line “other operating income” in our income statement the difference between the sales price and the depreciated value of an item of equipment sold. Any significant decline in the selling prices for used equipment could have an adverse effect on our results of operations or cash flows.

***Disruptions in our information technology system could limit our capacity to effectively monitor and control our operations.***

We rely on information technology systems to track and bill our services, manage our fleet and gather information upon which our management makes decisions regarding our business. Our information technology systems also facilitate our ability to adjust to changing market conditions and customer needs. The administration of our business is increasingly dependent on the use of these systems. As a result, system failures or disruptions resulting from disasters, computer viruses, hackers or other causes could have a material adverse effect on our business.

In 2015 we completed implementation of the enterprise resource planning (ERP) RentalMan platform in France and in substantially all of our international business units. RentalMan is a software application used by key players in the equipment rental industry. However, the implementation of this platform, particularly in our international business units where deployment occurred more recently, could generate short-term costs and disruptions and may not meet our expectations. Any disruption in any of our information technology systems, including the RentalMan system, or the failure of any of these systems to operate as

expected could, depending on the magnitude of the problem, adversely affect our operating results. We back-up most of our data daily and we have a disaster recovery plan in place for most of our systems, including our enterprise resource planning (ERP) system. However, the disaster recovery plan does not cover all of our systems and our back-up systems may fail, and any recovery of our data may be incomplete or subject to delay. In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately safeguard the security of the data we hold, whether as a result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities.

***We are exposed to various risks related to legal proceedings or claims that may exceed the level of our insurance coverage.***

We are a party to lawsuits in the normal course of our business. Litigation in general can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Responding to lawsuits brought against us, or legal actions that we may initiate, can often be expensive and time-consuming and can divert management's attention. Unfavorable outcomes from claims or lawsuits could adversely affect our business, results of operations or financial condition. We could suffer reputational harm, incur substantial monetary liability and be required to change our business practices.

Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent, for injuries caused in motor vehicle accidents in which our delivery and service personnel are involved and for other employee-related matters. Additionally, we could be subject to potential litigation associated with compliance with various laws and governmental regulations, such as those relating to employment, health, safety, security and other regulations under which we operate.

We carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims. However, we may be exposed to multiple claims that do not exceed our deductibles, and, as a result, we could incur significant out-of-pocket costs that could adversely affect our financial condition and results of operations. In addition, the cost of such insurance policies may increase significantly upon renewal of those policies as a result of general rate increases for the type of insurance we carry as well as our historical experience and experience in our industry. Although we have not experienced any material losses that were not covered by insurance, our existing or future claims may exceed the coverage level of our insurance, and such insurance may not continue to be available on economically reasonable terms, or at all. If we are required to pay significantly higher premiums for insurance, are not able to maintain insurance coverage at affordable rates or if we must pay amounts in excess of claims covered by our insurance, we could experience higher costs that could adversely affect our financial condition and results of operations.

***Labor disputes could disrupt our operations or lead to higher labor costs.***

We are subject to the risk of labor disputes, which may disrupt our operations. Labor laws applicable to our business in certain countries, particularly France, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, some of our employees are members of unions or, based on applicable regulations, represented by work councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or work councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

Although we believe our relations with employees are good, our operations may nevertheless be materially affected by strikes, work-stoppages, work-slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Our employees in certain countries benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

Many of our suppliers and customers have unionized work forces. Strikes, work-stoppages or work-slowdowns experienced by these suppliers or customers could materially and adversely affect our business, financial condition and results of operations. See "Business—Legal Proceedings."

***Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.***

We are subject to complex tax laws in each of the jurisdictions in which we operate. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. In addition, as an international group operating in multiple jurisdictions, we have structured and from time to time reorganized our commercial and financial activities in light of diverse regulatory requirements and our commercial, financial and tax objectives. Since tax laws and regulations in the various jurisdictions in which Loxam companies are located or operate or may be located or operate may not always provide clear-cut or definitive guidelines, the tax regime applied to Loxam's operations, intra-group transactions or reorganizations (past or future, including in connection with the integration of the Lavendon activities or the operations, intra-group transactions or reorganizations within the Lavendon group) is or may sometimes be based on Loxam's interpretations of French or foreign tax



laws and regulations. Loxam cannot guarantee that such interpretations will not be questioned by the relevant tax authorities. More generally, any failure to comply with the tax laws or regulations of the countries in which Loxam companies are located or operate may result in reassessments, late payment interests, fines and penalties. Furthermore, tax laws and regulations may change, and there may be changes in their interpretation and application by the relevant authorities, especially in the context of international and European initiatives (e.g., OECD, G-20, EU, including the initiatives of the EU Commission and the OECD base erosion and profit shifting initiative). The occurrence of any of the preceding factors may result in an increase in the tax burden of Loxam and have a material adverse effect on its business, results of operations or financial condition.

***Changes in applicable law, regulations or requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business.***

We operate in France and 18 other countries, primarily in Europe and the Middle East, and we also have equity affiliates in Brazil and Colombia, which exposes us to numerous EU, national and local regulations. These laws and requirements address multiple aspects of our operations, such as worker safety, consumer rights, privacy and employee benefits, and can often have different requirements in different jurisdictions. In addition, changes in regulations could impact the ability of rental operators to utilize their equipment in certain types of projects, affecting the competitive landscape in those projects, as well as in other areas in which the non-conforming equipment may be redeployed. Changes in regulatory requirements, or any material failure by our branches to comply with them, can increase our costs, affect our reputation, limit our business, drain management time and attention and adversely affect our business, financial condition and results of operations.

***Our internal control and compliance processes may fail to prevent regulatory penalties and reputational harm.***

We operate a decentralized business through hundreds of branches across multiple jurisdictions. Our internal control and compliance processes may not prevent all future breaches of law, accounting standards or our internal codes of conduct. We may experience instances of fraudulent behavior and dishonesty by our employees, contractors or other agents. Any failure to comply with applicable laws and other standards could subject us to fines, legal proceedings, loss of operating licenses and reputational harm.

***We could be adversely affected by environmental and safety requirements, which could force us to increase capital expenditures and may subject us to unanticipated liabilities.***

Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and waste water from equipment washing, and store and dispense petroleum products from underground and above ground storage tanks located at certain of our locations. As a result, like other companies engaged in similar businesses that require the handling, use, storage and disposal of regulated materials, we are required to follow environmental and occupational health and safety laws and regulations.

Environmental laws also impose obligations and liability for the cleanup of properties affected by hazardous substance spills or releases. These liabilities can be imposed on the parties generating or disposing of such substances or the operator of the affected property, often without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances. Accordingly, we may become liable, either contractually or by operation of law, for remediation costs even if a contaminated property is not presently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. There can be no assurance that prior site assessments or investigations have identified all potential instances of soil or groundwater contamination. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities, which may be material.

Although expenses related to environmental and safety compliance and/or remediation have not been material to date, we have made and will continue to make capital and other expenditures in order to comply with these laws and regulations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. We may not be in complete compliance with all such requirements at all times, and we may be subject to potentially significant civil or criminal fines or penalties if we fail to comply. New regulatory requirements or interpretations or additional liabilities that arise in the future may have a material adverse effect on our business, financial condition and results of operations.

## **Risks Related to the Acquisitions**

***The acquisitions of Lavendon and Hune Group may fail to achieve the expected benefits or generate higher than expected integration costs.***

The success of the Lavendon Acquisition and the Hune Group Acquisition will depend on our ability to effectively integrate Lavendon into our business and information technology systems, to maintain Lavendon's growth and operational performance and to effectively partner together. Among other things, the success of the integration will depend on our ability to retain the Lavendon and Hune Group operating teams and their client bases and to effectively capitalize on their expertise in order to deliver the expected benefits of the combined business, in particular in terms of operations and sales. In addition, the Lavendon Acquisition and the Hune Group Acquisition may generate higher than expected integration costs as a result of unforeseen contingent risks or latent liabilities or as a result of delays, or other financial and operational difficulties. Any difficulties

encountered in the integration of Lavendon and Hune Group could result in higher implementation costs and/or lower benefits or revenue than anticipated, which could have a material adverse effect on our business, financial condition and result of operations.

***We may fail to achieve the synergies we are targeting from the acquisitions.***

We are targeting to achieve significant synergies from the acquisitions as described under “The Acquisitions – Rationale for the Acquisitions.” No assurance can be given that the anticipated synergies will be realized in whole or in part. Among the synergies that we are targeting are cost synergy opportunities from consolidating certain corporate functions and the integration of our operations with those of Lavendon in the United Kingdom, France, Belgium and Germany where both we and Lavendon operate and with those of Hune Group in Spain, where both we and Hune Group operate. The success of those efforts may depend on a range of factors including our ability to quickly and efficiently coordinate our activities and the activities of Lavendon and Hune Group, such as operations and technical and informational systems. The estimated synergies from the acquisitions are subject to a number of assumptions about the timing, execution and costs associated with realizing the synergies. Such assumptions are inherently uncertain and are subject to a wide variety of significant business, economic and competition risks and uncertainties. There can be no assurance that such assumptions will turn out to be correct. As a result, the total amount of synergies that we will actually realize and/or the timing of any such realization may differ significantly (and may be significantly lower) from those that we are currently targeting. In addition, the assumptions made in the business plans of Lavendon and Hune Group may be incorrect, in particular with respect to synergies and performance. Finally, we may incur significant costs in realizing the integration of Lavendon and Hune Group and in achieving the estimated synergies, and the integration costs may be higher than expected. Failure to achieve the expected synergies may result in a lower return on investment for the acquisitions, and could have a material adverse effect on our business and results of operations.

***Our opportunity to conduct due diligence with respect to Lavendon and Hune Group has been limited and we may discover that Lavendon has liabilities that could impact our business and financial condition.***

In order to determine our estimate of the value of Lavendon and Hune (and thus the prices that we offered to pay), we conducted limited due diligence investigations. No assurance can be given that our investigations identified all material regulatory, contractual or other issues or liabilities related to Lavendon and Hune Group, or that factors outside the control of Lavendon and Hune Group and outside our control will not later arise. If we failed to identify material issues, we may be forced to write down or write off assets, restructure our operations or incur impairment or other charges that could result in reporting losses. Any unidentified or unanticipated liabilities, individually or in the aggregate, could hinder the integration of Lavendon and Hune Group into our Group and have a material adverse effect on our business, financial condition and results of operations.

***As a result of the acquisition, we expect to record a significant amount of goodwill, which could thereafter be subject to the risk of impairments in the event of adverse changes to the underlying assumptions as to the results and cash flows from the acquired businesses.***

We expect to record substantial amounts of goodwill in connection with the Lavendon Acquisition and the Hune Group Acquisition. These amounts will be recorded based on the excess of the amounts paid to acquire Lavendon and Hune Group based on the fair value of their respective net assets at the date of each acquisition. For the purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information, a preliminary amount of €316.9 million of goodwill was recorded with respect to the acquisitions of Lavendon and Hune Group. This amount is preliminary and the definitive amount of goodwill to be recorded will be determined based on the determination of the fair value of the applicable assets on the relevant acquisition date. The amount of goodwill may be significantly different from the preliminary amount. See “Unaudited Pro Forma Consolidated Condensed Financial Information.”

Following the recording of the definitive amounts of goodwill, we may subsequently experience unforeseen issues with the Lavendon business and the Hune Group business, which may adversely affect the anticipated returns or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for Lavendon and Hune Group. In accordance with IFRS, goodwill is tested for impairment annually, or when changes in the circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts units are determined on the basis of value in use calculations, which depend on certain key assumptions. If management’s projections change, the estimate of the recoverable amount of goodwill could fall significantly and result in impairment. While impairment does not affect reported cash flows, the decrease of the estimated recoverable amount and the related non-cash charge in the income statement could have a material adverse effect on our results of operations, net equity or financial condition.

***The pro forma financial information may not be representative of Lavendon’s and Hune Group’s future performance as part of Loxam.***

In preparing the pro forma financial information included in this offering memorandum, we made adjustments to historical financial information based upon currently available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of the Lavendon Acquisition as well as the Hune Group Acquisition. The pro forma financial information was also prepared based on the assumption that this offering would include €560,000,000 million aggregate principal amount of senior secured notes and €250,000,000 aggregate principal amount of senior subordinated notes, which was the initial planned size of the offering. The aggregate principal amount of senior secured notes offered hereby was subsequently increased to €600,000,000 and split into the 2022 Senior Secured Notes and the 2024 Senior Secured Notes, but the pro forma financial information was not adjusted accordingly. See “Unaudited Pro Forma Consolidated

Condensed Financial Information” for a description of the adjustments and assumptions made in the preparation of such pro forma financial information. The estimates and assumptions used in the calculation of the pro forma financial information in this offering memorandum may be materially different from our actual experience. Accordingly, the pro forma financial information included in this offering memorandum is illustrative only and does not purport to indicate the results that would have actually been achieved had the above transactions been completed on the assumed date or for the periods presented, or which may be realized in the future, nor does the pro forma financial information give effect to any events other than those discussed in the Unaudited Pro Forma Consolidated Condensed Financial Information and related notes.

The Lavendon historical and pro forma EBITDA figures presented in the Unaudited Pro Forma Consolidated Condensed Financial Information reflect what Lavendon refers to as “underlying” EBITDA, which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” Loxam does not report EBITDA on an “underlying” basis. Accordingly, charges such as those excluded by Lavendon from its underlying EBITDA will not be excluded from Loxam’s EBITDA in its future consolidated financial statements.

***Lavendon’s operations in the Middle East may expose us to risks with which we are unfamiliar.***

In addition to its activities in the United Kingdom and continental Europe, Lavendon conducts a significant portion of its operations in the Middle East. In 2016, 27% of Lavendon’s revenue was generated by its Middle East activities. Lavendon’s presence in the Middle East, where the level of economic, political and social risks may be higher than in European countries where we conduct the majority of our operations, may expose us to various and potentially substantial risks with which we are unfamiliar. These risks include significant exposure of local economies and government spending (and thus of demand and pricing for equipment rentals) to the level of oil prices, as well as economic instability, political volatility, civil war, violent conflict, social unrest or action by terrorist groups. These risks may also result from unexpected changes to legislative and regulatory frameworks including taxation regimes, nationalization or expropriation measures without adequate compensation, debt collection difficulties, changes to the fiscal framework, foreign exchange control measures, or other actions or restrictions imposed by local governments. The occurrence and magnitude of incidents related to economic, social and political instability are unpredictable and we do not have prior experience in operating in this region. While we expect to benefit from and rely on Lavendon’s long-standing expertise and risk management strategies for the Middle East, we may nonetheless fail to effectively operate its business in this market.

***Lavendon generates its revenues, profits and cash flows in currencies other than the euro, which increases our exposure to the risks of fluctuations in currency exchange rates.***

Lavendon reports its financial results in pounds sterling and generates revenues, profits and cash flows in pounds sterling as well as certain local currencies other than the euro. We report our financial results and derive a large majority of our revenues, profits and cash flows in euros. Lavendon’s operations increase our exposure to the risks of fluctuations in foreign currency exchange rates, which may impact currency translation adjustments. In the absence of hedging, currency fluctuations between the euro and the currencies of the various markets in which Lavendon operates may affect our results and make it difficult to compare performance levels in those markets from year to year. If the euro appreciates (or depreciates) against another currency, the euro value of the assets, liabilities, income and expenses initially recognized in that other currency will decline (or increase). To partially offset this exposure, we will continue Lavendon’s practice of utilizing cash flows arising in a given currency to pay for expenses arising in the same currency wherever possible, and we have also engaged in certain limited hedging transactions as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Loxam – Currency and interest rate derivatives.” However, there can be no assurance that these strategies will be sufficient to effectively limit the increased impact of fluctuations in foreign currency exchange rates on our results of operations.

**Risks Related to the Notes and Our Capital Structure**

***Our level of indebtedness could adversely affect our ability to react to changes in our business, and we may be limited in our ability to fulfill our obligations with respect to the Notes, and to use debt to fund future capital needs.***

We are, and after the issuance of the Notes will continue to be, highly leveraged. As of December 31, 2016, we had total consolidated debt of €1,296.6 million as compared to total equity of €480.8 million. On an as adjusted basis, taking into account the Lavendon Acquisition and the Hune Group Acquisition as if they had occurred on December 31, 2016 and assuming this offering of Notes and the use of the proceeds therefrom had been completed, our total consolidated debt was €2,136.5 million and our total equity was €480.8 million. See “Capitalization.”

Our substantial indebtedness could have important consequences to holders of the Notes by adversely affecting our financial position including, but not limited to:

- requiring us to dedicate all of our cash flow from operations (after the payment of operating expenses) to payments with respect to our indebtedness, thereby reducing the availability of our cash flow for working capital, capital expenditures, acquisitions, joint ventures, product research and development, and other general corporate expenditures;

- increasing our vulnerability to, and reducing our flexibility to respond to, adverse general economic or industry conditions;
- limiting our flexibility in planning for, or reacting to, competition or changes in our business or industry;
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing;
- restricting us from making strategic acquisitions or exploring business opportunities; and
- placing us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

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

In addition, we may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition. Although the terms of the indentures governing the 2014 Notes, the 2016 Senior Secured Notes and the Notes and the Revolving Credit Facility will and/or do 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. Under the Indentures, in addition to specified permitted indebtedness; (i) we (and any guarantor) will be able to incur additional indebtedness so long as our fixed charge coverage ratio (as defined in the Indentures) is at least 2.00 to 1.00; and (ii) we (and any restricted subsidiary) will be able to incur additional indebtedness so long as, in the case of additional indebtedness that is Senior Secured Debt (as defined in the Senior Secured Indentures) or, in the case of additional indebtedness that is Priority Debt (as defined in the Senior Subordinated Indenture), if our Consolidated Senior Secured Leverage Ratio (as defined in the Senior Secured Indentures) or Consolidated Priority Debt Leverage Ratio (as defined in the Senior Subordinated Indenture) (as applicable) is less than 4.00 to 1.00, in each case on a pro forma basis. The Indentures governing the Notes will also allow us to incur up to €1.4 billion of indebtedness (including on a secured basis) under the “Credit Facilities” basket and we will have significant headroom for the incurrence of additional indebtedness pursuant to this basket as of the Issue Date, although the Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes will be deemed incurred under the “Credit Facilities” basket and the “Credit Facilities” basket will be deemed fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Senior Secured Leverage Ratio or Consolidated Priority Debt Leverage Ratio, as applicable. If new debt is added to our and our subsidiaries’ current debt levels, the related risks that we now face could intensify. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes, and may be secured by collateral that does not secure the Senior Secured Notes.

For further information regarding our substantial leverage and for more information about our outstanding indebtedness, see also “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and “Description of Certain Indebtedness.”

***We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. If we default under these covenants, we will not be able to meet our payment obligations.***

The indentures governing the Notes, the 2016 Senior Secured Notes and the 2014 Notes as well as the Revolving Credit Facility contain, and will contain, a number of significant covenants that restrict some of our and our subsidiaries’ corporate activities, including our and their ability to:

- incur or guarantee additional debt and issue certain preferred stock;
- make restricted payments, including paying dividends or making other distributions and prepaying or redeeming subordinated debt or equity;
- create or incur certain liens;
- sell, lease or transfer certain assets;
- enter into arrangements that restrict dividends or other payments to us;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances and on the transfer of assets;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries; and

- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

All of these limitations are or will be subject to significant 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.

Also, the Revolving Credit Facility requires us and some of our subsidiaries to comply with certain affirmative covenants. See “Description of Certain Indebtedness—Revolving Credit Facility.”

Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Revolving Credit Facility. This would permit the lenders to take certain actions, including declaring all amounts that we have borrowed under the Revolving Credit Facility to be due and payable, together with accrued and unpaid interest. A failure to pay such amounts could also result in an event of default under the indentures governing the 2014 Notes, the 2016 Senior Secured Notes and the Notes. If we are unable to repay our debt to the lenders, they could seize the commercial receivables and the related bank account that secure the debt under the Revolving Credit Facility. If the debt under Revolving Credit Facility Agreement, any of the indentures governing the 2014 Notes, the 2016 Senior Secured Notes or the Notes or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full the Notes and our other debt.

Certain covenants may be suspended upon the occurrence of a change in our ratings.

The Indentures will provide that, if at any time following the date of the applicable Indenture, the applicable Notes receive a rating of Baa3 or better by Moody’s and a rating of BBB- or better from Standard & Poor’s and no default or event of default has occurred and is continuing, then beginning that day the following provisions of the applicable Indenture will not apply to the applicable Notes:

- “Repurchase at the Option of Holders—Asset Sales”;
- “Certain Covenants—Restricted Payments”;
- “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock”;
- “Certain Covenants—Dividend and Other Payment Restrictions Affecting Subsidiaries”;
- “Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries”;
- “Certain Covenants—Transactions with Affiliates”;
- “Certain Covenants—Additional Note Guarantees”; and
- clause (4) of the first paragraph of the covenant described under “Certain Covenants—Merger, Consolidation or Sale of Assets.”

Notwithstanding the foregoing, if the rating assigned by any such rating agency to such Notes should subsequently decline to below Baa3 or BBB-, as applicable, the foregoing covenants will be reinstituted as of and from the date of such rating decline. If these covenants were to be suspended, we would be able to incur additional debt or make payments, including dividends or investments, without restrictions under the applicable Notes which may conflict with the interests of holders of such Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

***The intercreditor arrangements governing certain of our indebtedness may differ from those adopted in other European leveraged finance transactions.***

Our capital structure and the intercreditor arrangements governing certain of our indebtedness may differ in a number of ways from customary European leveraged finance transactions. The Intercreditor Agreement does not include a provision restricting us in any way from making payments in respect of the Revolving Credit Facility, including following acceleration of the Notes. In these circumstances, lenders under the Revolving Credit Facility would be able to freely enforce their commercial receivables and related bank account collateral or seek consent payments or other payments of amounts due from us without coordinating their recovery or enforcement strategy with the holders of Notes and without having to share pro rata any payments received from us with the holders of Notes.

***We expect to use the Revolving Credit Facility to meet some of our liquidity requirements, and are subject to various covenants under the Revolving Credit Facility, which, if we are unable to comply with them, could result in the acceleration of our debt.***

Unless the maturity date of the Revolving Credit Facility is extended, it will mature in 2022. We expect to satisfy a significant amount of our short-term liquidity needs with amounts available under the Revolving Credit Facility. Our ability to

refinance the Revolving Credit Facility could be affected by a number of factors, including volatility in the financial markets, contractions in the availability of credit, including in interbank lending, and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments. Our liquidity will be adversely affected if we are unable to refinance the Revolving Credit Facility on acceptable terms or at all, and we can provide no assurance we will be able to do so.

The Revolving Credit Facility contains various covenants, and if we fail to comply with these covenants, a default may occur thereunder. In particular, the Revolving Credit Facility contains a “springing” financial covenant requiring the consolidated leverage ratio in respect of a relevant period not to exceed 5.00:1.00 if on the last day of such relevant period the aggregate amount of utilizations under the Revolving Credit Facility are equal to or exceed 30% of total commitments thereunder; provided that (a) only synergies and cost savings referred to in the definition of Consolidated Leverage Ratio shall be taken into account which result from the acquisition, restructuring or reorganization (as applicable) confirmed as reasonably anticipated to be achievable by the chief financial officer in the 12 months immediately following the acquisition, restructuring or reorganization (as applicable) and (b) the synergies referred to in the definition of consolidated leverage ratio and taken into account during any applicable relevant period may not exceed 10% of our consolidated cash flow during such period (after giving pro forma effect to the relevant acquisition). If required to be tested, this financial covenant will be tested quarterly on a rolling 12-month basis. If a default occurs under the Revolving Credit Facility, we may need to fund our working capital requirements from other sources.

***We do not have a revolving credit facility secured on assets other than our commercial receivables, which may adversely affect our short-term liquidity.***

In addition to our Revolving Credit Facility, which is backed by certain of our commercial receivables and the bank account into which such receivables are paid, we do not have a revolving credit facility secured by the assets that will be pledged as Senior Secured Security for the benefit of the Senior Secured Notes (and all the other Senior Secured Creditors). This could prevent us from entering into an additional revolving credit facility. While we expect to have sufficient liquidity through the cash on our balance sheet, our Revolving Credit Facility and our bilateral credit facilities to meet our working capital needs, such amounts may not be sufficient. Should we require cash in an amount exceeding our cash on hand and the drawings under our Revolving Credit Facility or our bilateral credit facilities, our short-term liquidity will be adversely affected.

***To repay or refinance and service our debt, we will require a significant amount of cash.***

Our ability to make payments on principal or interest when due on our indebtedness, including the Notes, the Revolving Credit Facility, the 2016 Senior Secured Notes and the 2014 Notes, will depend upon our future performance and our ability to generate cash. Our ability to generate cash depends on many factors beyond our control. The ability of our subsidiaries to transfer funds upstream to us, pay operating expenses and fund planned capital expenditures and any future acquisitions and research and development efforts will depend on our businesses’ ability to generate cash in the future, as well as limitations that may be imposed under applicable law. This is subject, to an extent, to general economic, financial, competitive, legislative, regulatory and other factors, including those factors discussed in this “Risk Factors” section or elsewhere in this offering memorandum, many of which are beyond our and our subsidiaries’ control. If we sustain losses in the future, our ability to repay and service our debt may be materially impaired.

If we are unable to generate sufficient cash flow to meet our payment obligations, we may be forced to reduce or delay planned expansions or capital expenditures, sell significant assets, discontinue specified operations, obtain additional funding in the form of debt or equity capital or attempt to restructure or refinance all or a portion of our debt on or before maturity. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. In addition, the terms of our debt, including the Revolving Credit Facility and the indentures governing the 2014 Notes, the 2016 Senior Secured Notes and the Notes, will limit our ability to pursue these alternatives. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

***French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of interest incurred in France, thus reducing the cash flow available to service our indebtedness.***

Under Article 212 § II of the *Code général des impôts* (the “French Tax Code”), the deduction of interest paid on loans granted by a related party within the meaning of Article 39.12 of the French Tax Code or on loans granted by a third party that are guaranteed by a related party (such third party being assimilated to a related party) may be subject to certain limitations. Deduction for interest paid on such loans may be partially disallowed in the financial year during which they are accrued if such interest exceeds each of the following thresholds: (i) the amount of interest multiplied by the ratio of (a) 1.5 times the company’s net equity or, subject to certain conditions, share capital and (b) the average amount of indebtedness owed to related parties (or third parties assimilated to related parties) over the relevant financial year; (ii) 25% of the company’s earnings before tax (as increased by certain items for the purpose of these limitations); and (iii) the amount of interest received by the indebted company from related parties. Deduction may be disallowed for the portion of interest that exceeds, in a relevant fiscal year, the highest of the above three limitations if such portion of interest exceeds €150,000, unless the company is able to demonstrate for the relevant fiscal year that the indebtedness ratio of the group to which it belongs is higher or equal to its own indebtedness ratio. Specific rules apply to companies that belong to French tax-consolidated groups. If at any future point in time, the Notes (together with other existing financings) were to benefit from a guarantee and/or security interests from one or several Loxam subsidiaries (see

“Description of the 2022 Senior Secured Notes – Certain Covenants – Additional Note Guarantees,” “Description of the 2024 Senior Secured Notes – Certain Covenants – Additional Note Guarantees,” and “Description of the Senior Subordinated Notes – Certain Covenants – Additional Note Guarantees”), all such financings would be treated as related party debt for the purposes of such provisions. Depending on the financial position of Loxam at that time, this could have an impact on the deductibility of interest expenses.

In addition, Article 209 § IX of the French Tax Code imposes restrictions on the deductibility of interest expenses incurred by a French company if such company has acquired shares of another company qualifying as “*titres de participation*” within the meaning of Article 219 I a *quinquies* of the French Tax Code and if such acquiring company cannot demonstrate, with respect to the fiscal years running over the twelve month period from the acquisition of the shares (or with respect to the first fiscal year opened after January 1, 2012 for shares acquired during a fiscal year opened prior to such date), that (i) the decisions relating to such acquired shares are actually taken by the company having acquired them (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L. 233-3 § I of the French *Code de commerce* (the “French Commercial Code”), which is located in France) and (ii) where control or influence is exercised over the acquired company, such control or influence is exercised by the acquiring company (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L. 233-3 § I of the French Commercial Code, which is located in France). Article 223 B of the French Tax Code also provides for certain specific limitations applicable in case of an acquisition of shares of a company from an affiliated person or entity that does not belong to the French tax group of the purchaser, where the acquiring company and the target are or become part of the same French tax group.

Moreover, Article 212 *bis* of the French Tax Code provides for a general limitation of deductibility of net financial charges, subject to certain exceptions. 25% of the adjusted net financial charges incurred by French companies that are subject to French corporate income tax and are not members of a French tax consolidated group are added-back to their taxable result, to the extent that such companies’ financial charges (*i.e.*, financial charges decreased by certain financial income) are at least equal to €3.0 million in a given fiscal year. Under Article 223 B *bis* of the French Tax Code, special rules apply to companies that belong to French tax consolidated groups. The 25% add-back is factored on the basis of the Group’s consolidated taxable result and applies to the adjusted aggregate net financial charges incurred by companies that are members of the French tax consolidated group with respect to amounts made available by lenders outside such group, to the extent that the tax group companies’ consolidated financial charges (net of financial income) are at least equal to €3.0 million in a given fiscal year.

Finally, pursuant to Article 212, I (b) of the French Tax Code, the deductibility of interest paid to a related party within the meaning of Article 39.12 of the French Tax Code is subject to an additional requirement: if the lender is a related party to the borrower within the meaning of Article 39.12 of the French Tax Code, the French borrower shall demonstrate, at the French tax authorities’ request, that the lender is, for the current fiscal year and with respect to the concerned interest, subject to an income tax in an amount which is at least equal to 25% of the corporate income tax determined under standard French tax rules (the “Anti Hybrid Loans Provisions”).

Furthermore, the above set of rules restricting the deductibility of interest under French tax law will be completed in the future. On July 12, 2016, the Council of the European Union adopted Council Directive 2016/1164/EU laying down rules against tax avoidance practices that directly affect the functioning of the internal market (the “ATAD”). The ATAD includes, in particular, a mechanism under which adjusted net financial expenses incurred by an EU company will be deductible from its taxable results only up to 30% of its EBITDA, it being noted that net financial expenses may be deductible up to an amount of €3.0 million in a given fiscal year. The detailed implementation of such new rule in France remains largely unknown, including whether this rule will replace existing French limitation regimes or be added in full or in part to them. The ATAD should in principle enter into force in January 2019, but this remains uncertain at this stage. Member States that have, at the date of the entry into force of the ATAD, national targeted rules for preventing base erosion and profit shifting risk that are equally effective to the interest limitation rule set out by the ATAD may apply these targeted rules until the adoption by the OECD members of a minimum standard with regard to the four OECD Action Items against Base Erosion and Profit Shifting (which aim to limit base erosion involving interest deductions and other financial payments) or, at the latest, until January 1, 2024.

Finally, on February 22, 2017, the Council of the European Union adopted a proposal for a directive amending the provisions of the ATAD with respect to hybrid mismatches which would be applicable at the latest on December 31, 2019. These new rules may impact the abovementioned Anti Hybrid Loans Provisions.

These abovementioned specific tax rules as well as generally applicable tax principles and specific foreign tax rules and principles applicable in the foreign jurisdictions in which we operate may limit our ability to deduct interest accrued on our indebtedness incurred in France and may thus increase our tax burden, which could adversely affect our business, financial condition and results of operations and reduce the cash flow available to service our indebtedness.

***We may not be able to raise the funds necessary to finance a change of control offer required by the indentures governing the 2014 Notes, the 2016 Senior Secured Notes and the Notes and, if this occurs, we would be in default under the indentures.***

Under the terms of the indentures governing the Notes, the 2016 Senior Secured Notes and the 2014 Notes, we will be required to offer to repurchase the Notes, the 2016 Senior Secured Notes and the 2014 Notes upon the occurrence of both certain

events constituting a change of control and a rating decline, which is defined under the indentures governing the Notes, the 2016 Senior Secured Notes and the 2014 Notes to include, among other things, Standard & Poor's issuing, confirming or maintaining a corporate rating of the Issuer that is below B+. In addition, upon the occurrence of a change of control as defined under the Revolving Credit Facility, we may be obligated to prepay all amounts outstanding under the Revolving Credit Facility. It is possible that we may not have sufficient funds at the time of a change of control (and, in the case of the Notes, the 2016 Senior Secured Notes and the 2014 Notes, a rating decline) to repurchase any or all of the Notes, the 2016 Senior Secured Notes and the 2014 Notes, or repay our outstanding obligations under the Revolving Credit Facility. We expect that we would require third-party financing to make an offer to purchase the Notes, the 2016 Senior Secured Notes and the 2014 Notes or to repay our outstanding obligations under the Revolving Credit Facility upon a change of control or, in the case of the Notes, the 2016 Senior Secured Notes and the 2014 Notes, a change of control accompanied by a rating decline. We cannot assure you that we would be able to obtain such financing. Our failure to repurchase any or all of the Notes, the 2016 Senior Secured Notes or the 2014 Notes, as applicable, would be an event of default under the indentures governing the Notes, the 2016 Senior Secured Notes and the 2014 Notes, respectively, and would cause a cross default under the Revolving Credit Facility Agreement.

Except as described under "Description of the 2022 Senior Secured Notes," "Description of the 2024 Senior Secured Notes" and "Description of the Senior Subordinated Notes, the Indentures governing the Notes will not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction. The change of control provisions contained in the Indentures governing the Notes may not protect you in the event of highly leveraged transactions and other important corporate events, including reorganizations, restructurings or mergers that may adversely affect you, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger the change of control provisions or, even if they do, may not constitute a "Change of Control" as defined in the applicable Indenture. In addition, the Indentures governing the Notes will not require us to offer to repurchase the Notes unless the change of control is accompanied by a rating decline.

The definition of "Change of Control" under the indentures governing the Notes, the 2016 Senior Secured Notes and the 2014 Notes will include a disposition to any person of "all or substantially all" of the assets of the Issuer and its restricted subsidiaries taken as a whole. 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 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 the Issuer is required to make an offer to repurchase the Notes.

***The Notes will be structurally subordinated to the liabilities and any preferred stock of the Issuer's non-guarantor subsidiaries.***

The Notes will not be guaranteed on the Issue Date. Unless a subsidiary becomes a guarantor, our subsidiaries do not have any obligation to pay amounts due on the Notes or to make funds available for that purpose. Accordingly, you can rely on no guarantees of the Notes to provide credit support in respect of payments of principal or interest on the Notes.

Our operating subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes or to make any funds available therefor, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, the Notes. Generally, claims of creditors of a subsidiary, including trade creditors, and claims of any preferred stockholders of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of the Company. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our subsidiaries, the creditors of any future guarantors (including the holders of the Notes) will have no right to proceed against such subsidiary's assets and holders of their indebtedness and their trade creditors will generally be entitled to payment in full of their claims from the assets of those subsidiaries before any guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary. As such, the Notes are each structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries.

The indentures governing the Notes include provisions that may require us to cause certain of our subsidiaries to guarantee the Notes in certain future circumstances, subject to applicable legal limitations and cost considerations. See "Description of the 2022 Senior Secured Notes," "Description of the 2024 Senior Secured Notes" and "Description of the Subordinated Notes". However, there can be no assurance that these provisions will ever be triggered in future and, if triggered, not defeated by such legal limitations and cost considerations. Consequently, there can be no assurance that any of our subsidiaries will ever guarantee the Notes in future.

***The interests of our principal shareholders may conflict with your interests.***

Our controlling shareholder, Mr. Gérard Déprez, has the power to elect the majority of the members of our Strategic Committee, all officers and our Management Committee, as well as the directors of our subsidiaries, and to approve any changes to their organizational documents and any acquisitions or dispositions.

As a result, his actions can affect our strategic decisions, our legal and capital structure and our day to day operations. In addition, our controlling shareholder may have an interest in pursuing acquisitions, divestitures or other transactions that, in his judgment, could enhance his equity investment, even though these transactions might involve risks to you. In the event of a



conflict of interest between you and our controlling shareholder, his actions could affect our ability to meet our payment obligations to you.

***Investors may be required to pay a cash amount (“soulte”) in the event they decide to enforce a pledge over securities granted under French law by judicial or contractual foreclosure of the Senior Secured Collateral consisting of securities rather than by a sale of such Senior Secured Collateral in a public auction.***

Security interests governed by French law may only secure a creditor up to the secured amount that is due and unpaid to it. Under French law, pledges over securities may generally be enforced at the option of the secured creditors either (i) by way of a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) by way of judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*attribution conventionnelle*) of the pledged securities to the secured creditors, following which the secured creditors become the legal owner of the pledged securities. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. An expert is appointed to determine such value. If the value of the Senior Secured Collateral exceeds the amount of secured debt, the secured creditors may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the foreclosed securities as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent on-sale of the Senior Secured Collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

Should the holders of the Senior Secured Notes decline to request the judicial or contractual foreclosure of the securities, an enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. As public auction procedures are not designed for a sale of a business as a going concern, it is possible that the sale price received in any such auction might not reflect the value of the Company the shares of which are pledged as a going concern.

***The security over the Senior Secured Security will not be granted directly to the holders of the Senior Secured Notes.***

Under French law, the pledgee of a French law security interest and the creditor of the claim secured by such security interest are required to be the same person. Such security interest cannot be held on behalf of third parties who do not hold the secured claim, unless they act as fiduciary (*fiduciaire*) under Article 2011 of the French Civil Code. The beneficial holders of interests in the Senior Secured Notes from time to time will not be parties to the security documents pursuant to which the security interests in the Senior Secured Collateral will be granted. In order to permit the beneficial holders of the Senior Secured Notes to benefit from a secured claim, the Intercreditor Agreement provides for the creation of “parallel debt” obligations in favor of the Security Agent (the “Parallel Debt”) mirroring the obligations of the Issuer towards the holders of the Senior Secured Notes under or in connection with the Senior Secured Indentures (the “Principal Obligations”). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. The Security Agent will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Senior Secured Notes. The holders of the 2022 Senior Secured Notes and the 2024 Senior Secured Notes will not be entitled to enforce such security interest except through the Trustee as trustee for the 2022 Senior Secured Notes and 2024 Senior Secured Notes.

Although the French Supreme Court (*Cour de cassation*) has recognized, in a decision rendered in the context of safeguard proceedings opened in France, that, subject to certain conditions being met, the parallel debt mechanisms governed by New York law (Cass. com. 13 September 2011 n°10-25.533 Belvédère), were not incompatible with the French legal concept of international public policy (*ordre public international*), there can be no assurance that such a structure will be given effect in all cases by French courts. Indeed, this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt claim, and no assurance can be given that such a structure will be upheld by other French courts if tested.

To the extent that the security interests in the Senior Secured Collateral created to the benefit of the Security Agent as creditor of the Parallel Debt under the Parallel Debt construction are successfully challenged by other parties, holders of the Senior Secured Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Senior Secured Collateral, which in turn could materially and adversely affect the recovery under the Senior Secured Collateral in the case of an event of default. In addition, the holders of the Senior Secured Notes will bear some risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

The Trustee as trustee for the 2022 Senior Secured Notes and 2024 Senior Secured Notes will have certain assigned duties and rights under the 2022 Senior Secured Indenture and the 2024 Senior Secured Indenture, as applicable, that become particularly important following Defaults or Events of Default, and acts in a fiduciary capacity in the best interests of the holders of the 2022 Senior Secured Notes and 2024 Senior Secured Notes.

The concept of “trust” has been recognized by the French Tax Code and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (Cass. com. 13 September 2011 n°10-25.533

Belvédère) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings commenced in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of “trust” has not been generally recognized under French law.

***The security interests to be granted in favor of holders of the Senior Secured Notes do not rank pari passu with the security interests granted in favor of holders of the 2014 Senior Secured Notes and holders of the 2016 Senior Secured Notes, and we are relying on the Intercreditor Agreement to achieve a first priority lien in respect of the Senior Secured Collateral securing the Senior Secured Notes.***

The 2014 Senior Secured Notes are secured by a first-ranking security interest in the Senior Secured Collateral. The 2016 Senior Secured Notes are secured by a second-ranking security interest in the Senior Secured Collateral. A third- and fourth-ranking security interest in the Senior Secured Collateral was granted to secure a €795 million interim facility agreement that was entered into for purposes of financing Lavendon Acquisition. This interim facility agreement was replaced by the Bridge Facility Agreement, upon which it was cancelled and the third- and fourth- ranking security interests were released. A fifth-ranking security interest has been granted to secure the Bridge Facility Agreement and will be released following its cancellation after repayment with the proceeds of the Notes. The Senior Secured Notes will be secured by security interest in the Senior Secured Collateral ranking after any then-existing security interest granted over the Senior Secured Collateral and a first priority security interest over our Lavendon shares. Pursuant to the terms of the Intercreditor Agreement, the Senior Secured Notes will be treated and deemed to be secured on the Senior Secured Collateral on a *pari passu* basis with the 2014 Senior Secured Notes, 2016 Senior Secured Notes and any other Senior Secured Liabilities (See “Description of Certain Indebtedness—Intercreditor Agreement—Additional Security and Guarantees—Senior Secured Creditors”). Therefore, the first-priority right in the Senior Secured Collateral granted to the holders of the Senior Secured Notes will depend on the enforceability of the Intercreditor Agreement. As a result, if the Intercreditor Agreement or the relevant provisions thereof were found to be invalid or held to be unenforceable for any reason, or if an administrator refuses to give effect to it, the holders of the Senior Secured Notes would not benefit from such first-priority treatment and the security interests granted in favor of holders of the Senior Secured Notes in France would rank behind and be subordinated to any prior ranking security interests, including security interests granted in favor of the 2014 Senior Secured Notes and the 2016 Senior Secured Notes.

***Rights in the Senior Secured Security may be adversely affected by the failure to perfect security interests in the Senior Secured Security and no assurance can be given on the priority of a security interest if it is not publicly registered.***

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and the grantor of the security. The liens on the Senior Secured Security securing the Senior Secured Notes may not be perfected with respect to the claims of the Senior Secured Notes if we fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee as trustee for the Senior Secured Notes nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens.

In France, pledges over the securities of French companies in the form of a stock company (*société par actions*) that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres*) in which the relevant securities are registered. The securities account pledges will be validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each statement of pledge will have to be registered in the relevant shareholder’s account (*compte d’actionnaire*) and shares registry (*registre de mouvement de titres*) of each relevant French company. In France, no lien searches are available for security interests which are not publicly registered, with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

Furthermore, the enforceability against third parties of certain French law intellectual property rights security interest is subject to registration of the relevant security documents pursuant to which the security interest in the Senior Secured Collateral will be granted with the appropriate intellectual property register in France. Absent registration such security will not be enforceable against third parties.

***French insolvency laws may not be as favorable to you as the insolvency laws of the United States or other countries.***

We conduct a major part of our business activity in France and, to the extent that the center of our main interests is deemed to be in France, we could be subject to French insolvency proceedings affecting creditors, including court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings (*procédure de mandat ad hoc*) or conciliation proceedings (*procédure de conciliation*)), court-controlled insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*) (“SFA proceedings”) and reorganization or liquidation proceedings (*redressement ou liquidation judiciaire*)). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes.

The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

### ***Grace periods***

In addition to pre-insolvency and insolvency laws discussed below, you could, like any other creditor, be subject to Article 1343-5 of the French Civil Code (*Code civil*). Pursuant to the provisions of this article, French courts may, in any civil proceeding involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. French courts may also decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by decree) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or other penalty for late payment will not accrue or be due during the period ordered by the court.

### ***Insolvency test***

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts with its available assets taking into account available credit lines, existing debt rescheduling agreements and moratoria.

### ***Court-assisted pre-insolvency proceedings***

Pre-insolvency proceedings (i.e., *mandat ad hoc* and conciliation proceedings) may only be initiated by the debtor itself, in its sole discretion, provided that it experiences or anticipates legal, economic or financial difficulties while not having been unable to pay its debts as they fall due out of its available assets (i.e., cash flow insolvent (*en cessation des paiements*)) for more than 45 days.

*Mandat ad hoc* and conciliation proceedings are informal amicable proceedings carried out under the supervision of the president of the court, which do not involve any stay of enforcement against the debtor. The competent court will appoint a trustee (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor reach an agreement with its creditors in particular by reducing or rescheduling its indebtedness. The debtor may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as trustee. Arrangements reached through such proceedings are non-binding on third parties, and the *mandataire ad hoc* or the *conciliateur* has no authority to force the parties to accept an arrangement.

Two types of contractual provisions are deemed null and void in connection with *mandat ad hoc* or conciliation proceedings: (i) any provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the commencement of *mandat ad hoc* or conciliation proceedings or of a request submitted to this end and (ii) any provision forcing the debtor to bear the fees of the professional advisers whom the creditor shall have retained in connection with these proceedings for the portion exceeding three quarters of the fees of the professional advisers.

#### ***Mandat ad hoc proceedings***

Such proceedings are confidential (save for their disclosure to statutory auditors if any) and the process is voluntary. A restructuring agreement may be negotiated between the company and its main creditors on a consensual basis. Those creditors not willing to take part cannot be bound by the arrangement. Creditors are not barred from taking legal action against the debtor to recover their claims but the debtor retains the right to petition the judge having jurisdiction for a grace period, as set forth above. The agreement reached by the parties (if any) will be reviewed by the president of the court but, unlike in conciliation proceedings, French law does not provide for specific consequences attached to such review. There is no time limit for the duration of *mandat ad hoc* proceedings except that *mandat ad hoc* proceedings cannot continue once the debtor has been cash flow insolvent for 45 days.

#### ***Conciliation proceedings***

Conciliation proceedings are also confidential (save for their disclosure to statutory auditors if any) and may last up to five months. During the proceedings, creditors may continue to individually claim payment of their claims but the debtor has the right to petition before the judge having commenced conciliation proceedings for debt rescheduling for a maximum of two years pursuant to Article 1343-5 of the French Civil Code.

If an agreement is reached by the debtor and its main creditors in the context of conciliation proceedings, its performance stops or forbids any action and pending individual proceedings by the creditors party to the agreement against the debtor to obtain the payment of such claims. The agreement may be either recognized (*constaté*) by the president of the court or, at the request of the debtor (and provided that certain conditions are satisfied), approved (*homologué*) by the court.

In case of recognition (*constatation*) or approval (*homologation*) of the conciliation agreement, the court can, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution.

The recognition (*constatation*) of the agreement by the president of the court renders the agreement immediately enforceable and binding upon the parties thereto and gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title that can be enforced by the parties without further recourse to the judge (*titre exécutoire*).

The approval (*homologation*) of the agreement by the court will make conciliation proceedings public and has the following consequences:

- creditors who, during the conciliation proceedings or as part of the conciliation agreement, provide new money or goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity) will enjoy priority of payment over all pre-petition and post-petition claims (other than certain pre-petition employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; in the event of the adoption of a safeguard plan in the context of safeguard proceedings or of a reorganization plan in the context of judicial reorganization proceedings, in either case commenced subsequently to the approval of a conciliation agreement, claims benefiting from the above priority of payment may not, without the creditor's consent, be subject to a debt reduction or to a payment deferral to a date later than the date on which the plan is adopted (whether such a debt reduction or payment deferral may be imposed by the Bondholders General Meeting to bondholders having provided new money is the subject of debate);
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* and therefore the starting date of the hardening period (as defined below) cannot be determined by the court as of a date earlier than the date of the approval (*homologation*) of the agreement, except in case of fraud.

Whether the conciliation agreement is acknowledged or approved, while it is in force:

- interest accruing on the claims that are the subject of the agreement may not be compounded;
- the debtor retains the right to petition the court that commenced the conciliation proceedings for a grace period pursuant to Article 1343-5 of the French Civil Code (see “—*Grace periods*” above), in relation to claims of creditors (other than public creditors) party to the conciliation proceedings that are not already subject to the conciliation agreement, in which case the decision would be taken after having heard the conciliator (provided that the terms of his or her appointment included monitoring the implementation of the agreement); and
- a third party which had previously granted credit support (a guarantee or security interest) with respect to the debtor's obligations may benefit from the provisions of the conciliation agreement.

In case of breach of the conciliation agreement, whether recognized or approved, the court (or the president of the court if the conciliation agreement has been recognized) will, at the request of any party thereto, rescind the agreement. The Company retains the right to petition for debt rescheduling pursuant to article 1343-5 of the French Civil Code as described above.

The conciliation proceedings, in the context of which a draft restructuring plan has been negotiated and is supported by a large majority of creditors without reaching unanimity, will be a mandatory preliminary step of the accelerated safeguard proceedings and of the SFA proceedings described below.

### **“Pre-pack” sales**

At the request of the debtor and after the participating creditors have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor which could be implemented, as applicable, in the context of subsequent safeguard, judicial reorganization or liquidation proceedings; any offers received in this context by the *mandataire ad hoc* or conciliator may be directly submitted to the court in the context of reorganization or liquidation proceedings after consultation of the public prosecutor.

### **Court-administered proceedings—safeguard**

A debtor which experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, *provided* that it is not insolvent (*en état de cessation des paiements*). Creditors of the debtor do not attend the hearing before the court at which the commencement of safeguard proceedings is requested. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is usually appointed to investigate the business of the debtor during an observation period, which may last up to 18 months, and to help the debtor elaborate a draft safeguard plan (*projet de plan de sauvegarde*) that it will propose to its creditors.

Creditors do not have effective control over the proceedings, which remain mainly in the hands of the debtor, assisted by the court-appointed administrator who will, in accordance with the terms of the judgment, either supervise the debtor's management ("*mission de surveillance*") or assist it ("*mission d'assistance*") and, in either case, assist the debtor in preparing a safeguard plan for the company, all under the supervision of the court.

However, in the case of large companies having creditors' committees, creditors will have the opportunity to propose alternative draft safeguard plans (see below).

Creditors must be consulted on the manner in which the debtor's liabilities will be settled under the plan (debt deferrals or write-offs) prior to the plan being approved by the court.

The rules governing consultation vary according to the size of the business.

Standard consultation: for debtors (a) whose accounts are not certified by statutory auditors or prepared by an independent accountant or (b) who have less than 150 employees and less than €20 million in revenue, creditors are consulted individually or collectively on the debt deferrals and write-offs proposed by the debtor.

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved do not need to be consulted.

The court that approves the safeguard plan (*plan de sauvegarde*) can impose uniform debt deferrals for a maximum period of 10 years on non-consenting creditors, (subject to the specific regime of claims benefiting from the new money priority – see above "**Conciliation Proceedings**"), but the court cannot impose debt write-offs or debt-for-equity swaps.

The first payment must be made within a year of the judgment adopting the plan and, from the third year onwards, the amount of each annual installment must be of at least 5% of the amount of each claim. Specific rules apply when the initial maturity of the claim is later than the date of the first anniversary of the adoption of the plan.

Committee-based consultation: In the case of large companies (with more than 150 employees or revenue greater than €20 million), or with the consent of the court in the case of debtors that do not exceed the aforementioned thresholds, two creditors' committees have to be established by the court-appointed administrator on the basis of the debts that arose prior to the initial judgment:

- one for credit institutions or assimilated institutions and entities having granted credit or advances in favor of the debtor; and
- the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers, and other suppliers invited to participate in such committee by the court-appointed administrator.

If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes), a general meeting of all holders of such debt securities will be established irrespective of whether or not there are different issuances and of the governing law of those *obligations* (the "Bondholders' General Meeting").

The proposed plan:

- must take into account subordination agreements entered into by the creditors before the commencement of the proceedings;
- may treat creditors differently if it is justified by their differences in situation; and
- may provide for debt rescheduling, debt deferrals and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

The two creditors' committees must vote on the safeguard plan within 20 to 30 days of its submission by the debtor (this time period can be reduced or extended by the supervising judge, at the request of the debtor or the judicial administrator, but not below 15 days). Approval of the plan by each committee requires the affirmative vote of members representing at least two-thirds of the total amount of the claims held by members of such committee expressing a vote.

Each creditor member of a creditors' committee and each bondholder must, if applicable, inform the judicial administrator of the existence of any agreement relating to the exercise of its vote or relating to the full or total payment of its claim by a third party, as well as of any subordination agreement. The administrator shall then submit to the creditor/bondholder a proposal for the computation of its voting rights in the creditors' committee/Bondholders' General Meeting. In the event of a disagreement, the creditor/bondholder or the administrator may request that the matter be decided by the president of the commercial court in summary proceedings.

The amounts of the claims secured by a trust (*fiducie*) constituted as a guarantee granted by the debtor are not taken into account. In addition, creditors whose repayment schedule is not modified by the plan, or for which the plan provides for a

payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted, do not take part in the vote.

Creditors which are members of the credit institutions' committee or the suppliers' committee may prepare an alternative safeguard plan that will also be put to the vote of the committees and of the Bondholders' General Meeting. Approval of these alternative plans is subject to the same two-thirds majority vote in each committee and in the Bondholders' General Meeting. Bondholders are not permitted to present their own alternative plan.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the Bondholders' General Meeting at the same two-thirds majority vote. Following approval by the creditors' committees and the Bondholders' General Meeting and determination of a rescheduling of the claim of creditors that are not members of the committees or bondholders as discussed hereafter, the plan has to be approved (*arrêté*) by the court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected and that relevant shareholder consent, if any is required, has been obtained. Once approved by the relevant court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

With respect to creditors who are not members of the committees, the standard consultation rules described above apply.

In the event that the committees and the Bondholders' General Meeting did not vote on the debtor's proposed plan within the first six months of the observation period, this six month period may be extended by the court at the request of the court-appointed administrator for a period not exceeding the duration of the observation period, in order for the plan to be approved through the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case, the standard consultation rules apply to the consultation of creditors. In particular, the court can only impose a debt rescheduling over a maximum period of 10 years (see "Standard consultation" above).

If the court empowers the court-appointed administrator to convene a shareholders' meeting in order to take corporate resolutions with respect to the modification of the debtor's by-laws (including modifications of its share capital) required by a safeguard plan, the court may order that, under certain conditions, the shareholders' decisions be adopted by a majority vote of the shareholders attending or represented, as long as such shareholders own at least half of the shares with voting rights.

If no plan is adopted by the committees, the court may, at the request of the debtor, the administrator, the creditors representative (*mandataire judiciaire*) or the public prosecutor, convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is obviously impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

*Specific case—Creditors that are public institutions:* Public creditors (tax administrations and social security bodies) may agree to grant debt write-offs under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors are consulted under specific conditions, within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

If safeguard (or judicial reorganization) proceedings are commenced against the Issuer, the holders of the Notes will not be members of the credit institutions' committee but will vote on any proposed draft safeguard plan as members of the Bondholders' General Meeting.

The holders of the Notes could, as members of the Bondholders' General Meeting, veto a draft safeguard plan if they constitute a blocking minority (i.e., their claims represent more than one-third of the claims of those creditors casting a vote in the Bondholders' General Meeting).

#### *Court-administered proceedings—accelerated safeguard and accelerated financial safeguard*

A debtor in *conciliation* proceedings may request commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or SFA proceedings (*procédure de sauvegarde financière accélérée*).

The accelerated safeguard proceedings and SFA proceedings are very similar to safeguard proceedings and have been designed to "fast-track" difficulties of large companies:

- who publish consolidated accounts; or
- who publish accounts certified by an auditor or established by an independent accountant and have (i) more than 20 employees or (ii) revenue exceeding €3 million or (iii) whose total balance sheet exceeds €1.5 million.

The SFA proceedings apply only to “financial creditors” (i.e., creditors that belong to the credit institutions committee and bondholders), the payment of whose debt is suspended until adoption of a plan through the SFA proceedings. As to financial creditors, the debtor will be prohibited from paying any amounts (including interests) relating to debts incurred (a) prior to the commencement of the proceedings or (b) after their commencement if not incurred for the purposes of the proceedings or the observation period or the debtor’s business activities during the observation period (post-commencement non-privileged debts) that fall due during the observation period. Such amounts may be paid only after the judgment of the Commercial Court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by SFA proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

As with traditional safeguard proceedings, the plan adopted in the context of accelerated safeguard proceedings and SFA proceedings may notably provide for debt rescheduling, debt write-offs and debt-for-equity swaps.

To be eligible to accelerated safeguard proceedings and SFA proceedings, the debtor must fulfill three conditions:

- the debtor must be subject to ongoing *conciliation* proceedings when it applies for the commencement of accelerated safeguard proceedings or SFA proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome; and
- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern supported by enough of its creditors to render likely its adoption by a two-thirds majority of its creditors making up the creditors committees and of its bondholders within a maximum of three months following the commencement of the proceedings in the case of accelerated safeguard proceedings, and of one month following the commencement of the proceedings in the case of SFA proceedings (that can be extended by a maximum of an additional month).

If a plan is not adopted by the creditors and approved by the court within such deadlines, the court shall terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the committees process.

The list of claims of creditors party to the *conciliation* proceeding shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims for the purpose of the accelerated safeguard proceedings or, as applicable, SFA proceedings (see below) unless the creditors otherwise elect to make such a filing (see below).

### ***Judicial reorganization or liquidation proceedings***

Judicial reorganization (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*) may be initiated against or by a debtor only if it is insolvent (*en cessation des paiements*) and, with respect to liquidation proceedings only, if the debtor’s recovery is manifestly impossible. The debtor is required to petition for insolvency proceedings (or for conciliation proceedings, as discussed above) within 45 days of becoming insolvent. If it does not, *de jure* managers (including directors) and, as the case may be, *de facto* managers are exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings which it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate.

In the event of judicial reorganization proceedings, an administrator is usually appointed by the court (*administrateur judiciaire*) to assist the management and to investigate the business of the debtor during the observation period and make proposals for the reorganization of the debtor, which proposals may include a reorganization plan and / or the sale of all or part of the debtor’s business to a third party. The court may also decide that the administrator will take over the management and control of the debtor.

Creditors’ committees and the Bondholders’ General Meeting are created in judicial reorganization proceedings and vote under the same conditions as in safeguard proceedings (see above).

In judicial reorganization proceedings, in case a shareholders’ meeting needs to vote to bring the shareholders’ equity to a level equal to at least one half of the share capital as required by Article L.626-3 of the French Commercial Code, the administrator may appoint a trustee (*mandataire*) to convene a shareholders’ meeting and to vote on behalf of the shareholders which refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the share capital to the benefit of a third-party undertaking to comply with the reorganization plan.

In addition, Law No. 2015-990 dated August 6, 2015 (known as “*loi Macron*”) has introduced a new provision (Article L. 631-19-2 of the French Commercial Code) applicable to reorganization proceedings opened on or after August 7, 2015 in the cases where (i) a debtor (a) employs more than 150 employees or (b) controls one or more companies employing together 150

employees, (ii) the disappearance of such debtor is likely to cause serious disturbance to the national or local economy and to local employment, (iii) a share capital modification appears – after review of total or partial disposal plan solutions – the only credible solution to avoid such a disturbance and to allow the debtor’s business activities to continue and (iv) at least 3 months have elapsed from the court decision commencing the proceedings. In summary, if, in such event, a reorganization plan provides for a modification of the share capital in favor of one or more person(s) who undertake to execute the plan (e.g., the new majority shareholders) and the existing shareholders refuse to vote such share capital modification, the court may, under certain procedural and substantial conditions and upon request of the court appointed administrator or the public prosecutor, either (a) appoint a trustee (*mandataire de justice*) to vote in favor of the share capital increase in place of the dissenting shareholders or (b) order, in favor of the person(s) who have undertaken to execute the plan, the transfer of all or part of the shares owned by the dissenting shareholders who own (directly or indirectly and including as a result of an agreement with other shareholders) a majority of voting rights or hold a blocking minority in the company. Any approval clause is deemed null and void. The minority shareholders have the right to withdraw from the company and request that their shares be purchased by the transferees. In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by a court-designated expert designated by the court in summary proceedings. In either (a) or (b) above, the reorganization plan shall be subject to the undertaking of the subscribers or the transferees to hold their shares for a certain time period set by the court which may not exceed the duration of the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the company will recover or if no reorganization plan is proposed, the court, upon the request of the administrator, can order the total or partial sale of the business under a sale plan (*plan de cession*).

At any time during the observation period, the court can order the liquidation of the debtor if its recovery has become obviously impossible.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, who is generally the former creditors’ representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings and no maximum time period is provided by law to limit the duration of the judicial liquidation process. As a result of the judgment ordering judicial liquidation, the management of the debtor is removed, and the liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities in accordance with the creditors’ ranking).

The outcome of such proceedings, which is decided by the court without a vote of the creditors, may be a sale of the business (*plan de cession*) or a sale of the individual assets of the debtor. If a plan for the sale of the business is considered, the court will usually authorize a temporary continuation of the business for a maximum of three months (renewable once), and appoint an administrator (*administrateur judiciaire*) to manage the debtor and organize such sale.

When either (i) no due liabilities remain, or (ii) the liquidator has sufficient funds to pay off all the creditors (*extinction du passif*), or (iii) continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d’actif*), the court terminates the proceedings.

The court may also terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets. The court may also appoint a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

### ***Void or voidable transactions upon insolvency proceedings***

The insolvency date (*date de cessation des paiements*) is deemed to be the date of the court decision opening the judicial reorganization or judicial liquidation proceedings unless determined otherwise by the court which may determine that the date when the debtor became insolvent occurred up to 18 months prior to the court decision opening the proceedings. Except in the case of fraud, the date of insolvency may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The date when the debtor became insolvent is important because it marks the beginning of the “hardening period” (*période suspecte*), being the period between the date of insolvency and the court decision commencing the proceedings. Certain transactions entered into by the debtor during the hardening period are, by law, void or voidable.

Void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include notably transfers of assets for no, or nominal, consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business, security granted for debts previously incurred, and provisional measures, unless the right of attachment or seizure predates the date of cash flow insolvency, share options granted or sold during the hardening period, the transfer of any assets or rights to a trust estate (*patrimoine fiduciaire*) (unless such transfer is made as a security for debt incurred at the same time), and any amendment to a trust arrangement relating to assets or rights already transferred to a trust estate (*patrimoine fiduciaire*) as security for debts previously incurred. A declaration of non-seizability (*déclaration d’insaisissabilité*) that occurred during the hardening period also qualifies as such a “void transaction.”



Voidable transactions include (i) transactions for consideration (*actes à titre onéreux*), (ii) payments made on due debts or (iii) certain attachment measures (notices of attachments to third parties (*avis à tiers détenteur*), seizures (*saisie-attribution*), and oppositions), in each case, if such actions are taken after the debtor was insolvent and the party dealing with the debtor knew that the debtor was insolvent. Transactions relating to the transfer of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the hardening period.

There is no hardening period prior to the opening of safeguard, accelerated safeguard or SFA proceedings.

***Status of creditors during safeguard, accelerated safeguard, SFA proceedings, judicial reorganization or judicial liquidation proceedings.***

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, precluded from receiving distributions made in connection with the insolvency proceedings. Employees are not subject to such limitations and are preferential creditors under French law. By exception, the proof of claim filing process for the creditors that participated in the conciliation proceedings is simplified in accelerated safeguard and SFA proceedings. The debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors (failing which, its accountant). Although such creditors may file proofs of claims as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Those creditors who did not take part in the conciliation proceedings (but who would belong to the committee or the Bondholders' General Meeting) would have to file their proofs of claims within the aforementioned deadlines.

From the date of the court decision commencing the insolvency proceedings,

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year; interest resulting from the latter can no longer be compounded;
- the debtor is prohibited from paying debts which arose prior to this date, subject to specified exceptions which essentially cover the set-off of related debts and payments authorized by the supervising judge to recover assets that are necessary for the continued operation of the business;
- the debtor is prohibited from paying debts arising after the commencement of the proceedings and which relate to expenses that are not necessary for the purposes of the proceedings or the observation period or the debtor's business activities during the observation period (post-commencement non-privileged debts);
- creditors are prevented from initiating or continuing any individual legal action against the debtor with respect to any pre-petition claim or post-petition non-privileged claim if the objective of such legal action is:
  - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due); or
  - to terminate or cancel a contract for non-payment of amounts owed by the debtor.
- creditors are prohibited to initiate or to continue any action against the debtor's assets, including enforcing security interests except (i) in judicial liquidation proceedings, by way of judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset - whether tangible or intangible, movable or immovable - is located in another Member State within the European Union, in which case the rights *in rem* of creditors thereon, provided no secondary proceedings are open in such Member State, would not be affected by the insolvency proceedings, in accordance with the terms of article 5 of Council Regulation (EC) no. 1346/2000 dated May 29, 2000 on insolvency proceedings or of article 8 of European Parliament and Council (EU) n°2015/848 Regulation on insolvency proceedings (recast) dated May 20, 2015, which became effective as of June 26, 2015, and which will apply to insolvency proceedings commenced after June 26, 2017.

In the context of SFA proceedings, the above rules would only apply to the creditors that are subject to the SFA proceedings (i.e., credit institutions and assimilated financial institutions and bondholders which are eligible to vote on the draft safeguard plan). They would not apply to other creditors, such as suppliers, whose claims, including those that arose prior to commencement of the proceedings, should be paid in the ordinary course of business.

During safeguard, accelerated safeguard, SFA and judicial reorganization proceedings, contractual provisions such as those contained in the indentures that would accelerate the payment of the debtor's obligations upon the occurrence of certain insolvency events are not enforceable under French law. The opening of liquidation proceedings does, however, automatically accelerate the maturity of all of the debtor's obligations, unless the court allows the business to continue for a period of no more than three months (renewable once) if it considers that a sale of part or all of the business is possible. In this case, the debtor's obligations are deemed mature on the day the court approves the sale of the business or terminates this temporary continuation of the business.

As from the court decision commencing the proceedings, accrued interest can no longer be compounded.

The administrator may also request the termination (except for employment contracts) or, provided that the debtor fully performs its post-petition contractual obligations, continuation of on-going contracts (*contrats en cours*). However, as from the court decision commencing the proceedings, in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*) will be required.

If the court adopts a safeguard plan or a reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period (which cannot exceed the duration of the plan) during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

As soon as insolvency proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

If the court adopts a plan for the sale of the business (*plan de cession*), the court can set a time period during which the assets that it deems necessary for the continuation of the business of the debtor may not be sold without its consent. The proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, post-petition legal costs (essentially fees of the officials appointed by the court), creditors who, as part of an approved conciliation agreement, would have provided new money or goods or services, certain pre-petition secured creditors in the event of liquidation proceedings only, post-petition creditors, and the French Treasury, over other pre-petition secured creditors and pre-petition unsecured creditors.

### ***Creditors' liability***

Pursuant to article L. 650-1 of the French Commercial Code, where insolvency proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor if the granting of such facilities was wrongful, in the case of (i) fraud; (ii) wrongful interference with the management of the debtor; or (iii) the security or guarantees obtained for the facilities are disproportionate to such facilities. In addition, any security or guarantees obtained for the facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

### ***Fraudulent conveyance***

French law contains specific, "*action paulienne*" provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant debtor by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) insolvency proceedings of the relevant debtor, or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against third parties if: (i) the debtor performed such act without an obligation to do so; (ii) the relevant creditor or (in the case of the debtor's insolvency proceedings) any creditor was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary). If a court found that the issuance of the Notes or the grant of the security interests in the Senior Secured Security, involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of the security interests in the Senior Secured Security could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes or the security interests in the Senior Secured Security and the value of any consideration that holders of the Notes received with respect to the Notes or the security interests in the Senior Secured Security could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer as a result of the fraudulent conveyance.

### ***Recognition of intercreditor arrangements by French courts***

There is no law or published decision of the French courts of appeal or of the French Supreme Court (Cour de cassation) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for article L.626-30-2 of the French Commercial Code which states that, in the context of safeguard proceedings, the safeguard plan which is submitted to the creditors' committees takes into consideration (*prend en compte*) the provisions of subordination agreements between creditors which were entered into prior to the commencement of the safeguard proceedings. The same rule is

applicable to the reorganization plan in judicial reorganization proceedings. As a consequence, except to the extent referred to above (which, as of the date of this offering memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

***Recognition of validity of second or lower ranking financial securities account pledge by French courts***

The Intercreditor Agreement provides for a mechanism allowing the implementation of second or lower ranking pledges over financial securities accounts, and the security interest in the Senior Secured Collateral will include a pledge over the financial securities accounts owned by the Issuer and opened in the books of Loxam Power and Loxam Module ranking after any then-existing security interests over these financial securities accounts.

A pledge over the shares of a stock company (*société par actions*) governed by French law is a pledge over the relevant securities account (*nantissement de compte de titres financiers*) in which the shares of such company are registered. In France, no lien searches are available for security interests which are not registered, such as pledges over securities accounts (*nantissements de comptes de titres financiers*). As a result, no assurance can be given on the priority of a pledge over a securities account in which the shares of such a company are registered.

Moreover, some legal commentators have queried whether a second (or lower) ranking pledge is legally permissible to the extent that under French law, a pledge over securities accounts is deemed, under French law, to remove the securities account from the possession of the grantor, thereby preventing such grantor from granting a second (or lower) ranking pledge thereon. The second (or lower) ranking pledge over the shares of such a company will therefore provide that the possession of the securities account is transferred to the custody of an agreed third party as "*tiers convenu*" (*entiercement*), that the first ranking and second (or lower) ranking secured parties have consented to the creation of second (or lower) ranking pledge and that the Security Agent has accepted its appointment as *tiers convenu* and hold the pledged securities as custodian for the benefit of both the first ranking and the second (or lower) ranking secured parties. Although there is no case law on the matter, numerous legal academics and practitioners are of the opinion that creation of second or lower-ranking pledges over securities through such a form of *entiercement* is valid, provided that the first- or higher-ranking pledgees agree to such creation of a subsequent ranking pledge. No assurance can be given, however, that a court would concur with this view. Therefore, there subsists a risk that the second (or lower) ranking pledge over the securities account in which the shares of such company are respectively registered may be held void or unenforceable by a French court, which in turn could materially adversely affect the recovery under the Notes following an enforcement event.

***A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.***

Payments of interest on the Notes, or profits realized by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in the Noteholder's home jurisdiction or in other jurisdictions in which it is required to pay taxes. Certain French, EU, and US tax matters relating to an investment in the Notes are summarized under the "Taxation" section below; however, that section does not contain a comprehensive description of the tax impact of an investment in the Notes and the tax impact on an individual Noteholder may differ from the impact described in that section. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

***Transactions in the Notes could be subject to the European financial transaction tax, if adopted.***

On February 14, 2013, the European Commission published a proposal for a Directive (the "Commission's Proposal") for a common financial transaction tax (the "FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "Participating Member States"). Following the ECOFIN Council meeting of December 8, 2015, Estonia officially announced its withdrawal from the negotiations and, on March 16, 2016, completed the formalities required to leave the enhanced cooperation on FTT.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt. It would call for the Participating Member States to impose a tax of generally at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in 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 (a) by transacting with a person established in a Participating Member State, or (b) 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 the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw.

On October 10, 2016, the European Commission was tasked with drafting legislation that will be submitted to the Participating Member States in view of reaching a political agreement on the FTT by the end of 2016. However, no agreement has been reached between the Participating Member States to date. The Council of the European Union on Economic and Financial Affairs indicated on December 6, 2016 that the ten Participating Member States (excluding Estonia) agreed to pursue the on-going work and discussions on the main features of the FTT during the first half of 2017. Prospective holders of the Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

***Because we are organized under the laws of France, you may be unable to recover in civil proceedings for U.S. securities laws violations.***

We are an entity organized under the laws of France with our registered offices or principal place of business in France. Our directors, officers and other executive are neither residents nor citizens of the United States (the “French Individuals”). Furthermore, most of our assets or the French Individuals are located outside of the United States. As a result, judgments of U.S. courts, including those predicated on the civil liability provisions of the federal securities laws of the United States, may not be enforceable in French courts. As a result, holders of Notes who obtain a judgment against us in the United States may not be able to require us to pay the amount of the judgment. It may not be possible for holders to effect service of process within the United States upon the French Individuals, or us, or to enforce against them or us judgments of United States courts predicated upon civil liability provisions of the federal securities laws of the United States.

However, it may be possible for the holders of the Notes to effect service of process within France upon those persons or us, 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. The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non ex parte*) proceedings if such U.S. judgment is enforceable in the United States and if the French civil court is satisfied that certain conditions have been met. See “Service of Process and Enforcement of Liabilities.”

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

There is no existing market for the Notes. 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.

The initial purchasers of the Notes have informed us that they intend to make a market in the Notes after completing this offering. However, the initial purchasers are not obligated to make a market in the Notes and may cease market-making at any time. In addition, changes in the overall market for high-yield securities and changes in our financial performance or in the markets where we operate may adversely affect the liquidity of the trading market in these Notes and the market price quoted for these Notes. As a result, we cannot assure you that an active trading market will actually develop for these Notes.

Historically, the markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in their prices. 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. The market, if any, for the Notes may be subject to similar disruptions. Any disruptions may have an adverse effect on the holders of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an 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, we cannot assure you that the Notes will remain listed thereon. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF, failure to be approved for listing or the delisting of the Notes, as applicable, from the Official List may have a material effect on a holder’s ability to resell the Notes, as applicable in the secondary market.

In addition, the Indentures governing the Notes will allow the Issuer to issue additional Notes in the future which could adversely impact the liquidity of the Notes.

***The transfer of the Notes is restricted.***

The Notes have not been registered under the Securities Act or the securities laws of any jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or 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 the Notes, and have no intention to do so.

***Certain considerations relating to book-entry interests.***

Unless and until Notes in definitive registered form, or Definitive Registered Notes (as defined in “Description of the 2022 Senior Secured Notes,” “Description of the 2024 Senior Secured Notes” and “Description of the Senior Subordinated Notes”) are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of such Notes. The common depositary for Euroclear and Clearstream (or its nominee) will be the sole holder of the global notes representing the Notes. After payment by the Paying Agent to Euroclear and Clearstream, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights of a holder under the Indentures. See “Book-Entry, Delivery and Form.”

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

Similarly, upon the occurrence of an Event of Default under the Indentures governing the Notes, unless and until 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 or Clearstream. The Issuer cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See “Book-Entry, Delivery and Form.”

***You may face currency exchange risks by investing in the Notes.***

The Notes are denominated and payable in euro. If you measure your investment returns by reference to a currency other than the currency in which your notes are denominated, investment in such notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the euro, as applicable, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro, as applicable, against the currency by reference to which you measure your investment returns would cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

**Risks Related to the Senior Secured Notes**

***The Senior Secured Notes are secured only by security interests over certain of our assets and are not secured by any assets that secure the Revolving Credit Facility.***

The Senior Secured Notes are secured only by the Senior Secured Security. Furthermore, the Senior Secured Indentures governing the Senior Secured Notes will permit us to incur additional debt that can be secured by liens on the Senior Secured Security that have the same priority with the liens on the Senior Secured Security that secures the Senior Secured Notes. Many of our assets, such as certain assets owned by our subsidiaries, are not part of the Senior Secured Security securing the Senior Secured Notes. With respect to those assets that are not part of the Senior Secured Security securing the Senior Secured Notes but which secure other obligations (such as the commercial receivables and related bank account securing our Revolving Credit Facility), the Senior Secured Notes will be effectively junior to these obligations to the extent of the value of such assets. Holders of the indebtedness under our Revolving Credit Facility will be entitled to receive proceeds from the realization of value of their separate collateral to repay such indebtedness in full before the holders of the Senior Secured Notes or any *pari passu* indebtedness will be entitled to any recovery from such collateral. As a result, holders of the Senior Secured Notes will only be entitled to receive proceeds from the realization of value of the commercial receivables securing the Revolving Credit Facility after all indebtedness and other obligations under such facility are repaid in full.

***The Senior Secured Security may not be sufficient to secure the obligations under the Senior Secured Notes.***

The Senior Secured Notes will be secured by security interests with respect to the Senior Secured Security. The Senior Secured Security which also secures the 2014 Senior Secured Notes and the 2016 Senior Secured Notes pursuant to the Intercreditor Agreement may also secure additional debt to the extent permitted by the terms of the indentures governing the Notes, the 2016 Senior Secured Notes, the 2014 Notes and the Intercreditor Agreement, including certain hedging obligations. Your rights as a holder of the Senior Secured Notes to the Senior Secured Security would be diluted by any increase in the debt secured by the Senior Secured Security or a reduction in the value of the Senior Secured Security securing the Senior Secured Notes.

No appraisals of any collateral have been prepared in connection with the offering of the Senior Secured Notes. There also can be no assurance that the collateral could be sold and, even if sold, the timing of its liquidation is uncertain. The value of the Senior Secured Security and the amount to be received upon a sale of such collateral will depend upon many factors, including, among others, the ability to sell the Senior Secured Security in an orderly sale, the condition of the economies in which our operations are located and the availability of buyers. The book value of the Senior Secured Security should not be relied on as a measure of realizable value for such assets. All or a portion of the Senior Secured Security 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 Senior Secured Security, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The security interest in the Senior Secured Security will be released in connection with an enforcement sale pursuant to the Intercreditor Agreement.

***The Senior Secured Notes will be secured only to the extent of the value of the assets that have been granted as security for the Senior Secured Notes.***

To the extent that the claims of the holders of the Senior Secured Notes, the 2014 Senior Secured Notes and the 2016 Senior Secured Notes (and of any Additional Secured Liabilities that may be secured by the Senior Secured Security in accordance with the terms of the 2014 Senior Secured Indenture, the 2016 Indenture, the Senior Secured Indentures and the Intercreditor Agreement) exceed the value of the assets securing those notes and other obligations, those claims of the holders of such notes will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with such notes (including the bilateral credit facilities extended to Loxam and trade payables). As a result, if the value of the assets pledged as security for the Senior Secured Notes is less than the value of the claims of the holders of the Senior Secured Notes, the 2016 Notes and the 2014 Senior Secured Notes (and of any Additional Secured Liabilities that may be secured by the Senior Secured Security in accordance with the terms of the 2016 Indenture, the 2014 Senior Secured Indenture, the Senior Secured Indentures and the Intercreditor Agreement), those claims of the holders of the Senior Secured Notes may not be satisfied in full before the claims of certain unsecured creditors have been paid.

***There are circumstances other than repayment or discharge of the Senior Secured Notes under which the security interests in the Senior Secured Security with respect to the Senior Secured Notes will be released automatically without your consent or the consent of the Trustee as trustee for the 2022 Senior Secured Notes and the 2024 Senior Secured Notes.***

Under various circumstances, the security interests in the Senior Secured Security securing the Senior Secured Notes will be automatically and unconditionally released, including (without limitation):

- (1) upon the sale, disposition or transfer of such Senior Secured Security (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Issuer or a Restricted Subsidiary of the Issuer, if such sale, disposition or transfer does not violate the asset sale provisions of the Senior Secured Indentures governing the Senior Secured Notes;
- (2) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has pledged such Senior Secured Security (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Issuer and (ii) the sale, disposition or transfer does not violate the asset sale provisions of the indentures governing the Senior Secured Notes;
- (3) upon the defeasance or discharge of the Senior Secured Notes in each case, in accordance with the terms of the indentures governing the Senior Secured Notes;
- (4) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the indentures governing the Senior Secured Notes (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);
- (5) upon full and final repayment of the Senior Secured Notes; and

- (6) in accordance with the amendment and waiver provisions of the indentures governing the Senior Secured Notes.

### **Risks Related to the Senior Subordinated Notes**

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

The Senior Subordinated Notes will be general unsecured senior subordinated obligations of the Issuer and will:

- be expressly subordinated in right of payment to Indebtedness incurred under the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes and other future senior indebtedness of the Issuer;
- rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer (other than Senior Indebtedness) that is not expressly subordinated in right of payment to the Senior Subordinated Notes including the 2014 Senior Subordinated Notes;
- not be guaranteed on the Issue Date and as a result will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of the Issuer's Subsidiaries; and
- be effectively subordinated to all secured debt of the Issuer, including the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes and any indebtedness under the Revolving Credit Facility, to the extent of the value of the collateral securing such debt.

In addition, no enforcement action with respect to the Senior Subordinated Notes may be taken unless (subject to certain limited exceptions): (i) any enforcement action has been taken with respect to senior debt (provided that in this case enforcement action with respect to the Senior Subordinated Notes must match the enforcement action commenced by the senior creditors and can only be taken against the same debtor); (ii) there is a default on the Senior Subordinated Notes outstanding after a period of 179 days after the date on which the relevant senior creditor representatives have received written notice of such default; (iii) an insolvency event has occurred with respect to a debtor; or (iv) each relevant senior creditor representative has given its consent to the proposed action. See "Description of Certain Indebtedness—Intercreditor Agreement."

In addition, the Intercreditor Agreement contains significant restrictions with respect to payments on the Senior Subordinated Notes (including being subject to a blockage on payments upon the occurrence of certain events of default with respect to senior debt). Until the liabilities of the lenders under the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes and holders of other senior obligations are fully discharged or the relevant event of default with respect to the senior debt has been remedied or waived, payments will not be permitted to be made in respect of the Senior Subordinated Notes until the expiration of the applicable payment blockage period (unless such parties otherwise consent thereto).

In some circumstances, including in the case in which payments were received on the Senior Subordinated Notes in breach of the Intercreditor Agreement, holders of Senior Subordinated Notes would be required to turn over such payments to the Security Agent for application in accordance with the waterfall provisions of Intercreditor Agreement. See "Description of Certain Indebtedness—Intercreditor Agreement—Application of Proceeds".

As of December 31, 2016, on an as adjusted basis giving effect to the Lavendon Acquisition and the Hune Group Acquisition, the offering of the Notes and the transactions contemplated hereby and certain adjustments to reflect drawdowns and repayments on our bilateral credit facilities since that date, the Issuer would have had €2,136.5 million of indebtedness outstanding, of which €1,439.7 million would have been priority debt ranking to effectively senior to the Senior Subordinated Notes (including, among others, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and the Senior Secured Notes). See "Capitalization."

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

Claims of our senior secured creditors will have priority with respect to the assets securing their indebtedness over the claims of holders of the Senior Subordinated Notes. As such, the Senior Subordinated Notes will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness or other obligations. In the event that any of the senior secured indebtedness of the Issuer or any future Guarantor of the Senior Subordinated Notes becomes due or the creditors in respect thereof commence enforcement proceedings against collateral that secures such indebtedness, the collateral remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Senior Subordinated Notes. As a result, holders of Senior Subordinated Notes may receive less, ratably, than holders of senior secured indebtedness of the Issuer or the relevant Guarantor.

## USE OF PROCEEDS

We expect the gross proceeds to be received by us from the offering to be €850,000,000.

The net proceeds to be received by us from the offering, after deducting estimated commissions, fees and expenses including underwriting fees and commissions, other financing fees, professional and legal fees, financial advisory fees and other transaction costs, are estimated at approximately €841.4 million. We intend to use the net proceeds from this offering to repay indebtedness incurred under the Bridge Facility Agreement, to pay directly for remaining Lavendon shares acquired through the Squeeze-Out and certain costs and expenses in connection with the Lavendon Acquisition and for other general corporate purposes.

Our cash and cash equivalents were €155.9 million as of December 31, 2016 and we estimate that our cash and cash equivalents as of February 28, 2017 were no less than €78.0 million (including cash and cash equivalents from the Lavendon Acquisition and the Hune Group Acquisition).

The table below presents our sources and uses of funds from the offering of the Notes assuming an Issue Date of April 15, 2017.

Sources of Funds	Amount (in millions of euros)	Uses of Funds	Amount (in millions of euros)
2022 Senior Secured Notes .....	300.0	Repayment of loans under the Bridge Facility Agreement <sup>(1)</sup> .....	779.3
2024 Senior Secured Notes .....	300.0	Purchase of Lavendon shares <sup>(2)</sup> .....	15.9
Senior Subordinated Notes .....	250.0	Costs and expenses related to the Lavendon Acquisition .....	9.2
		Estimated fees and expenses relating to this offering <sup>(3)</sup> .....	8.6
		General corporate purposes .....	37.0
Total sources .....	850.0	Total uses .....	850.0

Notes:

- (1) €548.5 million of the loans repaid under the Bridge Facility Agreement were used to finance the purchase of Lavendon shares and costs relating to the Bridge Facility Agreement, €230.8 million were used to refinance Lavendon's gross debt and to pay redemption costs relating thereto in addition to costs relating to the Bridge Facility Agreement. As of December 31, 2016, Lavendon's net financial debt was £156.6 million (approximately €183.0 million). On March 15, 2017, we refinanced €227.9 million of Lavendon's debt as part of our acquisition. See "The Lavendon Acquisition – Funding of the Acquisition."
- (2) €15.9 million paid for purchase of Lavendon shares (including stamp duties). As of March 24, 2017, we had paid consideration in respect of 167.4 million Lavendon shares, representing approximately 97.1% of Lavendon's existing share capital. See "The Lavendon Acquisition – Overview."
- (3) Represents our estimate of commissions, fees and expenses in connection with or otherwise related to the offering of the Notes and the application of the proceeds therefrom, including underwriting fees and commissions, other financing fees professional and legal fees, financial advisory fees and other transaction costs. Actual fees and expenses may differ.



## CAPITALIZATION

The following table presents our cash position and capitalization as of December 31, 2016:

- on an actual basis; and
- as if the Lavendon Acquisition, the Hune Group Acquisition and the refinancing of Lavendon's financial debt had occurred on December 31, 2016, and as adjusted for the issuance of the Notes offered hereby and the application of the net proceeds from this offering in the manner described under "Use of Proceeds."

The "as adjusted" figures in the table below differ slightly from the figures presented in our Unaudited Pro Forma Condensed Consolidated Financial Information due to the use of different assumptions in their preparation. We believe the "as adjusted" figures are useful because they are more consistent with the figures we would use to calculate compliance with our financial ratio requirements. However, the "as adjusted" figures do not represent the figures that we would have recorded had the acquisitions of Lavendon and Hune Group occurred on a date other than that on which they were effectively realized, nor are they indicative of our future financial condition.

The "as adjusted" figures in the table below do not reflect drawings under our bilateral credit facilities and finance leases subsequent to December 31, 2016, which are described in the notes to the table. After taking into account cash flows relating to our business activities from January 1, 2017 to February 28, 2017, we estimate that our cash and cash equivalents as of February 28, 2017 were no less than €78.0 million (including cash and cash equivalents from the Lavendon Acquisition and the Hune Group Acquisition).

You should read this table in conjunction with "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Certain Indebtedness" and our consolidated financial statements, and the notes thereto, a free English language translation of which is included elsewhere in this offering memorandum.

	<b>December 31, 2016</b>	
	<b>Loxam</b>	
	<b>Actual</b>	<b>As adjusted</b>
	<b>(in millions of euros)</b>	
<b>Cash and cash equivalents <sup>(1)</sup></b> .....	<b>155.9</b>	<b>94.5</b>
<b>Debt</b>		
Bilateral credit facilities <sup>(2)</sup> .....	244.7	244.7
Lease debt <sup>(3)</sup> .....	143.7	149.4
Other financial debt <sup>(4)</sup> .....	(1.8)	(17.6)
2014 Senior Secured Notes <sup>(5)</sup> .....	410.0	410.0
2014 Senior Subordinated Notes <sup>(5)</sup> .....	250.0	250.0
2016 Senior Secured Notes <sup>(5)</sup> .....	250.0	250.0
2022 Senior Secured Notes offered hereby <sup>(5)</sup> .....	-	300.0
2024 Senior Secured Notes offered hereby <sup>(5)</sup> .....	-	300.0
Senior Subordinated Notes offered hereby <sup>(5)</sup> .....	-	250.0
<b>Total debt <sup>(6)(7)</sup></b> .....	<b>1,296.6</b>	<b>2,136.5</b>
<b>Total equity</b> .....	<b>480.8</b>	<b>480.8</b>
<b>Total capitalization</b> .....	<b>1,777.6</b>	<b>2,617.3</b>

Notes:

- (1) Cash and cash equivalents as adjusted includes cash and cash equivalents brought into our group following the Lavendon Acquisition and the Hune Group Acquisition and the impact of the Hune Group Acquisition.
- (2) Our bilateral credit facilities consist of senior unsecured loans borrowed by us and certain of our subsidiaries from a variety of banks. Of the total amount drawn under bilateral credit facilities as of December 31, 2016, €202.3 million was owed by Loxam S.A.S., and €42.4 million was owed by our subsidiaries (a portion of which was guaranteed by Loxam S.A.S.). As of February 28, 2017, the amount outstanding under our bilateral credit facilities was €387.6 million (of which the Lavendon portion was subsequently repaid on March 15, 2017), with €224.0 million owed by Loxam S.A.S. and €163.6 million owed by our subsidiaries. Loxam S.A.S. also drew an amount of €511.0 million under the Bridge Facility Agreement.
- (3) Our finance leases are secured by liens over equipment in our fleet and generally have maturities of five years. Of the amounts drawn under finance leases as of December 31, 2016, €128.4 million was owed by Loxam S.A.S. and €15.4 million was owed by our subsidiaries, including €5.2 million of Lavendon finance leases and €0.3 million Hune Group finance leases that were taken over by our group following acquisitions. As of February 28, 2017, amounts drawn under finance leases amounted to €169.1 million, with €149.0 million owed by Loxam S.A.S. and €20.1 million owed by our subsidiaries.
- (4) Other financial debt is composed of €4.9 million of accrued interest on loans, €1.1 million of other financial debt and €0.2 million of bank overdrafts, less capitalized debt issuance costs of €8.1 million, as adjusted to take into account €(15.9) million capitalized debt issuance costs related to the issuance of the Notes offered hereby. As of February 28, 2017, our other indebtedness was composed of €12.8 million accrued interest on loans, €3.1 million of other financial debt and €0.1 million of bank overdrafts, less capitalized issuance costs of €(7.7) million.
- (5) This amount reflects issuance at par.
- (6) As of February 28, 2017, total debt, net of capitalized debt issuance costs, increased by €784.4 million to €2,081.2 million from €1,296.6 million as of December 31, 2016.

(7) The actual amount as of December 31, 2016 is presented net of €(8.1) million in capitalized debt issuance costs, composed of €(2.2) million related to the 2014 Senior Subordinated Notes, €(3.2) related to 2014 Senior Secured Notes and €(2.6) million related to the 2016 Senior Secured Notes.

As of February 28, 2017, our total debt, net of capitalized debt issuance costs, is estimated at €2,081.2 million, as compared to €1,296.6 million as of December 31, 2016 and as adjusted total debt of €2,136.5 million as of December 31, 2016. From December 31, 2016 to February 28, 2017, we entered into new bilateral credit facilities in an amount of €49.7 million and new finance leases in an amount of €29.0 million and we drew €511.0 million under the Bridge Facility Agreement. We also entered into the Revolving Credit Facility for an amount of €75.0 million which remains undrawn. At the same time, we repaid €72.4 million under our bilateral credit facilities and €15.1 million under our finance leases, respectively.

In December 2016 we launched an offer to buy back 2,840,448 of our shares. Consequently, as of December 31, 2016, we had bought back and cancelled 2,582,226 of our shares for €95.5 million, as funds managed by 3i plc and other private minority shareholders sold their shares in the buy-back. This decreased our share capital from €258.2 million to €232.4 million. We further repurchased 258,222 shares from our shareholders in January 2017. We have retained 100,000 of these shares in treasury and cancelled the remainder. As at January 31, 2017, our share capital was €230.8 million, reduced from €232.4 million as at December 31, 2016.

At the shareholders' meeting scheduled to be held on April 21, 2017, shareholders will be asked to decide on the distribution of a dividend in respect of the 2016 financial year in a total amount of €5.0 million (€0.215 per share). If this resolution is approved by the Company's shareholders, it is expected that the dividend will be paid at the end of April 2017.

Except as set forth above, there has been no material change in our consolidated capitalization and indebtedness since December 31, 2016.

## THE ACQUISITIONS

### The Lavendon Acquisition

On January 18, 2017, we announced a recommended all-cash offer pursuant to which we offered to acquire the entire issued and to be issued share capital of Lavendon for £2.70 per share, or total consideration of £465.5 million (approximately €536.4 million based on the exchange rate as of March 20, 2017) for 100% of Lavendon. On January 31, 2017, the board of directors of Lavendon unanimously recommended that Lavendon shareholders accept the Offer after finding its terms fair and reasonable. On February 13, 2017, the boards of Lavendon and Loxam announced that we had received valid acceptances in respect of approximately 88.32% of Lavendon's share capital, a percentage that has since increased as a result of further acceptances, and stood at 98.4% as of March 24, 2017. On March 20, 2017, Lavendon's shares were delisted from the London Stock Exchange. We are currently in the final stages of the Squeeze-Out, following which we will own 100% of Lavendon's shares.

### The Hune Group Acquisition

On February 6, 2017, we acquired Hune Group, a leading equipment rental company in Spain with a network of 37 branches, including 34 branches in Spain in addition to two branches in Portugal and one in France. Hune also operates in Saudi Arabia and Colombia through joint ventures. This acquisition is expected to reinforce our presence in Spain, and spread our geographical presence into Portugal, thereby strengthening our position as the leading player in the European equipment rental industry, and will also give us a presence in Saudi Arabia and Colombia. We acquired Hune Group for total consideration of €121 million using cash on hand and refinanced substantially all of Hune Group's outstanding debt.

### Rationale for the Acquisitions

The acquisitions of Lavendon and Hune Group will strengthen our position as the clear European market leader in equipment rental. Together, we had a total of 750 branches and a fleet of approximately 250,000 units with a gross book value of €2.8 billion as of December 31, 2016. On a pro forma basis, as if the acquisitions had occurred as of January 1, 2016, our revenues would have been €1,330.0 million (compared to €926.8 million for Loxam on a historical basis), and our Pro Forma Adjusted EBITDA would have been €450.2 million representing a Pro Forma Adjusted EBITDA margin of 33.9% (compared to Loxam's historical EBITDA of €304.8 million and EBITDA margin of 32.9% in 2016) (pro forma figures exclude any synergies).

The acquisitions provide us with significant strategic benefits that we believe have the potential to generate substantial future growth for our group, as described below.

#### *Undisputed Leadership in Europe and a Leading Position in the Middle East.*

We have consolidated our undisputed leadership position in the European market. Our combined pro forma revenues in 2016 (the latest year for which competitor information is available) were approximately 1.9 times the 2016 revenues of our nearest European rival. Based on 2016 revenues, we believe we are the market leader in France and Spain and hold a number two position in Denmark, Belgium, the Netherlands, Luxembourg and Switzerland. We are the leader in access equipment rental in the United Kingdom (where we believe our access equipment rental revenues in 2016 were almost three times those of our nearest rival). We are also the leader in access equipment rental in the Middle East based on revenue for 2015 (which is the latest year for which competitor information is available).

Our reinforced leadership provides us with a number of benefits: the ability to consolidate local positions, strengthened procurement that should reduce costs, enhanced brand recognition, comprehensive quality programs, broader innovation, greater opportunities for training and attracting talent, and sharing of best practices.

We have a well-invested, combined fleet of approximately 250,000 units with an aggregate gross book value as of December 31, 2016 of €2.8 billion. We intend to continue to pursue our strategy of adapting our capital expenditures to our perceptions of market trends, a strategy that Lavendon has also used successfully for many years. These investments will rejuvenate our fleet and allow us to take advantage of expected market growth.

#### *Increased Exposure to Markets with Strong Fundamentals.*

We have increased our exposure to markets with strong fundamentals, with supportive structural trends and, we believe, a positive near-term outlook. In particular, we believe we have the potential to benefit from the following favorable positions:

- Our leadership and traditional strength in the French market, where the first signs of a recovery have appeared in early 2017, positions us ideally to take full advantage of this trend.
- Our significantly enhanced position in the United Kingdom, which has shown strong resilience despite the uncertainties resulting from the United Kingdom's vote to leave the European Union.

- Our new position as the market leader in Spain, where the rental market showed strong growth in 2016.
- Lavendon's 20 years of experience in the Middle East equipment rental market, which has strong growth potential in the coming years from major event preparation (such as the World Expo in Dubai in 2020 and the 2022 Football World Cup in Qatar), economic diversification efforts seeking to reduce dependency on oil and gas, and significant potential infrastructure spending by governments and through public-private partnerships.

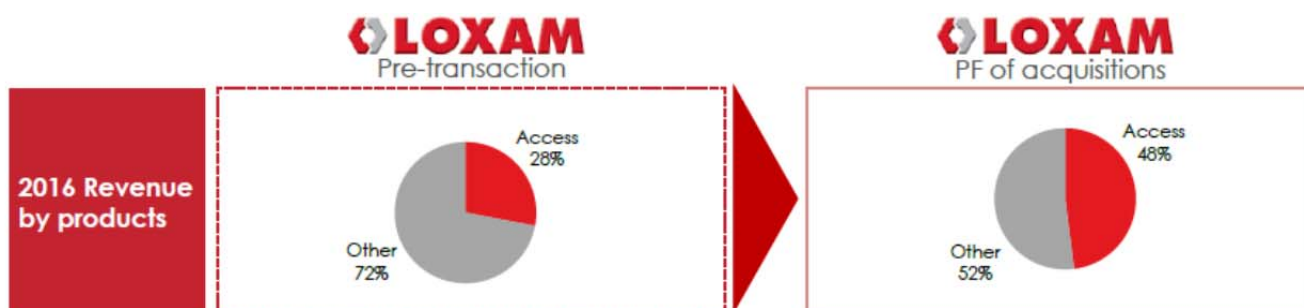
### ***Multi-dimensional Diversification***

The acquisitions of Lavendon and Hune Group have provided us with enhanced diversification, in three areas: geographical exposure, end-markets and products.

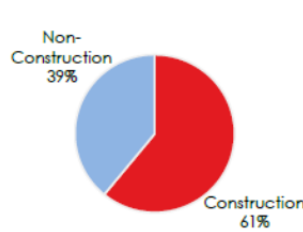
We have diversified geographically, reducing the proportion of our 2016 revenues earned in France from approximately 79.5% on a historical basis to approximately 58.7% on a pro forma basis (as if the acquisitions had occurred on January 1, 2016). As the following map indicates, our geographical presence is highly complementary to the markets in which Lavendon and Hune Group operate.



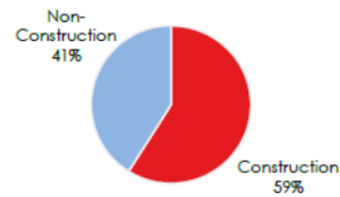
We will also realize a significantly greater proportion of our revenues from powered access equipment rentals, a market that we believe has particularly high potential for growth as end-users increase their focus on workplace safety and operational efficiency, both of which are enhanced through the use of access equipment. In addition, powered access equipment rentals generate attractive margins as they require a less dense branch network, resulting in lower fixed costs. The following graphic shows the proportion of our historical and pro forma revenues generated from access equipment rentals.



We have also further diversified our end-markets, product lines and client base. As the following graphic indicates, the acquisitions will increase the proportion of our revenues generated outside the construction and civil engineering sectors, continuing our strategy of end-market diversification and lessening the impact of conditions in the construction and civil engineering sectors on our revenues.



**LOXAM**  
Pre-transaction



**LOXAM**  
PF of acquisitions

(a) non-construction includes industry, local authorities, landscaping, events, retail, services and individuals.

Our enhanced end-market diversification further expands our customer base. On a combined basis, our top ten customer groups represented 12.0% of our 2016 pro forma revenues. No single customer group represented more than 3.4% of our 2016 pro forma revenues.

### ***An Integration Plan with the Potential to Generate Synergies***

*The following discussion includes forward-looking information that is by its nature subject to significant uncertainty. This forward-looking information is based on data, assumptions, and estimates made in reliance on the information available to us that we consider reasonable as of the date of this offering memorandum in light of anticipated future economic conditions and the expected impact of the Lavendon Acquisition and the Hune Group Acquisition. We do not, as a matter of course make public projections as to future sales, earnings, or other results. However our management has prepared the prospective financial information set forth below to present the expected synergies to be realized from the Acquisitions. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of our management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance. The forward-looking information set forth herein is inherently uncertain and is subject to a wide variety of significant uncertainties related to, among other things, the business, economic, financial, competitive, tax or regulatory environment affecting Loxam, Lavendon and Hune Group and as a result of other factors of which we may be unaware as of the date of this offering memorandum. As a consequence, we cannot assure you that the information on which we have based our assumptions will not change or that we will be able to realize any of the synergies or other benefits we believe are possible from the Lavendon Acquisition and the Hune Group Acquisition. We may not realize some or all of the objectives described below for a number of reasons, some of which are beyond our control. Furthermore, the costs we incur in trying to realize these synergies and other benefits may be substantially higher than our current estimates and may outweigh any benefit. We do not undertake to publish corrections or communicate updates to this information in the future. See "Forward-Looking Statements", "Risk Factors – We may not be able to execute our growth strategy by identifying or completing transactions with attractive acquisition candidates, and future acquisitions may result in significant transaction expenses and integration risks" and "Risk Factors – Risks Related to the Acquisitions" for a discussion of certain factors that may result in our being unable to realize some or all of these objectives. Neither Loxam's or Lavendon's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.*

We have acquired well-run businesses, and will implement a clear integration plan with the potential to generate synergies. We believe that our track record of 19 successful acquisitions in the past 11 years (excluding the Lavendon and Hune Group acquisitions) demonstrates our experience and our ability to fully integrate our acquired companies in an effective manner.

Given favourable outlook for construction industries in the markets in which we operate, we believe that revenue synergies may be achieved through geographic and end-market diversification, as well as other revenue optimization strategies, and that these effects may outweigh what we expect to be only modest client attrition given the limited overlap of our client bases with those of Lavendon. We also believe that cost synergies may be achieved through improving our purchasing power and the efficiency of our procurement, optimizing our network (particularly in markets where we have overlapping operations with Lavendon and Hune Group), consolidating headquarter functions and streamlining operations and management.

For purposes of planning the integration of the Lavendon Acquisition and the Hune Group Acquisition and establishing objectives to be used by our integration teams in measuring the success of their activities, we estimated the potential synergies that could result from the Lavendon Acquisition and the Hune Group Acquisition. On this basis, we are targeting €28.9 million of cumulative gross synergies over the first three years through the end of 2019, including €1.8 million in 2017 resulting mainly from the elimination of costs as a result of Lavendon's delisting and optimization of our combined organizations and €12.0 million by 2018.

We are targeting “run-rate” annual synergies of approximately €15 million per year starting in 2019, from essentially the same sources as the synergies we are targeting for the first three years.

The highest synergies are expected in markets where both Loxam and Lavendon are active, primarily the United Kingdom and, to a lesser extent, France. Hune Group is expected to generate approximately one-fifth of the group’s cumulative gross synergies. Lower levels of synergies are expected in Germany and Belgium, where Loxam only operates a general plant rental network, and in relation to streamlining headquarter functions throughout the network of the combined group and to stimulating cross-selling.

Our integration plan for the Lavendon Acquisition is designed to limit execution risk, maintain quality of services for clients and maintain staff motivation. With the benefit of our extensive knowledge of rental markets and longstanding experience in integrating businesses, including of large size, we will work together with Lavendon’s management to conduct a thorough business review to set up an integration plan. We intend to define a plan leveraging the respective strengths of Loxam, Lavendon and Hune Group including by identifying complementary skills and retaining key personnel. We intend to start implementing the integration plan promptly, with an objective of finalizing the migration and integration of Lavendon and Hune Group during the course of 2018.

We currently expect to incur pre-tax integration costs of approximately €6.3 million that should be phased in over 2017, 2018 and 2019 although this figure may change as the integration process is developed. Integration costs consist primarily of rent from property leases and overlapping staff costs.

The actual synergies realized and integration costs to be incurred will depend on a number of factors, including economic conditions, the overall conditions of the equipment rental industry, our ability to offer products and solutions that are attractive to the customers of Lavendon and Hune Group and to take advantage of the expertise of Lavendon and Hune Group, and the actual level of duplicative costs ultimately identified as part of the integration process.

### ***Enhanced Financial Profile***

We have enhanced the financial profile of our group by acquiring businesses with strong EBITDA margins. In particular, Lavendon generated an underlying EBITDA margin of 36.2% in 2016, with particularly attractive margins in the United Kingdom and the Middle East, while Hune Group’s EBITDA margin was 31.1% in 2016. On a pro forma basis, as if the acquisitions had occurred on January 1, 2016, our 2016 Pro Forma Adjusted EBITDA would have been €450.2 million (before synergies), representing a Pro Forma Adjusted EBITDA margin of 33.9%. Our 2016 Pro Forma Adjusted EBITDA was approximately 47.7% more than our historical EBITDA of €304.8 million, representing an EBITDA margin of 32.9%. We will also benefit from Lavendon’s well-invested fleet, following its capital expenditures in 2014 and 2015 to enhance its fleet.

### **Funding of the Lavendon Acquisition**

The aggregate purchase price for the entire issued ordinary share capital of Lavendon is approximately £465.5 million (approximately €536.4 million based on the exchange rate as of March 20, 2017), on the basis of a purchase price of £2.70 per share and a share capital of 172,406,970 shares at March 20, 2017. The cash consideration paid by Loxam pursuant to the Offer for the purchase of Lavendon shares has been funded through utilizations under the Bridge Facility Agreement. After issuance of the Notes and the cancellation of the Bridge Facility Agreement and no later than April 4, 2017, the remaining Lavendon shares will be paid for out of the net proceeds of the Notes for an amount of €15.3 million, representing 2.9% of Lavendon shares. Until these shares are purchased, this portion of the net proceeds of the offering will be held as cash on our balance sheet.

The Bridge Facility Agreement made available to Loxam was a senior secured term facility of up to an aggregate amount of €795 million to be used for the financing of the Lavendon Acquisition, the financing of the payment of fees, costs and expenses incurred in connection with the Lavendon Acquisition and the refinancing of Lavendon’s indebtedness.

As of the date of this offering memorandum, Loxam had drawn €779.2 million under the Bridge Facility Agreement; specifically, €511.0 million, €24.3 million, €0.6 million, €8.3 million and €4.2 million were drawn on February 24, 2017, March 6, 2017, March 13, 2017, March 20, 2017 and March 27, 2017, respectively, for purposes of financing the Lavendon Acquisition and €230.8 million was drawn on March 14, 2017 to refinance Lavendon’s gross debt (other than certain finance leaseings) including repayment in full and discharge of the Lavendon US Private Placements (including the payment of a prepayment penalty) and repayment in full and cancellation of the Lavendon Revolving Credit Facility.

The Bridge Facility Agreement will be repaid in full with the net proceeds of the issuance of the Notes and any commitments thereunder will be cancelled, upon which the pledge over the Lavendon shares securing the Bridge Facility Agreement, the 2014 Senior Secured Notes and the 2016 Senior Secured Notes shall be automatically released. See “Use of Proceeds.”

## THE LAVENDON GROUP

### Overview

Lavendon Group plc (“Lavendon”) is a leader in the rental of powered access equipment, also known as aerial work platforms (AWPs) or mobile elevating work platforms (MEWPs), in Europe and the Middle East. Its range of powered access equipment enables people to work safely, productively and efficiently at height whatever the application, and offers an attractive alternative to traditional access methods such as ladders, mobile access towers and scaffolding.

Lavendon’s diverse fleet consists of over 21,000 units offering high-quality products across five categories of powered access equipment, specifically:

- **Low Level Access Platforms:** These platforms offer a quick, cost-effective and safer alternative to aluminum towers, ladders and steps. Lavendon’s low level access platforms are well-suited for indoor usage and finished floors and sufficiently narrow to fit through standard doorways and elevators.
- **Scissor Lifts:** These units provide vertical lift with a range of different sizes for indoor and outdoor usage. Scissor lifts are mostly used in construction, maintenance and contracting. Lavendon’s scissor lift units can hold up to one metric ton in weight and rise to a working height of between three and thirty-two meters. Lavendon also offers special narrow-width units for restricted spaces, units with non-marking tires for indoor uses and 4x4 units for use on rough terrain.
- **Boom Lifts:** Boom lifts offer sideways outreach by means of a telescopic or articulated boom, in addition to vertical elevation, enabling their work platforms to reach around and over obstacles. Lavendon’s boom lift units offer a working height of between eight and fifty-five meters, and can rotate 360 degrees.
- **Van Mounts:** Van-mounted access platforms provide solutions for access applications where mobility, security and the safe storage of tools, equipment and materials are an important aspect of work. Lavendon owns a large fleet of road-equipped and 4x4 vehicles that provide safe working access to heights ranging from nine to sixteen meters and that can be driven using a standard driving license.
- **Truck Mounts:** Truck mounts are the largest and most sophisticated products among Lavendon’s fleet, with working heights up to 84 meters. Because these platforms are mounted on trucks, they can get to and from the customer site quickly and can be ready for use within minutes of arrival. They are popular with local authorities, film and broadcasting clients and telecommunications and maintenance contractors.

Through its BlueSky Solutions business, Lavendon also designs, develops and markets a range of safety and efficiency enhancing solutions for use with powered access machines. These products not only enhance the value proposition that Lavendon offers its large customers, but also allow it to access a wider customer base involving clients seeking to meet stringent health and safety requirements for large projects.

Lavendon’s customer base spans different market sectors and geographic regions. The group is primarily present in Europe and the Middle East, specifically in Bahrain, Belgium, France, Germany, Kuwait, Oman, Qatar, Saudi Arabia, the United Kingdom and the United Arab Emirates. The typical period of hire for machines is approximately two weeks in Europe and up to six months throughout the Middle East. Lavendon’s biggest market is the United Kingdom, which accounted for 44.9% of total group revenues in 2016, followed by Continental Europe (28.2%) and the Middle East (27.0%). To achieve a strong position in each of the markets in which it operates, the group has either developed a depot network that enables it to build scale and offer a nationwide service to its customer base, or, as an alternative to nationwide coverage, has concentrated on specific sectors or regions to become a leading player in its chosen local market.

Lavendon services customers of all sizes and across a range of markets, from global businesses and multinationals to national, regional and privately-owned companies and individual traders. The market sectors that Lavendon services include construction, facilities management, infrastructure and utilities, industrial, energy, oil and gas, film, television and media. The largest markets it serves are the commercial, industrial and infrastructure construction sectors. Because these markets are inherently cyclical, Lavendon has sought to mitigate its exposure by expanding in sectors that offer more predictive demand cycles. Lavendon routes its customers’ enquiries through a team of skilled hire desk controllers, who match each customer’s needs to the appropriate units from within its fleet. Larger clients are serviced by national account teams that have specialist sector knowledge and skills for more complex arrangements.

The rental market for powered access equipment is driven by different factors, including the increased focus on safety in the workplace, as health and safety regulations are becoming increasingly stringent, and the shortage and rising cost of skilled labor in the construction and refurbishment sectors that increases the need for tools that maximize productivity. Demand from the construction industry for powered access equipment has grown over time as the need to adopt modularization construction processes and also meet tight completion schedules requires the speed, convenience and efficiency that access equipment

provides. Customers predominantly rent, rather than own, this equipment because it has a relatively high capital cost and is subject to stringent transport and maintenance requirements and its use tends to be infrequent and inconsistent due to varying work schedules and applications that require a diverse range of equipment.

## Results of Operations

*The review of Lavendon's results of operations is based primarily on what it refers to as its "underlying business" indicators, which exclude charges for amortization of intellectual property and intangibles recognized on acquisitions, and certain exceptional items. Lavendon defines exceptional items to be those that, by virtue of their nature, size or frequency, warrant separate disclosure in the financial statements in order to better understand its underlying performance. Such exceptional items include, but are not limited to, costs of reorganization and restructuring, impairment of non-current assets, significant one-off financing costs and significant one-off claims. For example, in 2016, exceptional items related to the costs associated with in-sourcing transportation functions in the United Kingdom, a restructuring program that was undertaken in Germany and the closure of Lavendon's operations in India. In 2015, Lavendon incurred an exceptional charge of £20.6 million relating to impairment on the carrying value of the remaining goodwill associated with its German and Belgian businesses.*

*In the discussion that follows, Lavendon provides certain information on the basis of "constant exchange rates." This means that percentage changes are calculated by comparing (i) 2016 figures, using foreign currency revenues and expenses converted to pounds sterling on the basis of the 2015 exchange rate, with (ii) the actual 2015 figures.*

Lavendon generated total revenue of £282.2 million (approximately €344.6 million) in 2016, representing an increase of 13.5% compared to total revenue of £248.6 million in 2015. A portion of revenue growth resulted from exchange rate variations reflecting the decline of the pound sterling against the euro and the U.S. dollar following the United Kingdom's vote to leave the European Union in June 2016. Revenue grew by 6.9% at constant exchange rates in 2016, compared to 2.4% at constant exchange rates in 2015.

Lavendon generated underlying EBITDA of £102.1 million in 2016, representing an increase of 18.9% compared to £85.9 million in 2015 (underlying EBITDA growth at constant exchange rates was 11.2%). Lavendon's underlying EBITDA margin increased to 36.2% in 2016 from 34.5% in 2015 which primarily reflects a greater proportion of the underlying EBITDA being generated from higher margin businesses in the United Kingdom and the Middle East compared to the prior year. See " – Results of Operations by Region."

As the group principally derives its revenues from the rental of its equipment fleet, rental revenues accounted for 95.5% of its total revenue in 2016, with other revenues derived from the sale of new and ex-rental fleet equipment. The group's growth in 2016 reflects the benefits of its strategic fleet investment decisions in 2015 and 2016 as well as actions taken to increase the availability of its enlarged fleet in 2016 by improving its transport and maintenance operational processes.

In 2016, 44.9% of the group's total revenue was generated from the United Kingdom (compared to 48.7% in 2015), 27.0% was generated from the Middle East (compared to 23.0% in 2015), and the proportion of total revenue from Continental Europe remained stable, accounting for 28.3% and 28.2% of the group's total revenue in 2015 and 2016, respectively. On a regional basis, total revenue from the United Kingdom increased by 4.5% to £126.6 million in 2016 compared to £121.1 million in 2015. In the Middle East, total revenue grew by 33.0% to £76.1 million in 2016 compared to £57.2 million in 2015 despite pricing pressure in Saudi Arabia (at constant exchange rates, the region's total revenue grew by 18.8%). Likewise, in Continental Europe (Germany, France and Belgium), total revenue increased by 13.1% to £79.5 million in 2016 compared to £70.3 million in 2015 (at constant exchange rates, the region's total revenue growth was 1.2%). See " – Results of Operations by Region."

Lavendon generated operating profit of £43.5 million in 2016 compared to £20.7 million in 2015, each after amortization of intellectual property and intangibles recognized on acquisition charges and exceptional items. After taking into account net finance expenses, Lavendon's profit before tax was £38.0 million in 2016, more than double the £16.2 million generated in 2015. Lavendon's profit after tax for 2016 was £29.4 million, more than three times the £8.3 million generated in 2015.

Amortization of intellectual property and intangibles recognized on acquisition charges for 2016 were £1.8 million, a slight increase from the £1.7 million charged in 2015. The group incurred exceptional items of £3.9 million in 2016, reflecting costs associated with insourcing its transportation functions in the United Kingdom, a restructuring program in Germany and the closing of its operations in India. In 2015, Lavendon incurred an exceptional charge relating to impairment on the carrying value of the remaining goodwill associated with its German and Belgian businesses of £20.6 million, following a period of weaker trading and its decision to implement a restructuring program in Germany during 2016.

Lavendon's underlying operating profit for 2016 increased by 13.9% to £49.1 million, from £43.1 million in 2015, with margins improving slightly to 17.4% from 17.3% in 2015, reflecting the regional factors discussed below. Lavendon's net finance expense increased by 19.6% from £4.6 million in 2015 to £5.5 million in 2016, reflecting the increase in average net debt levels in 2015 and 2016 as a result of higher levels of capital expenditures.



Lavendon's underlying profit before tax increased by 13.2%, from £38.5 million in 2015 to £43.6 million in 2016. Following an increase in Lavendon's underlying effective tax rate to 22.1% in 2016 from 21.0% in 2015, the group's underlying profit after tax increased by 11.8% to £34.0 million in 2016 from £30.4 million in 2015.

## **Results of Operations by Region**

### ***United Kingdom***

In 2016, total revenue for the United Kingdom increased by 4.5% to £126.6 million compared to £121.1 million in 2015. Rental revenues for 2016 increased by 8.8% to £119.9 million compared to £110.2 million in 2015. This growth was driven by strong volumes principally derived from market share gains that more than compensated for a softer pricing environment (although pricing showed signs of improvement in the second half of 2016). Lavendon's ability to satisfy increasing demand was supported by the fleet investment decisions it made in 2015 and 2016, improving the scale and mix of its rental fleet in the United Kingdom. At the same time, the availability of its fleet was improved through efficiency gains made in its transport and maintenance operations, in particular the re-integration of its previously outsourced transportation functions which reduced the level of machines that were unavailable as a result of transportation delays.

Lavendon has continued to successfully promote its differentiated service in the United Kingdom, where it operates through its Nationwide Platforms brand. In 2015, it launched the SkySiren PCS, an intelligent secondary guarding device, which was developed by its BlueSky Solutions business. SkySiren PCS is designed to prevent potentially fatal crushing accidents arising through operator error. It uses ultrasonic sensors that constantly monitor above and behind the operator to prevent entrapment, raise operator alertness and improve safety. The technology was developed by Lavendon for its exclusive use and is compatible with a large portion of its fleet of boom lifts. Lavendon also markets its managed service capability in the United Kingdom to secure additional volume from its major customers, whilst at the same time it has added sales resource and is developing its merchant rehire partnership programs to drive growth and increase market share in more localized customer segments.

In 2016, Lavendon generated an underlying operating profit of £25.4 million in the United Kingdom, compared to £22.7 million in 2015, with underlying operating margins showing growth to 20.1% from 18.7% in the prior year. The growth in underlying operating profits reflects both an increase in rental revenues during the year and further improvements in operational efficiency, particularly in the areas of transport, maintenance and supply chain management.

### ***The Middle East***

Volume growth in Lavendon's Middle East region during 2016 was more than sufficient to absorb the pricing pressure in the market and enabled the region's revenues to increase by 33.0% to £76.1 million compared to £57.2 million in 2015. Rental revenues in the region increased at a rate of 30.6% to £73.0 million in 2016 compared to £55.9 million in 2015. Local currencies in the region are generally pegged to the U.S. dollar, consequently, reported revenues for 2016 were favorably impacted by the weakness of the pound sterling against the U.S. dollar in 2016. At constant exchange rates, total and rental revenues for the region increased by 18.8% and 16.6% respectively in 2016.

To support the growth in volumes that was driving rental revenues, Lavendon's rental fleet in the region was expanded by approximately 250 machines in 2016. This investment was directed towards its operations in the United Arab Emirates, Kuwait, Oman and Qatar, where revenue growth more than offset a decline in Saudi Arabia as a result of market pricing pressures driven by lower oil prices and political changes that have slowed the pace of new investments since 2015. Lavendon moderated its investment in the region for 2016 in light of the expected pricing pressures, investing only in markets demonstrating growth opportunities. As Lavendon's Middle East region has been self-funding its investment for several years, the reduced capital investment program for 2016 resulted in the level of free cash generated by the region increasing significantly in 2016. While the pace of new investments in the Middle East is heavily influenced by the price of oil, Lavendon's geographic spread of large scale projects already under way across the region provides it with some resilience to market forces in the near term.

Lavendon generated an underlying operating profit of £21.7 million in the Middle East in 2016, an increase of 17.9% over the £18.4 million generated in 2015. The region's underlying operating margin declined to 28.5% in 2016 from 32.2% in 2015, reflecting the region's growth drivers transitioning away from the higher margin Saudi Arabian business.

### ***Continental Europe***

Lavendon's total revenue from Continental Europe (Germany, France and Belgium) increased by 13.1% to £79.5 million in 2016 compared to £70.3 million in 2015, while rental revenues rose by 13.6% to £76.6 million in 2016 from £67.3 million in the prior year. These rates of revenue growth were favorably impacted by the weakness of the pound sterling against the euro in 2016. At constant exchange rates, total and rental revenues for the region increased by 1.2% and 1.9% respectively in 2016.

The group's business in France demonstrated strong revenue growth that was volume driven in a price competitive market. In 2016, as in prior years, the group invested additional resources in France to develop its operational base to effectively

support and manage its revenue growth plans. In Belgium, the group returned to revenue growth in 2016, driven by strong fleet utilization which compensated for a continuing poor pricing environment. In Germany, the business's ability to drive revenue growth was temporarily disrupted in 2016 as operations were undergoing restructuring, with volume growth proving insufficient to offset a pricing decline in a competitive market.

The growth in revenues in France and Belgium enabled their underlying operating profits to improve, although these increases were insufficient to offset the impact of the restructuring program in Germany in 2016. The German restructuring program concentrated resources on larger industrial metropolises and implemented a "local champion" strategy. It was completed in 2016 and a regional structure with a realigned level of resources became operational. Given the favorable impact of the movement in exchange rates, Lavendon nonetheless generated an underlying operating profit of £7.6 million in Continental Europe in 2016, a marginal increase of 4.1% over the £7.3 million generated in 2015, with underlying operating margins declining to 9.5% in 2016 from 10.4% in 2015.

## **Investments and Financial Condition**

### ***Capital Expenditures***

Since 2015, Lavendon has increased its level of investments in its rental fleet and operational infrastructure. After investing £95.5 million in its rental fleet and operational infrastructure in 2015, including £20 million that was originally planned for 2016, it invested £86.0 million in its rental fleet and operational infrastructure in 2016. The group's decision to increase investment levels in 2015 and accelerate fleet deliveries wherever possible in 2016 was driven by its desire to meet growing demand and underpin its drive for revenue growth through securing additional market share. These capital expenditures were predominantly funded through Lavendon's strong operating cash flows, with the balance financed using its debt facilities.

### ***Net Debt***

Lavendon's net debt was at £156.6 million (approximately €183.0 million) at December 31, 2016, compared to £119.2 million at December 31, 2015. The increase in the level of net debt reflects Lavendon's expanded level of investments during 2016, including settlement of amounts owed to equipment suppliers carried over from 2015 and adverse foreign exchange movements of £14 million as a result of the decline in the value of the pound sterling against the euro and the U.S. dollar following the United Kingdom's vote to leave the European Union in June 2016. Lavendon's net debt to underlying EBITDA ratio was 1.53x at December 31, 2016, within its preferred target range of up to 1.75x despite the adverse changes in foreign exchange rates over the year.

During the second quarter of 2016, Lavendon increased the size of its debt facilities by £25 million to maintain the headroom available under its facilities at the level existing prior to the settlement of amounts owing to equipment suppliers from 2015. This increase was provided under its existing bank arrangements with the same margin structure. At December 31, 2016, Lavendon's debt facilities totaled approximately £210 million consisting of revolving bank facilities of £75 million and €60 million together with U.S. private placements with a combined value of €95 million. The total debt facilities had maturity dates ranging from July 2019 to August 2024, and available headroom within the facilities was approximately £39 million at December 31, 2016. Of the total borrowings, approximately 69% was denominated in U.S. dollars with approximately 48% at fixed interest rates. On March 15, 2017, Lavendon's revolving credit facilities and U.S private placements were refinanced and replaced through utilizations under the Bridge Facility Agreement as described under "The Lavendon Acquisition – Funding of the Acquisition."

## SELECTED CONSOLIDATED FINANCIAL INFORMATION FOR LOXAM

The following tables present our selected consolidated financial information as of and for the years ended December 31, 2014, 2015 and 2016 derived from our audited consolidated annual financial statements, which were audited by our Auditors. An English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2013, 2014, 2015 and 2016 is included elsewhere in this offering memorandum, together with a free English language translation of the audit reports thereon from our Auditors. Our consolidated financial statements were prepared in accordance with IFRS.

The selected financial information included below is not necessarily indicative of our future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, including the notes thereto, a free English language translation of which is included elsewhere in this offering memorandum, “Presentation of Financial and Other Information—Loxam Financial Information,” “Use of Proceeds,” “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

### Consolidated Income Statement Information

	Year ended December 31,		
	2014	2015	2016
	(in millions of euros)		
Revenue .....	812.3	838.3	926.8
Other income <sup>(*)</sup> .....	50.6	57.4	56.3
<b>Operating income</b> .....	<b>862.9</b>	<b>895.7</b>	<b>983.0</b>
Purchases consumed .....	(92.1)	(92.0)	(105.5)
Personnel expenses .....	(215.5)	(224.6)	(244.4)
Other current expenses .....	(284.2)	(286.4)	(311.7)
Taxes and duties .....	(14.7)	(15.5)	(16.6)
Depreciation and amortization .....	(164.3)	(187.3)	(143.7)
<b>Profit from ordinary operations</b> .....	<b>92.1</b>	<b>90.0</b>	<b>161.1</b>
Other operating income and expenses .....	(2.6)	0.1	(19.9)
<b>Operating profit</b> .....	<b>89.5</b>	<b>90.0</b>	<b>141.2</b>
Interest and financing-related expenses .....	(58.0)	(69.4)	(63.1)
Other financial expenses .....	(11.2)	(2.2)	(31.8)
Financial income .....	2.3	5.0	6.8
<b>Financial income (expense)</b> .....	<b>(66.9)</b>	<b>(66.6)</b>	<b>(88.1)</b>
<b>Profit before tax</b> .....	<b>22.6</b>	<b>23.4</b>	<b>53.0</b>
Share of profit of associates .....	-	(0.4)	(1.0)
Income tax expense .....	(10.9)	(15.3)	(17.6)
<b>Net profit</b> .....	<b>11.7</b>	<b>7.7</b>	<b>34.4</b>
Non-controlling interests .....	(0.1)	(0.3)	0.1
<b>Net profit, Group share</b> .....	<b>11.8</b>	<b>8.0</b>	<b>34.3</b>

(\*) Other income includes capital gains on disposal of fleet assets for €41.5 million, €46.1 million and €43.3 million in 2014, 2015 and 2016, respectively. It also includes income from real estate rentals to third parties for €5.8 million, €5.7 million and €5.8 million in 2014, 2015 and 2016, respectively.

## Consolidated Balance Sheet Information

	As of December 31,		
	2014	2015	2016
	(in millions of euros)		
Intangible assets and goodwill .....	951.6	983.0	969.0
Property, plant and equipment .....	534.2	560.1	630.0
Financial assets .....	6.0	9.4	9.9
Financial derivatives .....	-	-	0.8
Investments in associates .....	-	8.5	9.7
Deferred tax assets .....	9.0	8.6	7.8
<b>Non-current assets .....</b>	<b>1,500.9</b>	<b>1,569.6</b>	<b>1,627.2</b>
Inventories .....	17.2	18.4	18.7
Trade and other receivables .....	185.5	206.4	224.6
Other current assets .....	21.6	21.8	26.1
Corporate income tax receivables .....	11.0	3.9	6.6
Cash management assets .....	5.0	-	-
Cash and cash equivalents .....	139.4	158.2	155.9
<b>Current assets .....</b>	<b>379.7</b>	<b>408.6</b>	<b>431.9</b>
<b>Total assets .....</b>	<b>1,880.7</b>	<b>1,978.2</b>	<b>2,059.1</b>
Share capital .....	258.2	258.2	232.4
Additional paid-in capital .....	1.9	1.9	1.9
Consolidated reserves .....	271.5	278.9	211.3
Net profit for the year .....	11.8	8.0	34.3
<b>Shareholders' equity (Group share) .....</b>	<b>543.4</b>	<b>547.0</b>	<b>479.9</b>
Non-controlling interests .....	0.5	0.2	0.9
<b>Total equity .....</b>	<b>543.9</b>	<b>547.2</b>	<b>480.8</b>
Employee benefits .....	15.1	15.0	18.7
Deferred tax liabilities .....	24.3	21.9	25.4
Borrowings and financial debt .....	1,045.2	1,109.0	1,189.2
Financial derivatives .....	11.8	9.5	4.9
<b>Non-current liabilities .....</b>	<b>1,096.4</b>	<b>1,155.5</b>	<b>1,238.2</b>
Provisions .....	5.6	7.1	4.9
Borrowings and financial debt .....	51.2	73.7	107.4
Trade and other payables .....	90.1	89.4	123.1
Other liabilities .....	93.2	105.3	103.9
Corporate income tax liabilities .....	0.3	0.1	0.7
<b>Current liabilities .....</b>	<b>240.4</b>	<b>275.5</b>	<b>340.1</b>
<b>Total shareholders' equity and liabilities .....</b>	<b>1,880.7</b>	<b>1,978.2</b>	<b>2,059.1</b>

## Consolidated Cash Flow Statement Information

	As of December 31,		
	2014	2015	2016
	(in millions of euros)		
Cash flow from operating activities .....	155.4	153.3	165.6
Cash flow from investing activities .....	(255.0)	(217.3)	(178.3)
Cash flow from financing activities .....	104.3	77.7	7.0
<b>Change in cash and cash equivalents .....</b>	<b>4.8</b>	<b>13.7</b>	<b>(5.7)</b>
Cash and cash equivalents <sup>(*)</sup> at end of period .....	144.3	158.0	155.7

(\*) Cash and cash equivalents at the end of the period is defined net of bank overdrafts.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION FOR LAVENDON

The following tables present selected consolidated financial information for Lavendon as of and for the years ended December 31, 2015 and 2016 derived from Lavendon's audited consolidated annual financial statements, which were audited by PricewaterhouseCoopers LLP and Deloitte LLP, respectively. The audited consolidated financial statements as of and for the years ended December 31, 2016 are included elsewhere in this offering memorandum, together with the audit report thereon from Deloitte LLP. Lavendon's consolidated financial statements were prepared in accordance with IFRS.

The selected financial information included below is not necessarily indicative of Lavendon's future results of operations as part of our group, and should be read in conjunction with, and is qualified in its entirety by reference to, Lavendon's consolidated financial statements, including the notes thereto, included elsewhere in this offering memorandum and the section entitled "Presentation of Financial and Other Information—Lavendon Financial Information."

### Group Income Statement

	<b>Year ended December 31,</b>	
	<b>2015</b>	<b>2016</b>
	<b>(in millions of pounds sterling)</b>	
Revenue .....	248.6	282.2
Cost of Sales .....	(136.1)	(153.5)
Gross Profit .....	112.5	128.7
<b>Operating expenses</b> .....	<b>(91.8)</b>	<b>(85.3)</b>
<b>Operating profit/(loss)</b> .....	<b>20.7</b>	<b>43.5</b>
Net finance expense .....	(4.6)	(5.5)
<b>Profit/(loss) before taxation</b> .....	<b>16.2</b>	<b>38.0</b>
Taxation on profit/(loss) .....	(7.8)	(8.6)
<b>Profit/(loss) for the year</b> .....	<b>8.3</b>	<b>29.4</b>

## Group Balance Sheet

	As of December 31,	
	2015	2016
	(in millions of pounds sterling)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill .....	45.5	45.5
Other intangible assets .....	6.6	6.1
Property, plant and equipment .....	284.2	339.3
	<b>336.4</b>	<b>390.9</b>
<b>Current assets</b>		
Inventories .....	5.4	5.5
Trade and other receivables .....	72.5	90.9
Cash and cash equivalents .....	11.9	16.1
	<b>89.8</b>	<b>112.5</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Financial liabilities - borrowings .....	(0.3)	(1.1)
Trade and other payables .....	(55.3)	(47.8)
Current tax liabilities .....	(4.2)	(6.3)
	<b>(59.8)</b>	<b>(55.1)</b>
Net current assets .....	<b>30.0</b>	<b>57.4</b>
<b>Non-current liabilities</b>		
Financial liabilities - borrowings .....	(130.8)	(171.6)
Deferred tax liabilities .....	(12.7)	(13.9)
	<b>(143.5)</b>	<b>(185.5)</b>
<b>Net assets</b> .....	<b>222.9</b>	<b>262.7</b>
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary shares .....	1.7	1.7
Share premium .....	105.3	105.4
Capital redemption reserve .....	-	-
Other reserves .....	(6.6)	12.1
Retained earnings .....	122.5	143.5
<b>Total equity</b> .....	<b>222.9</b>	<b>262.7</b>

## Group Cash Flow Statement

	Year ended December 31,	
	2015	2016
	(in millions of pounds sterling)	
Cash flow from operating activities .....	(21.1)	(2.8)
Cash flow from investing activities .....	(4.4)	(6.1)
Cash flow from financing activities .....	19.9	11.4
<b>Change in cash and cash equivalents (after exchange differences)*</b>	<b>(5.7)</b>	<b>4.1</b>
Cash and cash equivalents at end of period .....	11.9	16.1

(\*) Effects of exchange rates amount to £(0.2) million and £1.6 million in 2015 and 2016, respectively.

## UNAUDITED PRO FORMA CONSOLIDATED CONDENSED FINANCIAL INFORMATION

### Basis of preparation

On February 6, 2017, the Loxam group completed the acquisition of Hune Group. On February 13, 2017, the Loxam group acquired control over the Lavendon Group plc through a recommended all-cash offer to purchase 100% of the entire issued and to be issued share capital and voting rights of Lavendon, and is expected to acquire the remaining Lavendon shares through the Squeeze-Out in April 2017 after initiating the Squeeze-Out on February 17, 2017. The Unaudited Pro Forma Consolidated Condensed Financial Information as of and for the twelve-month period ended December 31, 2016 (the “Unaudited Pro Forma Consolidated Condensed Financial Information”) was prepared to reflect the Lavendon Acquisition and the Hune Group Acquisition as if they had occurred on January 1, 2016 (for income statement purposes) or December 31, 2016 (for balance sheet purposes) and based on an assumed offering of €560,000,000 aggregate principal amount of senior secured notes and €250,000,000 aggregate principal amount of senior subordinated notes.

The Unaudited Pro Forma Consolidated Condensed Financial Information was prepared based on the following historical information:

- Loxam’s audited consolidated financial statements as of and for the year ended December 31, 2016 under IFRS, which are included elsewhere in this Offering Memorandum. These consolidated financial statements were not subject of any emphasis of matter or qualification;
- Lavendon’s audited consolidated financial statements as of and for the year ended December 31, 2016 under IFRS which are included elsewhere in this Offering Memorandum. These consolidated financial statements were not subject of any emphasis of matter or qualification; and
- Hune Group’s audited consolidated financial statements as of and for the year ended December 31, 2016 under Spanish Generally Accepted Accounting Principles (“Spanish GAAP”). These consolidated financial statements were not subject of any emphasis of matter or qualification.

The Unaudited Pro Forma Consolidated Condensed Financial Information was prepared based on the assumption that this offering would include €560,000,000 million aggregate principal amount of senior secured notes and €250,000,000 aggregate principal amount of senior subordinated notes, which was the initial planned size of the offering. The aggregate principal amount of senior secured notes offered hereby was subsequently increased to €600,000,000 and split into the 2022 Senior Secured Notes and the 2024 Senior Secured Notes, but the Unaudited Pro Forma Consolidated Condensed Financial Information was not adjusted accordingly.

The Unaudited Pro Forma Consolidated Condensed Financial Information consists of Unaudited Pro Forma Consolidated Condensed income statement information, an Unaudited Pro Forma Consolidated Condensed balance sheet and explanatory notes.

The Unaudited Pro Forma Consolidated Condensed Financial Information is presented for illustrative purposes only and is not indicative of our results of operation or the financial condition that would have been achieved had the Lavendon Acquisition and the Hune Group Acquisition been completed as of January 1, 2016 or December 31, 2016, nor does the Unaudited Pro Forma Consolidated Condensed Financial Information purport to be indicative of our future results of operations or financial position. The Unaudited Pro Forma Consolidated Condensed Financial Information is based on available information and certain assumptions which we believe are reasonable and that are described in the accompanying notes which should be read in conjunction with the Unaudited Condensed Consolidated Pro Forma Financial Information. These adjustments give effect to events that are directly attributable to the Lavendon Acquisition and the Hune Group Acquisition and are factually supportable. Specifically:

- The Unaudited Condensed Consolidated Pro Forma Financial Information has been prepared in millions of euros, the euro being the functional currency of the parent company of Loxam. The Hune Group also presents its historical consolidated financial statements in euro. The reporting currency of Lavendon is the pound sterling. In consequence, the historical financial information and adjustments were converted at the 2016 yearly average exchange rate for income statement purposes and at the 2016 closing exchange rate for purposes of the balance sheet.

Year 2016	Average rate	Closing rate
Euro/Pound Sterling	0.81894	0.85618

- The Lavendon historical EBITDA figures presented in the table below reflect what Lavendon refers to as “underlying” EBITDA, which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” Loxam does not report EBITDA on an “underlying” basis. Accordingly, charges such as those excluded by Lavendon from its underlying EBITDA will not be excluded from Loxam’s EBITDA in its future consolidated financial statements. For this reason, we restated Lavendon’s “underlying” EBITDA in order to harmonize it with Loxam EBITDA. We refer to the term “Pro Forma Adjusted EBITDA” in the table below, reflecting our historical EBITDA and that of Hune Group, and the EBITDA of Lavendon as adjusted for purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information.

Loxam and Lavendon prepare their consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union. Hune Group prepares its consolidated financial statements in accordance with the Spanish GAAP. For the purposes of the Unaudited Condensed Consolidated Pro Forma Financial Information and to ensure compliance with IFRS, a high-level preliminary analysis has been conducted and no significant adjustments have been identified. Therefore no adjustments has been made to the Hune Group’s audited consolidated financial statements for the year ended December 31, 2016 in relation to the bridge between Spanish GAAP and IFRS in the context of the preparation of the Unaudited Pro Forma Consolidated Condensed Financial Information.

In addition, as a result of time constraints, the following adjustments were not made:

- Harmonization of the accounting principles of Hune Group and Lavendon to ensure consistency with those of Loxam;
- Restatement of provisions for disputes and contingent liabilities; and
- Measurement of identifiable assets and liabilities at fair value in accordance with revised IFRS 3.

The following items, which would be due exclusively to the acquisitions and upcoming items, were not taken into account in the Unaudited Condensed Consolidated Pro Forma Financial Information:

- Costs resulting from the integration of Lavendon and Hune Group; and
- Synergies.

The assumptions and estimates used in the preparation of the Unaudited Pro Forma Consolidated Condensed Financial Information may differ materially from the actual amounts that would have been achieved had the Lavendon Acquisition and the Hune Group Acquisition occurred on January 1, 2016 or December 31, 2016.

The Unaudited Pro Forma Consolidated Condensed Financial Information does not include all information required for financial statements under IFRS, and should be read in conjunction with our consolidated audited financial statements and the notes thereto included elsewhere in this offering memorandum. The Unaudited Pro Forma Consolidated Condensed Financial Information was not prepared in accordance with Article 11 of Regulation S-X under the Securities Act or any generally accepted accounting standards. The Unaudited Pro Forma Consolidated Condensed Financial Information was prepared in accordance with the basis of preparation described herein.

All pro forma adjustments are directly attributable to the Lavendon Acquisition and the Hune Group Acquisition. These pro forma adjustments were prepared and computed based on available information and estimates and assumptions that we believe to be reasonable.

The pro forma adjustments used for the purposes of preparing the Unaudited Pro Forma Consolidated Condensed Financial Information are described in the footnotes below the table.



*Unaudited Pro Forma Consolidated Condensed Income Statement*

Year ended December 31, 2016

	Historical data of Loxam	Historical data of Lavendon	Historical data of Hune	Combination of historical financial Data of Loxam, Lavendon and Hune	Pro Forma Adjustments				
					Acquisition costs <sup>1</sup>	Re-Financing of the transaction <sup>2</sup>	Presentation Adjustment <sup>3</sup>	Combined adjustments	Total pro forma
				(in millions of euros)					
Revenue .....	926.8	344.6	66.4	1,337.8	-	-	(7.8)	(7.8)	1,330.0
Other income .....	56.3	-	0.8	57.1	-	-	6.0	6.0	63.1
<b>Operating income .....</b>	<b>983.0</b>	<b>344.6</b>	<b>67.2</b>	<b>1,394.9</b>	-	-	<b>(1.8)</b>	<b>(1.8)</b>	<b>1,393.1</b>
Purchases consumed ....	(105.5)	(27.1)	(8.5)	(141.0)	-	-	1.2	1.2	(139.8)
Personnel expenses .....	(244.4)	(94.3)	(20.4)	(359.0)	-	-	2.3	2.3	(356.7)
Other current expenses .....	(311.7)	(98.6)	(21.8)	(432.1)	-	-	4.0	4.0	(428.2)
Taxes and duties .....	(16.6)	-	-	(16.6)	-	-	(1.7)	(1.7)	(18.3)
Depreciation and amortization .....	(143.7)	(66.9)	(14.9)	(225.6)	-	-	3.9	3.9	(221.7)
<b>Profit from ordinary operations .....</b>	<b>161.1</b>	<b>57.8</b>	<b>1.6</b>	<b>220.5</b>	-	-	<b>8.0</b>	<b>8.0</b>	<b>228.5</b>
Other operating income and expenses .....	(19.9)	(4.7)	-	(24.6)	(25.9)	-	(8.3)	(34.2)	(58.9)
<b>Operating profit .....</b>	<b>141.2</b>	<b>53.1</b>	<b>1.6</b>	<b>195.9</b>	<b>(25.9)</b>	-	<b>(0.3)</b>	<b>(26.2)</b>	<b>169.7</b>
Interest and financing-related expenses .....	(63.1)	(6.7)	(3.6)	(73.4)	-	(30.4)	-	(30.4)	(103.9)
Other financial expenses .....	(31.8)	-	-	(31.8)	-	(12.4)	-	(12.4)	(44.3)
Financial income .....	6.8	-	112.7	119.6	-	(0.5)	(111.9)	(112.4)	7.2
<b>Financial income (expense) .....</b>	<b>(88.1)</b>	<b>(6.7)</b>	<b>109.1</b>	<b>14.3</b>	-	<b>(43.3)</b>	<b>(111.9)</b>	<b>(155.2)</b>	<b>(141.0)</b>
<b>Profit before tax .....</b>	<b>53.0</b>	<b>46.4</b>	<b>110.7</b>	<b>210.2</b>	<b>(25.9)</b>	<b>(43.3)</b>	<b>(112.2)</b>	<b>(181.5)</b>	<b>28.7</b>
Share of profit of associates .....	(1.0)	-	(0.5)	(1.5)	-	-	-	-	(1.5)
Income tax expense (*) .....	(17.6)	(10.5)	(0.5)	(28.6)	7.0	9.5	0.3	16.8	(11.8)
<b>Net profit .....</b>	<b>34.4</b>	<b>35.9</b>	<b>109.7</b>	<b>180.0</b>	<b>(18.9)</b>	<b>(33.8)</b>	<b>(111.9)</b>	<b>(164.7)</b>	<b>15.4</b>
Non-controlling interests .....	(0.1)	-	-	(0.1)	-	-	-	-	(0.1)
<b>Net profit, Group share .....</b>	<b>34.3</b>	<b>35.9</b>	<b>109.7</b>	<b>179.9</b>	<b>(18.9)</b>	<b>(33.8)</b>	<b>(111.9)</b>	<b>(164.7)</b>	<b>15.3</b>
<b>Pro Forma Adjusted EBITDA (**)</b> .....	<b>304.8</b>	<b>124.7</b>	<b>16.6</b>	<b>446.1</b>	-	-	<b>4.1</b>	<b>4.1</b>	<b>450.2</b>

\* The tax effect amount of the adjustment for the pro forma information was calculated using a tax rate of 34.43% for Loxam, 20% for Lavendon and 25% for Hune Group.

\*\* The Lavendon historical EBITDA figures presented in the table above reflect what Lavendon refers to as “underlying” EBITDA, which excludes charges for amortization of intangibles and certain acquisition-related costs, as well as certain exceptional charges (mainly restructuring and impairment). See “The Lavendon Group – Results of Operations.” Loxam does not report EBITDA on an “underlying” basis. Accordingly, charges such as those excluded by Lavendon from its underlying EBITDA will not be excluded from Loxam’s EBITDA in its future consolidated financial statements. For this reason, we restated Lavendon “underlying” EBITDA in order to harmonize it with Loxam EBITDA. We refer to the term “Pro Forma Adjusted EBITDA” used in the table above, reflecting Loxam’s historical EBITDA and that of Hune Group, and the EBITDA of Lavendon as adjusted for purposes of the Unaudited Pro Forma Consolidated Condensed Financial Information.

*Unaudited Pro Forma Consolidated Condensed Balance Sheet*

As at December 31, 2016

	Historical data of Loxam	Historical data of Lavendon	Historical data of Hune	Combination of historical financial data of Loxam, Lavendon and Hune	Acquisition Loxam, Lavendon, Hune <sup>1</sup>	Total Refinancing Loxam, Lavendon, Hune <sup>2</sup>	Total Pro Forma
	(in millions of euros)						
Intangible assets and goodwill ...	969.0	60.3	35.0	1,064.2	228.7	-	1,292.9
Property, plant and equipment ...	630.0	396.3	60.5	1,086.8	-	-	1,086.8
Financial assets .....	9.9	-	2.4	12.3	-	-	12.3
Financial derivatives	0.8	-	-	0.8	-	(0.7)	0.1
Investments in associates .....	9.7	-	10.5	20.3	-	-	20.3
Deferred tax assets .....	7.8	-	4.6	12.4	-	-	12.4
<b>Non-current assets .....</b>	<b>1,627.2</b>	<b>456.5</b>	<b>113.0</b>	<b>2,196.8</b>	<b>228.7</b>	<b>(0.7)</b>	<b>2,424.8</b>
Inventories .....	18.7	6.4	1.3	26.4	-	-	26.4
Trade and other receivables .....	224.6	106.2	29.1	359.9	-	-	359.9
Other current assets .....	26.1	-	0.2	26.3	-	-	26.3
Corporate income tax receivables .....	6.6	-	-	6.6	7.0	-	13.6
Cash management assets .....	-	-	0.6	0.6	-	-	0.6
Cash and cash equivalents .....	155.9	18.8	6.3	180.9	(622.1)	503.2	62.0
<b>Current assets</b>	<b>431.9</b>	<b>131.4</b>	<b>37.4</b>	<b>600.7</b>	<b>(615.1)</b>	<b>503.2</b>	<b>488.9</b>
<b>Total assets</b>	<b>2,059.1</b>	<b>587.9</b>	<b>150.4</b>	<b>2,797.5</b>	<b>(386.4)</b>	<b>502.5</b>	<b>2,913.6</b>
Share capital .....	232.4	125.1	23.8	381.3	-	-	381.3
Additional paid-in capital .....	1.9	-	219.6	221.5	-	-	221.5
Consolidated reserves .....	245.6	181.8	(182.2)	245.2	(386.4)	(15.8)	(157.0)
<b>Shareholders' equity (Group share) .....</b>	<b>479.9</b>	<b>306.9</b>	<b>61.2</b>	<b>847.9</b>	<b>(386.4)</b>	<b>(15.8)</b>	<b>445.8</b>
Non-controlling interests .....	0.9	-	-	0.9	-	-	0.9
<b>Total equity .....</b>	<b>480.8</b>	<b>306.9</b>	<b>61.2</b>	<b>848.9</b>	<b>(386.4)</b>	<b>(15.8)</b>	<b>446.7</b>
Employee benefits .....	18.7	-	-	18.7	-	-	18.7
Deferred tax liabilities .....	25.4	16.2	0.6	42.2	-	-	42.2
Borrowings and financial debt ...	1,189.2	200.5	61.4	1,451.1	-	533.0	1,984.1
Financial derivatives .....	4.9	-	-	4.9	-	-	4.9
<b>Non-current liabilities .....</b>	<b>1,238.2</b>	<b>216.7</b>	<b>62.0</b>	<b>1,516.9</b>	<b>-</b>	<b>533.0</b>	<b>2,049.9</b>
Provisions .....	4.9	-	1.4	6.3	-	-	6.3
Borrowings and financial debt ...	107.4	1.2	13.5	122.1	-	(14.7)	107.4
Trade and other payables .....	123.1	55.8	12.4	191.3	-	-	191.3
Other liabilities .....	103.9	-	-	103.9	-	-	103.9
Corporate income tax liabilities..	0.7	7.3	-	8.0	-	-	8.0
<b>Current liabilities .....</b>	<b>340.1</b>	<b>64.3</b>	<b>27.2</b>	<b>431.7</b>	<b>-</b>	<b>(14.7)</b>	<b>417.0</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,059.1</b>	<b>587.9</b>	<b>150.4</b>	<b>2,797.5</b>	<b>(386.4)</b>	<b>502.5</b>	<b>2,913.6</b>

(1) Acquisition Costs:

**Balance Sheet Adjustments**

The acquisitions of Lavendon and Hune Group should be accounted in accordance with IFRS 3 revised (Business combination), and would also imply that goodwill should be determined as the difference between the fair value of the consideration transferred and the fair value of the amount of the identifiable assets and liabilities. However, in the context of the Unaudited Pro Forma Consolidated Financial Information and with no available information about the fair value of the identifiable assets and liabilities, goodwill is determined as the difference between the consideration transferred as determined in accordance with the methods below and the net carrying value of the assets and liabilities, recognized in the consolidated balance sheet of the Lavendon and Hune Group as at December 31, 2016. As a result, the so-called "preliminary" goodwill determined below is not the goodwill that will be recognized in the consolidated in the financial statements of the combined Group that will be prepared for the year ended December 31, 2017. The goodwill is determined as follows :

	<b>Lavendon</b>	<b>Hune Group</b>	<b>Total</b>
	(in millions of euros)		
Net Equity at December 31, 2016* (a) .....	306.9	61.2	368.1
Elimination of existing goodwill (b) .....	(53.2)	(34.9)	(88.1)
Consideration transferred (c) .....	544.7	52.1	596.8
Preliminary goodwill (d) .....	291.0	25.9	316.9
Pro forma adjustment for goodwill (e) = (d) + (b) .....	-	-	228.7
Pro forma adjustment on consolidated reserves (c) – (e) .....	-	-	(368.1)

\* Excluding pro forma adjustments.

The preliminary goodwill is determined as the difference between the consideration transferred as defined above and the net carrying value of the assets and liabilities recognized in the consolidated balance sheet of Lavendon and Hune Group as at December 31, 2016, with the exceptions described above. The final valuations of the assets and liabilities and the accounting of the acquisition will be finalized in the coming months, based on evaluation reports and other studies performed by external valuation specialists. The preliminary calculation is only for the purposes of preparing the Unaudited Condensed Consolidated Pro Forma Financial Information and is therefore hypothetical and may be subject to change. The determination of the fair value of the assets acquired and liabilities assumed may lead to the booking of some identifiable acquired assets that have limited lifetime and will therefore be depreciated or amortized. Consequently, the future results of the group could be materially impacted by the depreciation or amortization expenses related to such identifiable acquired assets.

The Lavendon Group Acquisition was declared unconditional on February 13, 2017 after we received the valid acceptances in respect of approximately 88.3% of Lavendon shares. On February 17, 2017, we had received valid acceptances in respect of 91.5% share capital and announced our intention to exercise our rights to initiate the Squeeze-out (pursuant to sections 974 and 991 of the Companies Act 2006) to acquire the remaining Lavendon shares from Lavendon shareholders who had not accepted the Offer. We expect to acquire 100% of the share of capital of Lavendon upon completion of the Squeeze-Out in April 2017.

The Hune Group Acquisition was completed on February 6, 2017 through our purchase of 100% of the share capital and voting rights of Hune Rental S.L., a Spanish company, and its subsidiaries Hune Locations SAS (France), Hune Aluguer Lda (Portugal) and its minority shareholding interests in Hune Specialized International Company (Saudi Arabia) and Gruas y Equipos Hune SAS (Colombia).

Cash and cash equivalents adjustments correspond to the contribution transferred of €596.8 million and the acquisition costs .

Impact on the consolidated reserves is as follows :

- Elimination of net equity of Lavendon and Hune Group: €(368.1) million
- Other impact: € (18.3) million

Total consolidated reserves: € (386.4) million

#### Income Statement Adjustments

In relation to the aggregation of the historical financial data of Lavendon, Hune Group and Loxam as if the acquisitions had occurred at January 1, 2016, the impact of the business combination adjustments on the Unaudited Condensed Consolidated Pro Forma Financial Information is as follows:

- Loxam: The transaction costs incurred by Loxam amount to €17.7 million including honorary fees for €15.0 million and stamp duties for €2.7 million.
- Lavendon: The transaction costs incurred by Lavendon amount to €13.0 million (€10.6 million) and are not included in 2016 historical data.
- Hune Group: No transactions costs were incurred by Hune Group.

Of the total €30.7 million, €4.8 million are already included in Loxam's historical data, with the remaining amount of €25.9 million presented as described in Note 1 relating to pro forma adjustments on acquisition costs. These transaction costs will not have a prolonged impact on the future consolidated financial statements of Loxam.

**(2) Financing the Transaction:** In the context of financing the transaction, the Pro Forma Consolidated Statement of Financial Position reflects the replacement of the "old financing arrangement" that existed in Lavendon and Hune Group as at December 31, 2016, with the "new financing arrangement" for the combined purposes of the three groups.

- Old financing arrangements included revolving credit facilities, bilateral credit facilities, a US private placement (exclusively for Lavendon), leasing facilities and other financial debts.
- New financing arrangements include the €810 million issue of Notes offered hereby, net of €(15) million capitalized debt issuance costs.

The rate and the amount of the breakdown of the nominal value are estimated at the time of the preparation of the pro-forma financial information.

#### Balance Sheet Adjustments:

The tables below present the pro forma adjustments on borrowings and financial debt and on cash and cash equivalents:

	<b>Loxam</b>	<b>Lavendon</b>	<b>Hune Group</b>	<b>Total Refinancing</b>
	(in millions of euros)			
Old financing arrangements (non-current) .....	-	(201.2)	(61.4)	(262.6)
Cash from Notes offered hereby .....	810.0	-	-	810.0
Costs of the offering of Notes .....	(15.0)	-	-	(15.0)
Amortization of capitalized debt issuance costs .....	-	0.6	-	0.6
<b>Borrowings and financial debt adjustments (non-current) .....</b>	<b>795.0</b>	<b>(200.5)</b>	<b>(61.4)</b>	<b>533.0</b>
Old financing arrangements (current) .....	-	(1.2)	(13.5)	(14.7)
<b>Borrowings and financial debt adjustments .....</b>	<b>795.0</b>	<b>(201.7)</b>	<b>(74.9)</b>	<b>518.3</b>

	<u>Loxam</u>	<u>Lavendon</u>	<u>Hune Group</u>	<u>Total Refinancing</u>
		(in millions of euros)		
Old financing arrangements (current and non-current).....	-	(202.4)	(74.9)	(277.3)
Cash from offered hereby .....	810.0	-	-	810.0
Costs of the offering of Notes.....	(15.0)	-	-	(15.0)
Early repayment fees (a).....	-	(14.5)	-	(14.5)
<b>Cash and cash equivalent adjustments .....</b>	<b>795.0</b>	<b>(216.9)</b>	<b>(74.9)</b>	<b>503.2</b>

(a) Correspond to early repayment fees on loans.

Lavendon's income statement information, which is reported in pounds sterling, was converted to euros using the average 2016 exchange rate of 0.81894€/£.

#### Income Statement Adjustments:

The adjustments in the Unaudited Pro Forma Consolidated Condensed Income Statement consist of:

- Adjustments on interests and financing related to:
  - Interest paid on the Notes offered for an amount of €(37.6) million were recorded.
  - Amortisation over 12 months of the issuance costs for Loxam's €560 million of senior secured notes for an amount of €(2.1) million.
  - Amortisation over 12 months of the issuance costs for Loxam's €250 million senior subordinated notes for an amount of €(0.8) million.
  - Interest for the 2016 year on the debt of Lavendon and Hune Group repaid, of €6.4 million and €3.6 million, respectively, was cancelled.
- Adjustments on financial expenses related to:
  - Cancellation of the currency call option purchased as part of the financing Lavendon Acquisition in 2016 This call has been cancelled for the purpose of the Unaudited Pro Forma Consolidated Condensed Financial Information as if the acquisition was financed through the issuance of the Notes offered hereby on January 1, 2016 (for a total amount of €6.8 million).
  - Accelerated amortization of Lavendon's remaining issuance costs following the repayment of its US private placement for an amount of €(0.9) million
  - Costs related to early repayment on Lavendon's debt for an amount of €(18.3) million.
- Adjustment on financial income related to:
  - Financial income on marketable securities (historical) that has been cancelled for €(0.5) million and presented as an adjustment in the pro forma income statement.

**Tax Effect:** the tax effect amount of the adjustments for the Unaudited Pro Forma Consolidated Condensed Financial Information was calculated using a standard rate of 34.43% for Loxam, 20% for Lavendon and 25% for Hune Group.

(3) **Presentation Adjustments:** For purposes of presenting the income statement and balance sheet of Hune Group and Lavendon in a manner similar to those of Loxam, several preliminary adjustments were made, as described below :

- Lavendon: (1) Lavendon presents the sale of ex-rental equipment in the revenue. Loxam presents the capital gains on fleet disposals in other income. The sale of ex-rental equipment for €7.8 million (proceeds on sale) has been removed from Lavendon's revenue and the capital gains on fleet and non-fleet disposals of €5.1 million have been presented in other income and (2) reclassification from other current expenses to taxes and duties for €1.7 million.
- Hune Group: (1) other income only includes the proceeds on sales of fleet and non-fleet equipment; the net book value of the fleet and non-fleet amounts to €(1.2) million and has been reclassified to other income, (2) non-current expenses have been reclassified in other operating expenses for an amount of €(4.4) million, (3) goodwill amortization (in Spanish GAAP) has been reclassified as an impairment loss for the same amount €(3.9) million in other operating expenses, (4) taxes ("Tributos" as per the consolidated annual accounts) have been presented as "Taxes and duties" and (5) cancellation of debt waiver in the financial results for an amount of €111.9 million, as if this prerequisite to the acquisition was realized as at January 1, 2016. This is considered a non-recurring profit item, and as such, is eliminated from the 2016 income statements for purposes of the Unaudited Pro Forma Consolidated Financial Information.

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

*You should read the following discussion in conjunction with our consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). This discussion includes forward-looking statements that, although based on assumptions we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied herein. See "Forward-Looking Statements" and "Risk Factors" for a discussion of the risks, uncertainties and assumptions associated with these statements.*

*The following discussion is based on our historical consolidated financial statements and does not reflect the Lavendon Acquisition or the Hune Group Acquisition.*

### Overview

We are a leading European equipment rental group for the construction, industry, public works and events sectors. Our activity is split in three business divisions:

- Generalist France division, which includes equipment for earth moving (backhoes and loaders), aerial work (booms and scissors), handling (forklifts and tele-handlers), compaction (compactors and rollers), and building (concrete mixers and saws), as well as hand tools such as power drills, chainsaws and jackhammers. As of December 31, 2016, our generalist network included 426 branches. Our generalist network trades under the LOXAM Rental brand.
- Specialist France division, which includes high-access equipment, modular shelters, large compressors and generators, heavy compaction equipment, suspended platforms and scaffolding. As of December 31, 2016, our specialist network in France included 73 branches. We rent specialist equipment in France under several specific brands, such as LOXAM Access, LOXAM Lev, LOXAM Module, LOXAM Power, LOXAM Laho TEC, LOXAM TP and LOXAM Event.
- International division, which comprises our specialist and generalist equipment offerings in 11 countries outside of France (Denmark, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg, Morocco and Norway). As of December 31, 2016, our international division had a network of 144 branches. We have been present in Brazil since April 2015 through our 25% stake (which we increased to 25.71% in April 2016) in Degraus, a Brazilian equipment rental company that operates a network of 23 branches.

We rent over 1,500 different types of equipment and tools. We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. As of December 31, 2016, our rental fleet exceeded 220,000 pieces of equipment (excluding accessories) with a gross book value of €1.8 billion. As of December 31, 2016 (without taking into account the acquisitions), we had 643 branches across 11 countries, of which 499 were located in France.

We generated revenue of €926.8 million in 2016, representing an increase of 10.6% compared to revenue of €838.3 million in 2015. On a like-for-like basis and at constant exchange rates, revenue increased by 5.1% in 2016. The overall increase in revenue was primarily driven by the recovery of the French rental market, in addition to the integration of branches of Hertz Equipment within our network. In the year ended December 31, 2016, revenue from our generalist and specialist France divisions increased by 12.3%. On a like-for-like basis, revenue in France grew by 5.5%. Revenue from our international division grew by 4.3%. On a like-for-like basis, revenue from our international division grew by 3.7%. In 2016, 61.9% of our revenue was generated from our generalist France division (compared to 61.1% in 2015 and 62.9% in 2014), 17.6% were generated from our specialist France division (compared to 17.2% in 2015 and 17.6% in 2014) and 20.5% were generated from our international division (compared to 21.7% in 2015 and 19.5% in 2014).

We generated EBITDA of €304.8 million in 2016, representing an increase of 9.9% compared to €277.3 million in 2015. Our EBITDA margin remained fairly stable at 32.9% in and 33.1% in 2015. The increase in the EBITDA was primarily driven by contributions from acquired businesses, particularly the Hertz Equipment Acquisition and by organic growth achieved in each of our three divisions. Compared to 2015, EBITDA for the generalist France division grew by 9.4% in 2016, whereas EBITDA grew by 6.1% for the specialist France division and 10.7% for the international division in 2016.

Our operating profit increased by 56.9% in 2016, from €90.0 million in 2015 to €141.2 million in 2016. This increase was primarily linked to the implementation of new depreciation rules on fleet equipment as described under " – Explanation of Key Line Items from the Income Statement – Depreciation and amortization." The average length of our depreciation was extended from 5 to 7 years on certain fleet equipment, while a residual value of 10% of the original book value was introduced.

The change in our depreciation policy resulted in a positive impact of €67.7 million on operating profit. On the other hand, operating profit in 2016 was impacted by a €15.0 million impairment charge on the remaining goodwill of our Danish subsidiary.

Our net financial expense increased in 2016, from €66.6 million in 2015 to €88.1 million in 2016. Our interest and financing-related expenses decreased from €69.4 million to €63.1 million as a result of the refinancing of the 2013 Senior Subordinated Notes with the issuance of the 2016 Senior Secured Notes, which allows cost savings of approximately €1 million per month. However, the refinancing led us to record a €24.0 million non-recurring expense, which included €16.6 million in payments of early redemption premiums and €7.4 million in relation to the full amortization of remaining issuance costs.

We purchased a pound sterling/euro currency call option with a nominal value of £490.0 million on December 14, 2016 in relation to our Offer to purchase the share capital of Lavendon, which generated the payment of a €7.5 million premium. We recorded a €6.7 million financial cost charge representing the change in the market-to-market value of the instrument between December 14, 2016 and December 31, 2016. Also, in December 2016, to optimize our capital structure, we launched an offer to buy back 2,840,448 of our shares. Consequently, as of December 31, 2016, we had bought back and cancelled 2,582,226 of our shares as funds managed by 3i plc and other private minority shareholders sold their shares in the buy-back. We also recorded a profit of €2.7 million as Loxam shareholders waived their rights to warrants awarded in 2011 thereby unlocking a profit equivalent to the liabilities recorded in Loxam accounts.

Profit before tax more than doubled, rising to €53.0 million in 2016. Income tax increased by 15.0% from €15.3 million in 2015 to €17.6 million in 2016, although its increase was partially offset by a reduced tax rate on deferred tax and additional tax benefits arising from our fleet investments over the past two years in France.

Taking into account all the elements described above, our net profit, group share increased from €8.0 million in 2015 to €34.3 million in 2016.

Our cash flow from operating activities was €165.6 million in 2016, an increase of 8.0% compared to €153.3 million in 2015, primarily reflecting higher EBITDA, which more than offset higher cash financing costs.

Our capital expenditures related to our fleet increased from €123.6 million in 2015 to €197.6 million in 2016 in order to take advantage of increased demand for our rental fleet. Our capital expenditures in 2016 were funded primarily using drawdowns under our bilateral financing agreements and finance leases. In 2015, we had spent €123.6 million on capital expenditures, a decrease from €233.8 million in 2014 as a result of continued weak demand in the French market as well as the adjustment of our capital expenditures in connection with the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet.

In the past, we have typically funded our annual capital expenditures with drawdowns under our bilateral credit facilities and finance leases following bilateral negotiations with relationship banks on an annual basis. We expect to finance future capital expenditures through cash flows from operations and asset disposals, as well as finance leases or bilateral credit facilities, both at the level of the Company and of our operating subsidiaries. In addition, we have a €75.0 million revolving credit facility available for general corporate purposes. See “Description of Certain Indebtedness—Revolving Credit Facility.”

## **Key Factors Affecting Results of Operations**

Our results of operations are primarily affected by factors that impact the equipment rental industry generally, particularly cyclicality and economic conditions affecting the construction and civil engineering sectors, and our management of capital expenditures in response to changes in the cycle. Our results of operations can also be significantly affected in the short-term by one-time factors such as weather conditions in France. Our results of operations are also affected by the expansion of our rental network through the opening and closing of branches and acquisitions. These factors are described in greater detail below. For trends affecting our business and the markets in which we operate, see also “Risk Factors,” “Industry” and “Business.”

### ***Cyclicality and economic conditions***

Demand for our products is dependent on the industries in which our customers operate, the general economy, the stability of the global credit markets and other factors. The construction and civil engineering sectors in France and in Europe generally, which are the primary markets for our rental equipment, are cyclical industries with activity levels that tend to increase during periods of economic growth and decline during economic downturns. Demand for our products is correlated to conditions in these industries and in the general economy.

Conditions in the construction and civil engineering markets have an impact on both the utilization rate of our equipment and on prices. As demand increases, utilization follows and we can then, subject to fixed pricing arrangements, choose to allocate equipment to customers who are willing to pay higher prices. When demand decreases, the opposite occurs, and we may reduce prices to preserve utilization levels. Demand can be affected by short-term factors that affect utilization rates and prices for a brief period, such as adverse weather conditions, or by general economic trends that can have an impact (positive or negative) over a longer period. We seek to manage the impact of medium- and long-term trends through the adjustment of our investments in new equipment, increases or decreases in sales of our equipment, and adapting the size and geographic distribution of our branch network.

After several years of contraction, the French construction market showed signs of revival in 2016 according to Euroconstruct, which estimated overall growth to be around 2.3% in the sector, benefiting from an increase in both the residential and non-residential fields while the civil engineering sector stabilized. According to Euroconstruct, the construction market in most European countries in which we are present experienced continuing growth in 2016. See “ – Results of Operations – Construction Market in France and Europe in 2016.”

### ***Investment in new equipment and asset sales***

The management of our level of capital expenditure, by increasing or decreasing the amount of investment in our fleet, is an important factor in our results of operations and cash flow. Decisions about investment in new equipment are based on the condition and remaining useful life of our existing equipment as well as on our views of future demand. We sell assets in our fleet when we believe that these assets have reached the end of their useful life because they have become obsolete or when the cost of maintaining them in proper condition for customer use is too high. We also sell assets in our fleet before the end of their useful lives if we believe a decline in demand in a given market is likely to last for a significant period of time. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the construction and civil engineering sectors, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand) and decrease investment just before the top of the cycle (before we expect demand to contract). We believe that our anticipation of trends in the construction and civil engineering cycle has helped us to control our levels of investment and related debt, and thus maintain strong levels of cash flow and positive net profit during the periods under review.

The allocation of investments in our rental fleet is determined by the type of equipment and the requirements of our business units. Following the onset of the global financial crisis, we significantly reduced our investments in new equipment and increased our asset sales. Subsequently, we increased our fleet investments significantly in 2014 to diversify and rejuvenate our fleet and position our international businesses for a potential rebound in market demand in the coming years. We reduced our fleet capital expenditures in 2015 to €123.6 million, compared with €233.8 million in 2014, primarily due to lower demand in the French market as well as the downward adjustment of our capital expenditures in connection with the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet. In 2016, we increased our capital expenditures to €197.6 million, to take advantage of increased demand for our rental fleet.

### ***Changes in our rental network***

Changes in the size of our rental network as a result of opening or acquiring new branches and closing existing ones can have a significant impact on our revenue from one period to the next. This change in scale affects the comparability of our results during those periods by increasing both revenue and expenses.

We adapt our network in line with changes in the cycle by expanding existing branches or opening new branches in areas that meet certain criteria in terms of size and client activity and closing or consolidating existing branches that are less profitable. Branch opening decisions are driven by factors such as the coordination of the overall network, the specificity of a particular market, the competitive environment and our development in the specialist France division. Decisions to close or consolidate branches are influenced by changes in the local market, for example due to the closing of a major construction or industrial site, or the proximity of branches whose clients could be served by a single location, which may occur as the result of an acquisition. In some cases we will relocate an existing branch to take advantage of changes in demographics, urban planning or infrastructure.

The following table shows the number of branches we have opened or acquired, and the number of branches we have closed or consolidated, during the periods under review.

	Branches opened or acquired		Branches closed or consolidated		Total branches at period end	
	France	International	France	International	France	International
<b>2016</b> .....	12	-	36	1	499	144
<b>2015</b> .....	66	11	25	12	523	145
<b>2014<sup>(*)</sup></b> .....	21	59	51	1	482	146

\* including Dansk Lift A/S, which had 6 branches in Denmark, 4 branches in Norway and 1 branch in Sweden (which has since been closed)

Since January 1, 2014, our generalist France division has operated under a single brand, Loxam Rental, to capitalize on the strength of the Loxam brand. We believe this consolidation should generate cost and revenue synergies through better coordination of commercial activities and capital expenditures, enabling the pooling of resources, improved exchanges of staff and equipment among branches and savings in back-office and marketing costs and enhancing branch positioning. In 2016, we acquired one branch, we opened 11 branches, we closed 2 branches and we completed the mergers of 35 branches as part of the streamlining of our network. Among the branch mergers, 34 took place in France as we consolidated the network following the Hertz Equipment Acquisition (see “—Acquisitions”). As a result of the combined effects of this acquisition, the streamlining of our network and our branch openings, we operated 643 branches as of December 31, 2016, compared to 668 as of December 31, 2015.

## ***Operating Expenses***

Our business, like that of all equipment rental groups, is capital-intensive with a relatively high level of fixed costs, principally related to the depreciation of our equipment fleet, as well as other operating expenses that are fixed for short or long periods of time, such as certain personnel charges and rent on real estate. The management of our costs is an important factor in our results of operations and cash flow. To the extent possible we seek to deploy our fleet so as to match increases and decreases in demand.

## ***Acquisitions***

We make acquisitions from time to time to take advantage of opportunities for consolidation, to increase the density of our network in our existing markets or to enter new geographical or specialist markets. During the periods under review, we made the following acquisitions:

- On October 28, 2016, we acquired Salmat Nord, a French equipment rental company, with one branch in Dunkirk in northern France serving principally customers in Dunkirk. Salmat Nord was merged into Loxam on January 1, 2017.
- On April 30, 2016, we purchased an additional 0.71% of the share capital of Degraus, a Brazilian equipment rental company that operates 23 branches in Brazil, primarily in the state of Sao Paolo, thereby increasing our stake in the company to 25.71%. On April 14, 2015, we had acquired 25% of its shares. This acquisition enabled us to enter a new market that we believe has long-term development potential. In connection with this acquisition, we have the right to increase our ownership stake in Degraus to a majority stake within three years either through an exclusive right of participation in capital increases at a price determined as a multiple of earnings or through a call option to purchase additional shares at a price determined by the parties or an independent appraisal, or a combination of the two. Following the fifth anniversary of our initial investment, we have the right to further increase our stake to a substantial majority by purchasing shares of Degraus from other shareholders pursuant to another call option and we have agreed to purchase any and all outstanding shares that other shareholders wish to sell pursuant to a put option, in each case at a price determined by the parties or an independent appraisal. Our minority interest in Degraus is accounted for in our financial statements under the equity method.
- On October 31, 2015, we acquired Hertz Equipment Rental Company's French and Spanish businesses, which added 60 new branches in France and two in Spain.
- On August 30, 2015 we acquired the modular building rental business of OBM Construction, consisting of one branch. This branch is now part of Loxam Module.
- On June 30, 2015, our 51%-owned subsidiary in Morocco, Atlas Rental, acquired 100% of the shares of Maroc Elevation, a Moroccan company specializing in access equipment and operating three branches. Maroc Elevation merged with Atlas Rental in October, 2015.
- In December 2014, we acquired most of the assets of Phocomex, a French generalist rental company with a network predominantly in the South of France. This acquisition added 11 branches to our French generalist network.
- In November 2014, we acquired two branches in Spain, one from Levanor Maquinaria de Elevación and one from ND Maquinaria y Plataformas Elevadoras, respectively, which allowed us to diversify our access equipment portfolio.
- On July 4, 2014, we acquired Workx, a Dutch rental company with 42 branches and €32.3 million of revenue in 2013. We believe the acquisition of Workx enables us to strengthen our position in general plant rental and to become a leading equipment rental company in the Dutch market, as we will be able to offer our clients national coverage across the Netherlands. This acquisition has been fully consolidated in our consolidated financial accounts since July 1, 2014.

## ***Seasonality***

Our revenue and operating income are significantly dependent on construction and civil engineering activity in the areas where our branches are located. Construction activity tends to decrease in the winter and during extended periods of inclement weather and increase in the summer and during extended periods of mild weather. This results in lower demand for our rental equipment in the first quarter on average compared to the rest of the year.

## ***Explanation of Key Line Items from the Income Statement***

The following is a summary description of certain line items from our income statement. For more information see “—Critical Accounting Policies and Estimates” and the notes to our consolidated audited financial statements.



*Revenue* include the fees paid by customers to rent equipment and revenue from related services such as transportation, fuel, damage waivers and the cost of repair and maintenance services charged back to our customers, as well as the retail activities at our branches.

*Other income* principally includes net capital gains on disposals of fleet assets and real estate rent paid by subtenants.

*Purchases consumed* includes (1) the cost of goods purchased for resale in our retail activity, as well as the cost of fuel and maintenance parts that are rebilled to customers; and (2) the cost of parts used by the workshops in our branches to maintain our equipment.

*Personnel expenses* relates primarily to the salaries, social security charges and profit sharing expenses for our employees.

*Other current expenses* include (1) external expenses that are directly related to our rental activity, such as transportation, subcontracted maintenance costs, re-rent (subleasing equipment from external renters to fill customer orders when there is not sufficient quantity at our branches) and costs associated with temporary workers; (2) external expenses related to the group, such as rent on real estate and related expenses, general administrative expenses (including insurance, advisory fees, communications and IT), advertising expenses and other management costs; and (3) losses on bad debts net of change in provisions on current assets.

*Taxes and duties* relates mainly to property taxes and local taxes (including the CET or *Contribution Economique Territoriale* paid in France).

*Depreciation and amortization* principally includes depreciation of fixed assets (fleet and non-fleet). In 2016, we implemented a change to our policy for the measurement of depreciation, whereby we increased the duration over which we depreciate certain of our fleet equipment from five to seven years and began to retain a 10% residual of the original book value of an asset on our books. This change in policy was driven by a review of the economic lives of our fleet assets and an examination of the second-hand value of used equipment divested by Loxam. We also reviewed the accounting policies of our major European competitors to provide a benchmark for our own guidelines.

*Other operating income and expense* includes a limited number of items that are unusual, abnormal, and uncommon, with significant amounts, disclosed separately in the income statement to make it easier to appreciate the Group's current operating performance.

*Financial income* primarily includes interest income on cash balances, while *financial expense* comprises interest charges on bank loans and bonds and hedging expenses. It also includes changes in the fair value of derivatives instruments.

*Income tax expense* consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As of December 31, 2016, the corporate tax rate in France was 34.43%. We are also subject to tax rates in the other countries in which we operate, which ranged from 12.5% to 33.99% as of that date.

*Share of profit of associates* includes the group's share of the result of companies accounted for by the equity method.

## Results of Operations

The table below sets out our results of operations for the years ended December 31, 2014, 2015 and 2016.

### Consolidated Condensed Income Statement Data

	Year ended December 31,		
	2014	2015	2016
	(in millions of euros)		
Revenue .....	812.3	838.3	926.8
Other income <sup>(1)</sup> .....	50.6	57.4	56.3
<b>Operating income</b> .....	<b>862.9</b>	<b>895.7</b>	<b>983.0</b>
Purchases consumed .....	(92.1)	(92.0)	(105.5)
Personnel expenses .....	(215.5)	(224.6)	(244.4)
Other current expenses .....	(284.2)	(286.4)	(311.7)
Taxes and duties .....	(14.7)	(15.5)	(16.6)
Depreciation and amortization .....	(164.3)	(187.3)	(143.7)
<b>Profit from ordinary operations</b> .....	<b>92.1</b>	<b>90.0</b>	<b>161.1</b>
Other operating income and expenses .....	(2.6)	0.1	(19.9)
<b>Operating profit</b> .....	<b>89.5</b>	<b>90.0</b>	<b>141.2</b>

Interest and financing-related expenses .....	(58.0)	(69.4)	(63.1)
Other financial expenses .....	(11.2)	(2.2)	(31.8)
Financial income .....	2.3	5.0	6.8
<b>Financial income (expense) .....</b>	<b>(66.9)</b>	<b>(66.6)</b>	<b>(88.1)</b>
<b>Profit before tax .....</b>	<b>22.6</b>	<b>23.4</b>	<b>53.0</b>
Share of profit of associates .....	-	(0.4)	(1.0)
Income tax expense .....	(10.9)	(15.3)	(17.6)
<b>Net profit .....</b>	<b>11.7</b>	<b>7.7</b>	<b>34.4</b>
Non-controlling interests .....	(0.1)	(0.3)	0.1
<b>Net profit, Group share .....</b>	<b>11.8</b>	<b>8.0</b>	<b>34.3</b>

**Notes:**

- (1) Other income includes capital gains on disposal of fleet assets for €41.5 million, €46.1 million and €43.3 million in 2014, 2015 and 2016, respectively. It also includes income from real estate rentals outside the group for €5.8 million, €5.7 million and €5.8 million in 2014, 2015 and 2016, respectively.

We consider revenue and EBITDA to be key measures in analyzing our business. EBITDA is a non-IFRS measure but we believe that it and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. See “—Liquidity and Capital Resources—EBITDA.” We do not present financial information by segment in our financial statements, but we consider our business to have three divisions: generalist France, specialist France and international. Each of our branches is assigned to one of these divisions, and as of December 31, 2016 we had 426 branches in generalist France, 73 in specialist France and 144 in international.

The following table sets out these key figures in each of the generalist France, specialist France and international divisions for the December 31, 2014, 2015 and 2016.

	Year ended December 31,			
	2014	2015	2015 (restated) <sup>(2)</sup> (in millions of euros)	2016
<b>Revenue<sup>(1)</sup> .....</b>				
Generalist France .....	511.2	512.1	514.7 <sup>(2)</sup>	573.3
Specialist France .....	142.8	144.1	141.5 <sup>(2)</sup>	163.6
France .....	654.0	656.2	656.2	736.9
International .....	158.3	182.1	182.1	189.9
<b>Total revenue .....</b>	<b>812.3</b>	<b>838.3</b>	<b>838.3</b>	<b>926.8</b>
<b>EBITDA .....</b>				
Generalist France <sup>(3)</sup> .....	167.9	181.0	181.0	198.0
Specialist France <sup>(3)</sup> .....	47.4	47.9	47.9	50.8
France .....	215.2	228.9	228.9	248.8
International .....	38.9	46.0	46.0	50.9
Real Estate <sup>(4)</sup> .....	2.3	2.4	2.4	5.1
<b>Total EBITDA .....</b>	<b>256.5</b>	<b>277.3</b>	<b>277.3</b>	<b>304.8</b>
<b>EBITDA margin .....</b>	<b>31.6%</b>	<b>33.1%</b>	<b>33.1%</b>	<b>32.9%</b>

**Notes:**

- (1) To present generalist and specialist revenue generated in France by division, we aggregate the revenue of each branch assigned to that division. Revenue for generalist France and specialist France is presented net of rebates.
- (2) Due to an internal reorganization between the generalist France and the specialist France divisions, the year-end revenue allocations between generalist and specialist have been restated since January 1, 2016.
- (3) To present specialist and generalist EBITDA generated in France by division, we allocate rebates pro rata based on revenue, which is accounted for centrally, and then allocate direct expenses (which represent a majority) directly to a given branch. Indirect expenses are allocated centrally or regionally and are then allocated to a given branch according to a factor that is based on that branch's revenue, the gross value of its equipment or the rental value of its equipment. See “—Liquidity and Capital Resources—EBITDA” for a reconciliation of EBITDA to profit from ordinary operations and net profit.
- (4) Real estate EBITDA corresponds to rental income from real estate held by the group that is not assigned to a division.

## ***Year ended December 31, 2016 compared to year ended December 31, 2015***

### ***Revenue and Other Operating Income***

#### ***Revenue***

Our revenue increased by 10.6% from €838.3 million in 2015 to €926.8 million in 2016. On a like-for-like basis and at constant exchange rates, revenue increased by 5.1% in 2016. The overall increase in revenue was primarily driven by the recovery of the French rental market, in addition to the integration of branches of Hertz Equipment within our network.

Revenue from our generalist France division increased by 11.4% from €514.7 million in 2015 (restated) to €573.3 million in 2016. Revenue from our specialist France division increased by 15.6% from €141.5 million in 2015 (restated) to €163.6 million in 2016. Revenue from our generalist and specialist France divisions together increased by 12.3%, driven primarily by the recovery of the French rental market and the integration of Hertz Equipment branches. On a like-for-like basis, revenue from both our generalist and specialist France divisions grew by 5.5%. Revenue from our international division grew by 4.3%, as most countries in which we operate witnessed growth in their markets. On a like-for-like basis, revenue from our international division grew by 3.7%. In 2016, 61.9% of our revenue was generated from our generalist France division (compared to 61.4% in 2015 based on restated revenue allocations), 17.6% were generated from our specialist France division (compared to 16.9% in 2015 based on restated revenue allocations) and 20.5% were generated from our international division (compared to 21.7% in 2015).

#### ***Other income***

Other income, which includes mainly capital gains on disposed fleet assets, decreased by 2.0% from €57.4 million in 2015 to €56.3 million in 2016. This slight decrease is mainly due to lower capital gains on fleet disposals.

### ***EBITDA***

We generated EBITDA of €304.8 million in 2016, representing an increase of 9.9% compared to €277.3 million in 2015. Our EBITDA margin remained fairly stable at 32.9% of revenue in 2016 compared to 33.1% in 2015. The increase in our EBITDA was primarily driven by contributions from acquired businesses, particularly the Hertz Equipment Acquisition and by organic growth achieved in each of our three divisions.

EBITDA of our generalist France division grew by 9.4% from €181.0 million in 2015 to €198.0 million in 2016. The EBITDA margin for the division, however, decreased from 35.2% in 2015 to 34.5% in 2016 as a result of lower capital gains on fleet disposal in 2016 compared to 2015. EBITDA of our specialist France division grew by 6.1% from €47.9 million in 2015 to €50.8 million in 2016. The EBITDA margin for the specialist division decreased from 33.9% in 2015 to 31.1% in 2016 as a result of costs relating to the integration of the specialist power generation, modular space and civil engineering branches of Hertz Equipment in the networks of Loxam Power, Loxam Module and Loxam TP, which offset contributions from these newly added branches.

EBITDA of our international division increased by 10.7% from €46.0 million in 2015 to €50.9 million in 2016, primarily driven by growing markets. The division's EBITDA margin also increased from 25.2% in 2015 to 26.8% in 2016.

### ***Operating Expenses***

#### ***Purchases consumed***

Purchases consumed increased by 14.7% from €92.0 million in 2015 to €105.5 million in 2016. This increase was mainly driven by the 17.4% increase in goods purchased for resale in our retail activity, in response to increased retail activity reflected by an 18.9% increase in retail activity revenues from 2015 to 2016.

#### ***Personnel expenses***

Personnel expenses increased by 8.8% from €224.6 million in 2015 to €244.4 million in 2016. Headcount increased at our international division and our generalist France division in connection with our 2015 acquisitions, as our average headcount increased by 7.4% from 2015 to 2016. On a like-for-like basis, personnel expenses increased by 2.7% for the year. Expressed as a percentage of revenue, our personnel expenses slightly decreased to 26.4% in 2016 compared with 26.8% in 2015.

#### ***Other current expenses***

Other current expenses increased by 8.8% from €286.4 million in 2015 to €311.7 million in 2016. On a like-for-like basis, other current expenses increased by 3.8%. This increase was primarily driven by costs associated with haulage and subleasing of equipment, which are directly related to our revenue growth. Other sources of current expenses remained steady.

### ***Depreciation and amortization***

Depreciation and amortization decreased significantly to €143.7 million in 2016 compared to €187.3 million in 2015, the direct consequence of the change to our policy for the measurement of depreciation whereby we increased the duration over

which we depreciate certain of our fleet equipment from five to seven years and began to retain a 10% residual of the original book value of an asset on our books. This change resulted in a €67.7 million positive impact on operating profit.

### ***Operating profit***

Operating profit increased by 56.9% in 2016, from €90.0 million in 2015 to €141.2 million in 2016, reflecting the factors detailed with respect to the line items above, in particular the positive impact of €67.7 million resulting from the change in our policy for the measurement of depreciation described above under “– Depreciation and amortization,” as well as the effect of €19.9 million of other operating expenses incurred in 2016, including €5.0 million of non-recurring costs relating to the Lavendon Acquisition, and a €15.0 million impairment charge on the remaining goodwill of our Danish subsidiary.

### ***Financial income and expense***

Our net financial expense increased from €66.6 million in 2015 to €88.1 million in 2016. This increase is due to a €24.0 million non-recurring expense relating to the refinancing of the 2013 Senior Subordinated Notes with the issuance of the 2016 Senior Secured Notes, including €16.6 million in payments of early redemption premiums and €7.4 million in relation to the full amortization of remaining issuance costs.

We also changed our policy with respect to the amortization of bond issuance costs whereby we now amortize such costs over the lifetime of the bonds less two years to account for the probability of refinancing such bonds prior to their maturity date.

We purchased a pound sterling/euro currency call option with a nominal value of £490.0 million on December 14, 2016 in relation to our Offer to purchase the share capital of Lavendon, which generated the payment of a €7.5 million premium. We recorded a €6.7 million financial cost charge representing the change in the market-to-market value of the instrument between December 14, 2016 and December 31, 2016. Also, in December 2016, to optimize our capital structure, we launched an offer to buy back 2,840,448 of our shares. Consequently, as of December 31, 2016, we had bought back and cancelled 2,582,226 of our shares as funds managed by 3i plc and other private minority shareholders sold their shares in the buy-back. We also recorded a profit of €2.7 million as Loxam shareholders waived their rights to warrants awarded in 2011 thereby unlocking a profit equivalent to the liabilities recorded in Loxam accounts.

As a result of approximately €1.0 million of monthly savings following the refinancing of our 2013 Senior Subordinated Notes, our interest and financing-related expenses decreased from €69.4 million in 2015 to €63.1 million in 2016, partially offsetting our overall increase in financial expenses during the same period.

As at December 31, 2016, 82% of Loxam's gross financial debt had a fixed interest rate.

### ***Income tax expense***

Profit before tax more than doubled, rising to €53.0 million in 2016. Income tax increased by 15.0% from €15.3 million in 2015 to €17.6 million in 2016, although its increase was partially offset by a reduced tax rate on deferred tax and additional tax benefits arising from our fleet investments over the past two years in France.

### ***Net profit, Group share***

As a result of the various factors described above, and in particular the change in our depreciation policy in 2016, net profit, Group share increased significantly from €8.0 million in 2015 to €34.3 million in 2016.

### ***Year ended December 31, 2015 compared to year ended December 31, 2014***

#### ***Construction Market in France and Europe in 2015***

The French construction market remained slow in 2015 despite an upturn in the general economy. The state of the market is primarily due to a decrease in public sector demand following local elections in March 2014, and the absence of any offsetting increases in other sources of demand. While Euroconstruct estimated that the situation for building activity stabilized as a result of activity in the repair and maintenance segment and the stabilization of new housing starts at 345,000 (a decrease of 1.9% compared with the previous year), the French construction market still experienced an estimated 1.3% decline in 2015. The decline in 2015 resulted mainly from decreases in the civil engineering and non-residential building segments, which Euroconstruct estimates decreased 2.8% and 2.7%, respectively, in 2015.

According to Euroconstruct, in 2015 the construction market in most European countries in which we are present experienced encouraging growth and trends, in particular in the British, Irish, Dutch and Spanish markets. Certain other markets experienced somewhat weaker results, including weak growth in Switzerland and stagnation in Belgium's construction market.

## ***Revenue and Other Operating Income***

### ***Revenue***

Our revenue increased by 3.2% from €812.3 million in 2014 to €838.3 million in 2015. The increase was primarily driven by revenue growth resulting from the full year contribution of the integration of Workx as of July 2014 and the Hertz Equipment Acquisition from November 1, 2015. Apart from the impact of acquisitions, revenue growth was strong in our international division during the period while we recorded relatively stable revenue in the specialist France division and a decline in the generalist France division.

Revenue from our generalist France division remained relatively stable, increasing by 0.2% from €511.2 million in 2014 to €512.1 million in 2015. The increase was primarily due to the integration of the Hertz Equipment Acquisition from November 1, 2015, which was offset by the continuing decline in the French construction market, particularly in the civil engineering segment, as low demand in the public sector from local authorities was not offset by growth in other sources of demand. However, the decrease in revenue was concentrated in the first and second quarters of 2015. Revenue from the third quarter of 2015 remained stable compared to revenue from the third quarter of 2014 and revenue increased in the fourth quarter of 2015 compared to revenue in the fourth quarter of 2014, reflecting the stabilization of French rental activity in the fourth quarter of 2015 after six consecutive quarters of decline. On a like-for-like basis, revenue generated by our generalist France division decreased by 1.8%, due to the weak construction market in France. Our generalist France division generated 61.1% of our total revenue in 2015, compared to 62.9% in 2014, in connection with growth in our international division.

Revenue from our specialist France division remained relatively stable, increasing by 0.9% from €142.8 million in 2014 to €144.1 million in 2015. The specialist France division experienced stronger growth in the first quarter of 2015 as a result of an improved market environment for building finishing works, a revival of industrial maintenance activity in the quarter, as well as our expansion of our specialist France network in 2014. However, we generated slower revenue growth in the second quarter of 2015 and revenue declined in the third and fourth quarters of 2015 as compared to the comparable periods in 2014. This slow-down was primarily the result of weak market conditions in the second half of the year, particularly the decrease of non-residential building construction and unfavorable price levels, as well as the end of certain public works and large private construction projects. The portion of our total revenue generated by the specialist France division remained relatively stable, decreasing from 17.6% in 2014 to 17.2% in 2015.

Revenue from our international division increased by 15.0% from €158.3 million in 2014 to €182.1 million in 2015. This growth was particularly strong in the first and second quarters of 2015, primarily driven by the integration of our acquisition of Workx after July 1, 2014. We also generated organic growth in international revenue in 2015 compared to 2014. On a like-for-like basis, revenue increased by 2.6% in 2015 compared to 2014, primarily driven by favorable revenue growth in Spain, the United Kingdom and Ireland, and partially offset by declines in revenue generated in our Nordic markets, Germany and Switzerland. Overall, our international division represented 21.7% of total revenue in 2015, compared to 19.5% in 2014.

### ***Other income***

Other income, which includes mainly capital gains on disposed fleet assets, increased by 13.5% from €50.6 million in 2014 to €57.4 million in 2015. This increase is mainly due to higher capital gains on disposed fleet assets.

### ***EBITDA***

EBITDA increased by 8.1% from €256.5 million in 2014 to €277.3 million in 2015, and EBITDA margin increased from 31.6% to 33.1% over the same period.

The increase in margins was primarily driven by improved margins in the generalist France division, where our EBITDA margin increased from 32.8% in 2014 to 35.2% in 2015, as well as a slight improvement in margins in the international division from 24.6% to 25.2% over the same period.

EBITDA of our generalist France division increased by 7.8% from €167.9 million in 2014 to €181.0 million in 2015. This growth was primarily driven by cost reductions achieved through our efforts to streamline our network initiated in 2014 and completed in 2015 and higher gains on fleet disposals, as well as the integration of the Hertz Equipment Rental Company's French business from November 1, 2015. On a like-for-like basis, EBITDA increased by 5.6% during the period.

EBITDA of our specialist France division increased by 1.1% from €47.4 million in 2014 to €46.7 million in 2015. The EBITDA margin in our specialist France division remained stable at 33.2% in 2015 and 2014. The combined EBITDA from our generalist France and specialist France divisions increased by 4.6% on a like-for-like basis.

EBITDA of our international division increased by 18.2% from €38.9 million in 2014 to €46.0 million in 2015, primarily driven by our newly-acquired businesses, including the full year results of the Workx integration and our acquisitions in Morocco and Spain. See "—Acquisitions." On a like-for-like basis, EBITDA of our international division increased by 8.5%. The improvement in the international division's EBITDA was primarily the result of improved revenue and better cost management, which contributed to an improved EBITDA margin in 2015.

## ***Operating Expenses***

### ***Purchases consumed***

Purchases consumed remained relatively stable, decreasing by 0.1% from €92.1 million in 2014 to €92.0 million in 2015. These expenses decreased in 2015 despite our increase in revenue as a result of a decrease in fuel costs as well as a slight decline in the cost of products purchased for resale due to a decline in retail sales in our generalist France division, which more than offset an increase in expenses for purchases of spare parts.

### ***Personnel expenses***

Personnel expenses increased by 4.2% from €215.5 million in 2014 to €224.6 million in 2015. Headcount increased at our international division and our generalist France division in connection with our 2015 acquisitions in 2015, as well as increased profit-sharing in France. These increased expenses more than offset the reductions in personnel expenses generated through reductions in our workforce (particularly in the generalist France division), and reduced social charges in France from the workforce reduction and the increase in the “*Crédit d’Impôt Compétitivité Emploi*” (CICE), a credit for certain social charges in France. On a like-for-like basis, personnel expenses were relatively stable, decreasing by 0.1% for the year. Expressed as a percentage of revenue, our personnel expenses remained relatively stable at 26.8% in 2015 compared with 26.5% in 2014.

### ***Other current expenses***

Other current expenses increased by 0.8% from €284.2 million in 2014 to €286.4 million in 2015. On a like-for-like basis, other current expenses decreased by €8.0 million, or 2.8%. This decrease was primarily driven by cost savings in our generalist France division, where cost-cutting measures implemented in 2014 had significant effects, particularly with respect to real estate, IT and administration costs. In addition, our external expenses related to temporary personnel declined. This was partially offset by increases in external expenses relating to the subleasing of materials, which reflected our reduced capital expenditures, as well as setup costs primarily relating to our modular shelters, which are in turn invoiced to the relevant clients. The decrease from 2014 to 2015 was enhanced by the recognition of non-recurring costs in 2014, primarily costs relating to acquisitions.

### ***Depreciation and amortization***

Depreciation and amortization increased by 14.0% from €164.3 million in 2014 to €187.3 million in 2015. On a like-for-like basis, the increase amounted to 10.0%. This increase was driven by the effects of our increased capital expenditures in 2014. See “—Capital expenditures.”

### ***Operating profit***

Operating profit increased by 0.5% from €89.5 million in 2014 to €90.0 million in 2015, reflecting the factors detailed with respect to the line items above, as well as the effect of €2.6 million of other operating expenses that were incurred in 2014, primarily relating to our efforts to streamline our branch network and the Workx acquisition.

### ***Financial income and expense***

Our net financial expense was relatively stable, decreasing by 0.5% from €66.9 million in 2014 to €66.6 million in 2015. The net interest and financing-related costs grew by €12.0 million to €68.2 million in 2015 as a consequence of the refinancing of our financial debt through the issuance of the 2016 Senior Secured Notes. However, other financial costs decreased by €12.4 million, primarily as a result of provisions made in 2014 to cover for the cost of derivative instruments, in particular the €8.9 million non-cash charge incurred in connection with the cost of interest rate swaps which no longer served a hedging purpose following the refinancing of our indebtedness in connection with the issuance of the 2014 Notes.

As at December 31, 2015, 90% of Loxam’s gross financial debt had a fixed interest rate.

### ***Income tax expense***

Income tax increased by 40.3% to €15.3 million in 2015 from €10.9 million in 2014. This increase primarily resulted from higher profit before tax in France, where the income tax rate was 38% in 2015. Moreover, 25% of our net financial interest costs are not tax deductible in France.

### ***Net profit, Group share***

As a result of the various factors described above, and in particular the higher income tax expenses in 2015, net profit, Group share decreased by 32.4% from €11.8 million in 2014 to €8.0 million in 2015.

## ***Liquidity and Capital Resources***

We use cash to pay for working capital requirements, taxes, interest payments, capital expenditures and acquisitions and to service our indebtedness in accordance with repayment schedules.

Our sources of liquidity consist mainly of the following:

- cash generated from our operating activities;
- borrowings under our syndicated credit facilities (including the Revolving Credit Facility), and bilateral credit facilities and finance leases; and
- net proceeds from our outstanding debt securities and any other debt securities that we may issue in the future.

As of December 31, 2016, our gross debt (excluding derivative instruments) amounted to €1,296.6 million, compared to €1,182.7 million as of December 31, 2015 and €1,096.4 million as of December 31, 2014. Our net debt (as defined below) (excluding derivative instruments) as of December 31, 2016 amounted to €1,140.8 million, an increase from €1,024.5 million as of December 31, 2015, which in turn represented an increase from €952.0 million as of December 31, 2014.

As of December 31, 2016, we had €902.0 million principal amount of outstanding bond debt, after deducting of €8.0 million of issuance costs to be amortized over the duration of the bonds using the effective interest rate method. Our outstanding bond debt was composed of €410.0 million principal amount of the 2014 Senior Secured Notes, €250.0 million principal amount of the 2014 Senior Subordinated Notes and €250.0 million principal amount of 2016 Senior Secured Notes. The 2014 Notes were issued in July 2014 and the 2016 Senior Secured Notes were issued in May 2016. We also had €244.7 million outstanding debt under bilateral credit facilities and finance leases in a total amount of €143.7 million. Cash and cash equivalents, net of bank overdrafts and including cash management assets, amounted to €155.7 million as of December 31, 2016 as compared to €158.0 million as of December 31, 2015.

We also have a 5-year €50 million revolving credit facility, which was entered into in connection with the issuance of the 2014 Notes and which we may use for general corporate purposes. As of December 31, 2016, this revolving credit facility was not drawn.

We expect to finance future capital expenditures through cash flows from operations and asset disposals, as well as finance leases or bilateral credit facilities, both at the level Loxam SAS and/or our operating subsidiaries to finance the development of our operations. During 2016, we entered into an aggregate of €147.2 million of new bilateral credit facilities and €91.3 million in finance leases in connection with the financing of our capital expenditures for the year and certain refinancings in relation to the fleet of Hertz Equipment in France.

### *Capital expenditures*

Our capital expenditures consist principally of investments in fixed assets (i.e., our equipment fleet). We determine and allocate our budget for capital expenditures on an annual basis. Decisions about investment in new equipment are based in significant part on our views of future demand. During growth cycles we may decide to invest in our business by replacing aging or end-of-life equipment and by expanding the total size of the fleet, while in downturns we tend to restrict capital expenditures to the replacement of end-of-life equipment and conserve cash.

The table below shows our investments for the last three years.

	Year ended December 31,		
	2014	2015	2016
	(in millions of euros)		
Purchases of rental equipment .	233.8	123.6	197.6
Purchases of non-rental equipment <sup>(1)</sup> .....	18.9	27.1	33.2
<b>Gross capital expenditures....</b>	<b>252.8</b>	<b>150.8</b>	<b>230.9</b>
Proceeds from disposals of rental equipment .....	49.5	54.3	50.0
Proceeds from disposals of non-rental equipment .....	1.5	4.2	4.6
<b>Proceeds from disposals of fixed assets .....</b>	<b>51.0</b>	<b>58.6</b>	<b>54.6</b>
<b>Net fleet capital expenditures<sup>(2)</sup></b>	<b>184.3</b>	<b>69.3</b>	<b>147.6</b>
<b>Net capital expenditures<sup>(3)</sup> .....</b>	<b>201.8</b>	<b>92.2</b>	<b>176.3</b>

#### Notes:

(1) Non-rental equipment principally includes equipment used in our workshops, equipment used to outfit or maintain our branches, and information technology. It excludes acquisition costs of investments.

(2) Net fleet capital expenditures is the net amount of purchases of rental equipment less proceeds from disposals of rental equipment.

(3) Net capital expenditures is gross capital expenditures less proceeds from disposals of fixed assets.

For the year ended December 31, 2016, gross capital expenditures totaled €230.9 million, compared to €150.8 million for the year ended December 31, 2015 and €252.8 million in 2014. Gross fleet capital expenditure amounted to €197.6 million in 2016, compared to €123.6 million in 2015 and €233.8 million in 2014. The gross book value of disposed rental equipment decreased to €171.4 million in 2016 (after deducting equipment write-offs for an original gross book value of €8.2 million following the Hertz Equipment Acquisition), compared to €173.4 million in 2015 and €184.4 million in 2014.

In 2016, capital expenditures related to our fleet increased from €123.6 million in 2015 to €197.6 million in 2016 in order to take advantage of increased demand for our rental fleet. In 2015, we had spent €123.6 million on capital expenditures, a decrease from €233.8 million in 2014 as a result of continued weak demand in the French market as well as the adjustment of our capital expenditures in connection with the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet.

French tax law offered an additional depreciation allowance equal to 40% of the acquisition cost of certain qualifying equipment acquired or manufactured between April 15, 2015 and April 14, 2017 (including, under certain conditions, those ordered before April 15, 2017). Such additional deduction is spread over the normal useful life of the assets. During the fiscal years 2015 and 2016, we benefited from a tax deduction in an amount of €2.2 million and €8.8 million, respectively.

### ***Cash Flow***

The following is a discussion of our cash flow from operations, cash flow from investing activities and cash flow from financing activities for the years ended December 31, 2014, 2015 and 2016.

Cash flow from operations includes fluctuations in our working capital requirements. In addition to typical variations in our accounts receivables and payables, working capital is also affected by the level of income tax debt or credit at the end of the year and by payables to fleet suppliers.

Cash flow from investing activities consists of our net capital expenditures, i.e., capital expenditures less the proceeds from the sale of the equipment retired from operations, as well as the cash impact of external acquisitions.

Cash flow from financing activities reflects the net issuance of new debt or equity, less debt repayments and dividend payments.

### ***Year ended December 31, 2016 compared to the year ended December 31, 2015***

The following table presents a summary of our cash flow for the year December 31, 2016, as compared to the year ended December 31, 2015:

	<b>Year ended December 31,</b>	
	<b>2015</b>	<b>2016</b>
	<b>(in millions of euros)</b>	
Cash flow from operations.....	153.3	165.6
Cash flow from investing activities .....	(217.3)	(178.3)
Cash flow from financing activities .....	77.7	7.0
Change in cash and cash equivalents .....	13.7	(5.7)

### ***Cash flow from operations***

Net cash provided by operations increased by 8.0% from €153.3 million in 2015 to €165.6 million in 2016. Before changes in working capital requirements, net cash provided by operations was €158.8 million in 2016 and €147.4 million in 2015, due to higher EBITDA in 2016, which was partially offset by higher cash financial expenses related to the refinancing the 2013 Senior Subordinated Notes. Changes in working capital had an impact of €6.8 million in 2016, compared to an impact of €5.9 million in 2015. In 2016, the change in the working capital requirements was primarily driven by an increase in indebtedness relating to investment activities, which was partially offset by an increase in working capital requirements relating to operating activities and income tax receivables.

### ***Cash flow from investing activities***

Net cash used in investing activities decreased by 17.9% from €217.3 million in 2015 to €178.3 million in 2016, due to the decrease in cash used for acquisitions, which was partially offset by higher fleet capital expenditures. Purchases of fixed assets in 2016 amounted to €230.9 million, of which our rental fleet accounted for €197.6 million, compared to purchases of fixed assets amounting to €150.8 million in 2015, of which our rental fleet accounted for €123.6 million. Cash from fixed asset disposals amounted to €54.6 million in 2016 compared to €58.6 million in 2015, most of which related to our rental fleet. Cash used for acquisitions amounted to €2.0 million in 2016, mainly due to the acquisition of Salmat Nord and additional shares in the Brazilian company Degraus. Cash used for acquisitions amounted to €125.1 million in 2015, primarily due to the Hertz Equipment Acquisition and related refinancing, as well as our acquisition of a 25% stake in Degraus.



### ***Cash flow from financing activities***

Net cash provided by financing activities decreased significantly from €77.7 million in 2015 to €7.0 million in 2016.

In 2016, we issued €485.5 million of new financial debt, including the €250.0 million issuance of the 2016 Senior Secured Notes net of €3.0 million in issuance costs, €147.2 million new bilateral facilities and €91.3 million of new finance leases. In 2015, we issued €125.9 million of new financial debt, including €105.2 million new bilateral facilities and €20.7 million of new finance leases.

In 2016, we repaid €378.0 million of debt, including €300 million of 2013 Senior Subordinated Notes, €28.1 million under our bilateral facilities and €49.9 million under our finance leases at maturity in 2016. In 2015, we repaid €43.2 million of debt, including €8.3 million under our bilateral facilities and €34.9 million under our finance leases at maturity in 2015.

Also, in December 2016, we initiated an offer to buy back 2,840,448 of our shares. Consequently, as of December 31, 2016, we had bought back and cancelled 2,582,226 for €95.5 million as funds managed by 3i plc and other private minority shareholders sold their shares in the buy-back.

### ***Year ended December 31, 2015 compared to the year ended December 31, 2014***

The following table presents a summary of our cash flow for the year December 31, 2015, as compared to the year ended December 31, 2014:

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2015</b>
	<b>(in millions of euros)</b>	
Cash flow from operations.....	155.4	153.3
Cash flow from investing activities .....	(255.0)	(217.3)
Cash flow from financing activities .....	104.3	77.7
Change in cash and cash equivalents.....	4.8	13.7

### ***Cash flow from operations***

Net cash provided by operations decreased by 1.4% from €155.4 million in 2014 to €153.3 million in 2015. Before changes in working capital requirements, net cash provided by operations was €147.4 million in 2015 and €156.4 million in 2014, due to higher financial expenses and income tax expenditures. Changes in working capital had a positive impact of €5.9 million in 2015, compared with a negative impact of €1.0 million in 2014. In 2015, the change in the working capital requirement was primarily driven by the decrease of income tax receivables, which was higher in 2014 as well as the positive impact of trade working capital, which was partially offset by higher working capital requirements related to purchase of fixed assets. In 2014, the change in the working capital requirement was primarily driven by a negative impact of higher income tax receivables in 2014 than in 2013, offset by the positive impact of trade working capital requirements and of debt related to the purchase of fixed assets.

### ***Cash flow from investing activities***

Net cash used in investing activities decreased by 14.8% from €255.0 million in 2014 to €217.3 million in 2015, due to the elevated levels of capital expenditures in 2014 and the sharp reduction in such capital expenditures in 2015. Purchases of fixed assets in 2015 amounted to €150.8 million, of which our rental fleet accounted for €123.6 million, compared to purchases of fixed assets amounting to €252.8 million in 2014, of which our rental fleet accounted for €233.8 million. Cash from fixed asset disposals amounted to €58.6 million in 2015 compared to €51.0 million in 2014, most of which related to our rental fleet. Cash used for acquisitions amounted to €125.1 million in 2015, primarily due to the Hertz Equipment Acquisition and related refinancing, as well as our acquisition of a 25% stake of the Brazilian company Degraus. In 2014, cash used for acquisitions amounted to €53.1 million and primarily related to the refinancing of Workx. See “—Acquisitions.”

### ***Cash flow from financing activities***

Net cash provided by financing activities decreased by 25.5% from €104.3 million in 2014 to €77.7 million in 2015.

In 2015, we issued €125.9 million of new financial debt, including €105.2 million new bilateral facilities and €20.7 million of new finance leases. In 2014, we issued €829.4 million of debt, including the issuance of €410.0 million principal amount of 2014 Senior Secured Notes and €250.0 million principal amount of 2014 Senior Subordinated Notes, net of issuance costs which amounted to €8.5 million. We also entered into €124.2 million of new bilateral facilities and €53.8 million of new finance leases during the year.

In 2015 we repaid €43.2 million of debt, including €8.3 million under our bilateral facilities and €34.9 million under our finance leases at maturity in 2015. In 2014, we repaid €720.5 million of debt. We used the net proceeds of the issuance of the 2014 Notes to repay €211.0 million under our syndicated credit facilities and €449.0 million of our bilateral credit facilities. In

addition, we repaid €27.6 million under our bilateral credit facilities and €32.9 million under our finance leases at maturity in 2014.

## EBITDA

We define EBITDA as profit from ordinary operations plus depreciation and amortization of fixed assets. However, other companies may present EBITDA differently than we do. We present EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to profit from ordinary operations as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of EBITDA to profit from ordinary operations and net profit for the periods indicated.

	Year ended December 31,		
	2014	2015	2016
	(in millions of euros)		
<b>EBITDA</b> .....	<b>256.5</b>	<b>277.3</b>	<b>304.8</b>
Depreciation and amortization .....	(164.3)	(187.3)	(143.7)
<b>Profit from ordinary operations</b> .....	<b>92.1</b>	<b>90.0</b>	<b>161.1</b>
Other operating income and expense <sup>(1)</sup> .....	(2.6)	0.1	(19.9)
Financial income and expense .....	(66.9)	(66.6)	(88.1)
Share of profit of associates .....	-	(0.4)	(1.0)
Income tax expense .....	(10.9)	(15.3)	(17.6)
<b>Net profit</b> .....	<b>11.7</b>	<b>7.7</b>	<b>34.4</b>

(1) In 2014, this corresponds primarily to costs relating to the reorganization of our branch network and the Workx acquisition.

## Free cash flow

We define free cash flow as EBITDA less net capital expenditures, other operating income and expense (excluding non-cash operating income and expense), financial income and expense (excluding non-cash financial income and expense), taxes (expenses payable), capital gains on fleet disposals and certain other income and expenses and changes in working capital requirement. Free cash flow is presented before the payment of dividends to shareholders, capital increases and acquisitions. We present free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow differently than we do. Free cash flow is not a measure of financial performance under IFRS and should not be considered as an alternative to profit from ordinary operations as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

For the years ended December 31, 2014, 2015 and 2016, free cash flow was €(47.0) million, €60.0 million and €(5.4) million, respectively. The increase in free cash flow in 2015 compared to 2014 primarily reflected the substantially lower net capital expenditures in 2015, partially offset by an increase in income tax expenditures and financial expenses. Excluding the costs incurred in connection with the refinancing of the 2013 Senior Subordinated Notes, we would have recorded positive free cash flow in 2016.

The following table presents a reconciliation of free cash flow to EBITDA for the periods indicated.

	Year ended December 31,		
	2014	2015	2016
	(in millions of euros)		
<b>EBITDA</b> .....	<b>256.5</b>	<b>277.3</b>	<b>304.8</b>
Capital gains on fleet disposals .....	(41.5)	(46.1)	(43.3)
<b>EBITDA before capital gains on fleet disposals</b> .....	<b>215.0</b>	<b>231.2</b>	<b>261.5</b>
Proceeds from disposal of fixed assets .....	51.0	58.6	54.6
Acquisition of fixed assets .....	(252.8)	(150.8)	(230.9)
Operating income and expense <sup>(1)</sup> .....	-	-	(4.9)
Financial income and expense <sup>(2)</sup> .....	(51.0)	(65.1)	(76.5)
Income taxes <sup>(3)</sup> .....	(6.4)	(17.9)	(12.7)
Change in working capital requirements .....	(1.0)	5.9	6.8
Miscellaneous <sup>(4)</sup> .....	(1.7)	(1.9)	(3.3)
<b>Free cash flow</b> <sup>(5)</sup> .....	<b>(47.0)</b>	<b>60.0</b>	<b>(5.4)</b>

## Notes:

(1) Corresponds to non-recurring costs related mainly to acquisitions.

- (2) Corresponds to financial income and expense immediately payable (i.e., excluding non-cash items).
- (3) Corresponds to taxes immediately payable (i.e., expenses payable).
- (4) Primarily composed of deduction of capital gains of non-fleet disposals for an amount of €(0.4) million in 2014, €(1.6) million in 2015 and €(2.8) million in 2016, other cash operating expenses relating to Workx acquisition for an amount of €(1.0) million in 2014 and other non-cash items excluded from EBITDA, mainly related to change in provisions, for an amount of €(0.3) million in 2014, €(0.3) million in 2015 and €(0.6) million in 2016.
- (5) Before payment of dividends, capital increases and acquisitions.

### **Net debt**

We define net debt as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of net debt to amounts included in the consolidated balance sheet as of the dates indicated.

	As of December 31,		
	2014	2015	2016
	(in millions of euros)		
2013 Senior Subordinated Notes.....	300.0	300.0	—
2014 Senior Secured Notes.....	410.0	410.0	410.0
2014 Senior Subordinated Notes.....	250.0	250.0	250.0
2016 Senior Secured Notes.....	—	—	250.0
Issuance costs related to notes .....	(17.7)	(15.2)	(8.0)
Bank loans .....	28.7	125.5	244.7
<i>of which syndicated credit facilities .....</i>	—	—	—
<i>of which bilateral credit facilities.....</i>	28.7	125.5	244.7
Accrued interest on debt securities and loans ..	9.5	9.6	5.0
Lease debt.....	115.0	100.8	143.7
Other financial debt .....	0.7	1.8	1.1
Bank overdrafts.....	0.2	0.2	0.2
<b>Loans and financial debt (gross debt) .....</b>	<b>1,096.4</b>	<b>1,182.7</b>	<b>1,296.6</b>
Cash .....	(30.2)	(71.8)	(90.6)
Marketable investment securities.....	(114.3)	(86.4)	(65.3)
<b>Cash and cash equivalents.....</b>	<b>(144.4)</b>	<b>(158.2)</b>	<b>(155.9)</b>
Adjustments to cash and cash equivalents .....	—	—	—
<b>Net debt.....</b>	<b>952.0</b>	<b>1,024.5</b>	<b>1,140.8</b>

From December 31, 2015 to December 31, 2016, net debt increased from €1,024.5 million to €1,140.8 million, primarily as a result of negative free cash flow of €5.4 million, as well as the impact of our share buy-back of €(95.5) million worth of shares. Additionally, a dividend of €(4.9) million was paid to Loxam shareholders during 2016.

From December 31, 2014 to December 31, 2015, net debt increased from €952.0 million to €1,024.5 million, primarily as a result of a €(125.1) million effect of change in the scope of consolidation (in particular related to our acquisition of interests in Degraus and the Hertz Equipment Acquisition), as well as a dividend of €(4.9) million paid to Loxam shareholders and the €(2.6) million of change in capitalized issuance costs. The Hertz Equipment Acquisition increased our consolidated net debt by approximately €113 million. This was offset somewhat by the positive free cash flow of €60.0 million during the year.

## Debt maturity profile

The table below provides the maturity profile of our outstanding indebtedness, as of December 31, 2016.

<i>(in millions of euros)</i>	<b>Total</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025 and later</b>
Bilateral loans .....	244.7	53.0	54.0	53.4	49.7	28.9	3.6	1.7	0.1	0.3
Lease debt .....	143.7	48.1	41.4	27.7	18.4	7.1	1.0	-	-	-
<b>Loans and financial debt owed to credit institutions.....</b>	<b>388.4</b>	<b>101.2</b>	<b>95.4</b>	<b>81.1</b>	<b>68.1</b>	<b>36.0</b>	<b>4.6</b>	<b>1.7</b>	<b>0.1</b>	<b>0.3</b>
Other financial debt .....	1.1	1.1	-	-	-	-	-	-	-	-
2014 Senior Secured Notes.	406.8					406.8				
2014 Senior Subordinated notes	247.8						247.8			
2016 Senior secured notes .	247.4							247.4		
<b>Total debt <sup>(1)</sup> .....</b>	<b>1,291.5</b>	<b>102.3</b>	<b>95.4</b>	<b>81.1</b>	<b>68.1</b>	<b>442.8</b>	<b>252.4</b>	<b>249.1</b>	<b>0.1</b>	<b>0.3</b>

### Note :

(1) Total debt figures exclude accrued interest and bank overdrafts and are presented net of issuance costs.

## Off-balance sheet commitments

We are a party to various customary off-balance sheet arrangements, including guarantees given to financial institutions for payment of real estate rentals, guarantees on our subsidiaries' borrowings and security granted in connection with the 2014 Senior Secured Notes. See note 24 to our IFRS consolidated financial statements for the years ended December 31, 2014, 2015 and 2016, an English translation of which is included elsewhere in this offering memorandum.

## Currency and interest rate derivatives

Prior to the refinancing of our financial debt in connection with the issuance of the 2014 Notes, we were exposed to market risks arising from fluctuations in interest rates and exchange rates in the ordinary course of our business. To manage these risks effectively, we entered into hedging transactions and used derivative financial instruments to mitigate the adverse effects of these risks. We did not enter into financial instruments for trading or speculative purposes.

The derivative financial instruments that we entered into in connection with our loans and other financial debt (especially interest rate swaps) were maintained after the issuance of the 2014 Notes and covered a notional amount of €82.3 million at December 31, 2016 with a maximum term expiring in July 2022. As of December 31, 2016, these derivative instruments were recognized as financial liabilities at their fair value for an amount of €4.9 million, compared with €6.6 million as of December 31, 2015 and €9.2 million as of December 31, 2014. Fair value adjustments relating to these derivative instruments in the amount of €1.8 million were recorded in financial expenses in 2016, compared to €2.5 million in 2015 and €1.9 million in 2014.

As of December 31, 2016, 82% of our loans and other financial debt were at fixed interest rates.

The table below sets out our hedging levels for the periods indicated.

	<b>Year ended December 31,</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(in millions of euros, except percentages)</b>		
Bank loans .....	28.7	125.5	244.7
Nominal amount .....	188.1	167.7	82.3
% hedged .....	n.a.	n.a.	n.a.
Average derivatives interest rate.....	1.77%	1.97%	2.31%

The large majority of our revenue, expenses and obligations are denominated in euros. However, we are exposed to limited foreign exchange rate risk, primarily in respect of Danish krone, pounds sterling, Swiss francs, Moroccan dirham and the Norwegian krone. As of December 31, 2016, our foreign exchange rate derivative financial instruments covered current liabilities

denominated in British Pounds for £14.8 million and in Danish krone for DKK 20.0 million. We purchased a pound sterling/euro currency call option with a nominal value of £490.0 million and consideration of €7.5 million on December 14, 2016 in relation to our Offer to purchase the share capital of Lavendon. The fair value of the option premium at December 31, 2016 amounted to €0.7 million. The change in fair value was recognized as a financial expense of €6.7 million in our accounts for 2016.

## **Accounting Principles**

Loxam has adopted International Financial Reporting Standards “IFRS” as the accounting standard for its financial statements for the year ended December 31, 2016. Loxam also prepared restated financial statements for the years ended December 31, 2015 and 2014 to provide historical comparable data. Loxam’s statutory auditors have audited the financial accounts for the years ended December 31, 2014, 2015 and 2016 under IFRS.

## **Critical Accounting Policies and Estimates**

IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on the information available at the time of preparation of the financial statements and affect the published amounts. Actual results may differ from these estimates.

We consider the following policies and estimates to be the most critical in understanding the assumptions and judgments that are involved in preparing our financial statements and the uncertainties that could affect our financial results, financial condition and cash flows. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions. A more detailed description of the accounting rules and methods that we apply is provided in the note “Accounting Principles” to our consolidated financial statements.

### ***Goodwill***

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognized for any non-controlling interest in the company acquired, less the net amount recognized (generally at fair value) for the identifiable assets and liabilities assumed. When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognized immediately in profit or loss. Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be corrected. Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is tested once a year and whenever indications of impairments arise. When the recoverable value is lower than the net book value of the asset or the cash generating unit, an impairment is recognized in profit or loss. Impairments recorded for goodwill are irreversible.

### ***Property, plant and equipment***

Property, plant and equipment are recognized at their acquisition cost, after deducting accumulated depreciation and impairment charges. They are not premeasured. The cost includes the expenditure directly attributable to the asset’s acquisition. Depreciation charges for property, plant and equipment are calculated on a straight-line basis and with the following useful lives: buildings (10 to 20 years), building fixtures and fittings (5 to 20 years), plant and equipment (3 to 10 years), other property (2 to 5 years). A residual value of 10% was introduced starting in 2016 on certain types of fleet equipment. Land is not depreciated. Property, plant and equipment are depreciated from the moment when they are brought into service.

### ***Other intangible assets***

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated depreciation and impairment charges. The depreciation of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment when assets are brought into service. These other intangible assets are primarily software products, depreciated over one to three years.

### ***Fair value of assets and liabilities***

Financial assets and liabilities - including derivatives - measured at fair value are broken down into three levels (1 to 3), each corresponding to a level of fair value observability based on data used in the fair value measurement technique:

- Level 1: fair value determined based on listed prices on active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

## ***Leases***

Finance-leased fixed assets, transferring virtually all the risks and benefits inherent in ownership of the leased asset to Loxam, are recorded as assets on the balance sheet at the fair value of the equipment leased or the present value of minimum future lease payments if this is lower. The corresponding liability is recorded under financial liabilities. Lease payments are broken down between the financial expense and the depreciation of the liability in order to obtain a constant periodical rate for the balance of the debt recorded as a liability. Finance-leased assets are depreciated over their useful life based on the same rules as other property, plant and equipment. Leases under which the lessor retains virtually all the risks and benefits inherent in ownership of the asset are operating leases. Payments for these leases are recorded as expenses on a straight-line basis over the term of the lease.

## ***Provision for contingencies and charges***

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, Loxam has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably. These provisions are estimated taking into account the most probable assumptions on the reporting date.

## ***Employee benefits***

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognized as an expense over the period when rights are vested. In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

### **a) Defined contribution plans**

For defined contribution plans, we have no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

### **b) Defined benefits plans**

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).

To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by us when they reach retirement age (staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.

An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.

The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.

Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

### **c) Other long-term benefits**

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.

These benefits primarily concern long-service awards (*médailles du travail*). Remeasurements of the obligation are recognised in profit or loss.

## ***Borrowings and financial debt***

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortised cost using with the effective interest rate method.

### ***Derivative financial instruments – relating to the interest rate risk***

We hold interest rate swaps to reduce its net interest rate risk exposure.

These derivative financial instruments are initially recognised at their fair value. Since the hedging relationship is not documented, changes in fair value are recognised in profit or loss.

The swaps that were eligible for hedge accounting on the transition date have been recognised in other comprehensive income on the opening balance sheet. This reserve is amortized over the term of the swap agreements. With the refinancing in July 2014, virtually all the variable-rate loans held by Loxam SAS were repaid and fixed-rate bonds were subscribed to. Since July 2014, the swaps retained are no longer effective. As a result, the remaining reserve was fully recycled to profit or loss.

### ***Derivative financial instruments – relating to the foreign exchange risk***

On an ad hoc basis, and consistent with our market forecasts, we use financial instruments to reduce our net foreign exchange risk exposure. We primarily use forward currency sales options.

As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, we have not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

### ***Financial instruments - Equity warrants***

#### **a) Equity warrant features**

Under the terms of a delegation of authority granted by Loxam's General Meeting on July 29, 2011, the Chairman, as decided on February 28, 2012, issued 3,165,713 BSA 1 equity warrants and 22,391,550 BSA 2 equity warrants to shareholders.

The BSA 1 and BSA 2 equity warrants were subscribed for in full by beneficiaries and both subscription agreements acknowledging the operation's completion were closed on April 2, 2012.

The BSA 1 and BSA 2 equity warrants were issued freely and concomitantly. The BSA 1 and 2 equity warrants may be exercised until December 31, 2022.

As a result of the conditions for exercising the BSA1 and BSA2 equity warrants, and variable future target yields, they were assimilated with derivative instruments to be measured at fair value in profit or loss under IAS 39.

Under the terms of a delegation of authority granted by Loxam's General Meeting on December 1, 2016, the Chairman, as decided on December 27, 2016 and December 28, 2016, noted that all owners of BSA1 and BSA2 equity warrants agreed to waive any and all of their rights to the BSA1 and BSA2 equity warrant. As a result, such BSA1 and BSA2 equity warrants have been cancelled.

#### **b) Accounting treatment**

In accordance with IAS 32, these equity warrants were classified as derivatives and recorded as liabilities. They were measured at fair value through profit or loss, in accordance with IAS 39. The fair value of the BSA 1 and 2 warrants was determined by applying a model incorporating, on the one hand, transaction and market data to determine the value of Loxam's share (underlying for BSA 1 and 2 warrants), and on the other hand, market data for equity warrants with comparable maturities to estimate the discount reflecting the lock-up period to be taken into consideration.

### **Events after December 31, 2016**

We further decreased our share capital by 258,222 shares in January 2017, by repurchasing shares from our shareholders. We have retained 100,000 of these shares in treasury and cancelled the remainder.

## INDUSTRY

### Industry Overview

Equipment rental companies provide customers with lines of equipment, including larger equipment such as aerial work platforms, backhoes, excavators, earthmoving equipment and forklift trucks, as well as smaller equipment such as power saws, power generators, scaffolding, ladders, and small pumps. Rental companies can also provide a large range of services associated with the equipment for rent such as maintenance, in-service inspection, repair, transportation, storage, compliance with health and safety regulations, insurance and training. The primary customers for equipment rental companies include construction contractors, industrial companies, government entities, utilities and homeowners. In addition, new entrants increasingly seeking to rent equipment on a less recurring basis include artisans, as well as events and media companies.

The equipment rental industry is dependent on the construction industry and on general economic conditions. The construction industry consists of different subsectors: new residential and non-residential, renovation and maintenance, as well as civil engineering, which includes transportation infrastructure, telecommunications and energy and water works. While the construction sector as a whole is cyclical, individual subsectors have different growth patterns and do not follow similar trends simultaneously. Renovation has partially counter-cyclical dynamics as customers tend to reduce new projects in favor of renovation and maintenance work during an economic downturn. In addition, the intensity of construction activity can vary significantly between different regional and local markets providing further balance to demand for rental equipment.

As Loxam also serves customers active outside of the construction industry, it has diversified exposure to cycles with operations also influenced by general industrial production. Other industrial and customer sectors relevant to Loxam include, depending on the country, manufacturing, events and media, as well as the public sector and households. The different industries and customer sectors are exposed to cyclical fluctuations to a certain extent, but also have different growth patterns.

We believe that the long-term growth prospects for the equipment rental industry continue to be favorable, driven by the structural shift towards equipment rental instead of each customer owning its own fleet. The rental concept has gained attractiveness in a macro-economic context in which even financially healthy companies find equipment rental to be a prudent investment policy. Other companies simply lack the credit for large fleet investments and have to rely on the rental channel. Construction and industrial companies increasingly recognize the advantages of equipment rental over ownership, which include but are not limited to:

- Rental of equipment reduces the amount of capital required relative to purchasing equipment and allows companies to preserve capital to invest in their core operations;
- Rental of equipment allows customers to exchange fixed costs for variable costs on an as-needed basis so that rental costs are only incurred when there is a predictable source of revenue; in contrast, ownership costs are fixed and include a number of ongoing costs in addition to the cost of initial purchase, such as insurance, maintenance, in-service inspection, repair, transportation and storage; these costs tend to increase over the life of the machine, and are only marginally related to its actual use;
- Rental of equipment minimizes costs related to idle equipment during project downtimes and provides flexibility required for unexpected events such as equipment failure or changes in planning;
- Rental of equipment can be used to supplement owned equipment, thereby increasing the range and number of tasks that can be performed and allows customers to take advantage of opportunities without undermining the financial strength of their business; and
- Rental of equipment transfers the residual value risk of the equipment at the end of its useful life to the rental equipment provider.

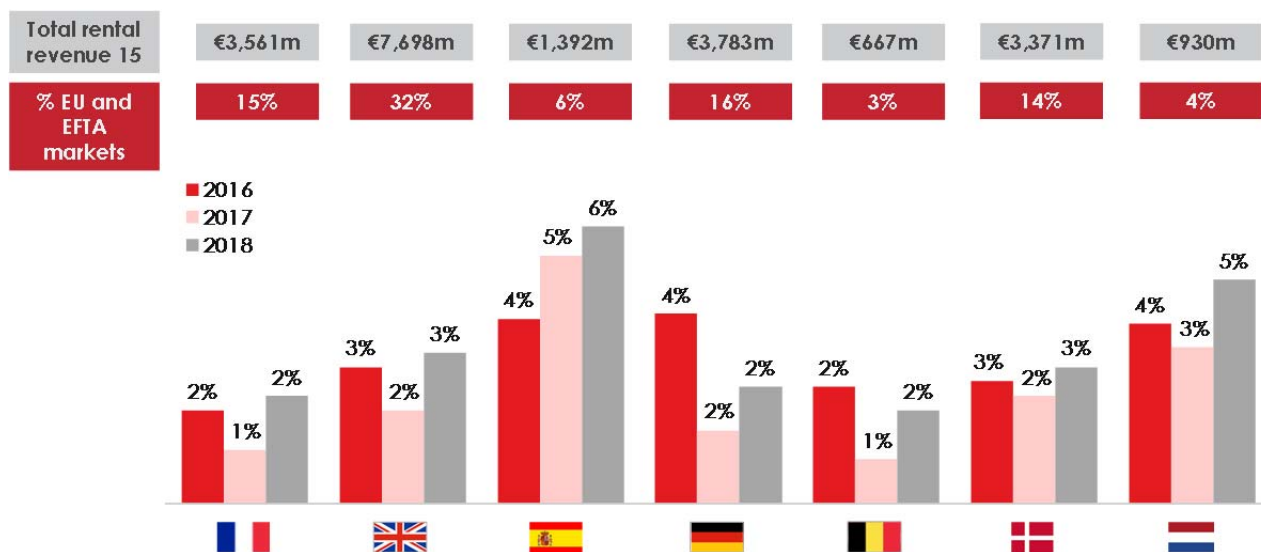
According to a 2012 survey conducted by the International Rental News magazine among equipment rental customers across the globe, the most important considerations in assessing services rendered by a rental company are availability and reliability of equipment. Rental price was only the fifth most important consideration out of eight.

### European Equipment Rental Market

Based on data provided by the European Rental Association (“ERA”), the total size of the European equipment rental market in 2015 (defined as total rental turnover, including rental-related revenue, merchandise and sale of used equipment) was estimated at €24.3 billion. The largest equipment rental markets in Europe in 2015 were the United Kingdom (€7.7 billion), Germany (€3.8 billion) and France (€3.6 billion), together accounting for approximately 62% of the total European equipment rental market. In terms of rental penetration, Norway had the highest per capita rental spending at €160 while the United Kingdom, Germany and France had per capital rental spending of €119, €47 and €55 respectively.



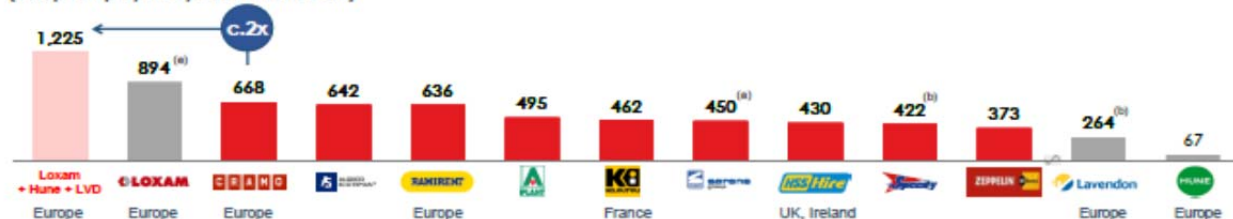
## European rental market growth forecast



The European equipment rental industry is very fragmented and consists of a large number of small companies serving discrete local or regional markets and a small number of much larger companies serving a national or international customer base. The three largest equipment rental companies in Europe are Loxam (5.0% market share in 2015 on a pro forma basis, taking into account the acquisitions of Hertz Equipment, Hune Group and Lavendon, present in 12 countries at the time), Cramo (2.7% market share in 2015, present in 15 countries) and Algeco Scotsman (2.6% market share in 2015). Together, these three rental players had a 9% combined market share in Europe in 2015, and the top 10 players had a combined market share of less than 24% (source: Equipment Rental Association 2016 report; Loxam, Cramo and Algeco Scotsman filings; International Rental News, June 2016). While the rental industry is fragmented on a European level with Loxam being one of only a few companies with a strong pan-European platform, the industry is characterized by sizeable market shares for incumbent national operators, as evidenced by Loxam's estimated 21% market share in the French equipment rental market in 2015 (after taking into account the acquisition of Hertz Equipment, Lavendon and Hune Group) and assuming a total market size of €3.6 billion as calculated by the ERA). In contrast, United Rentals is the largest operator in the North American equipment rental market and holds a 10% market share (source: United Rentals, October 2015).

### Clear #1 in Europe for equipment rental

(European players by 2015 revenue €m)



(a) Estimate - IRN June 2016 report

(b) Excluding Middle East

Specialty equipment rental companies against which Loxam also competes can experience large regional, national or international market shares in their respective specialty ranges of equipment, such as Aggreko in the rental of power and temperature control equipment and Algeco in the rental of modular construction equipment.

The industry has continued to consolidate since the 2009 downturn and notable acquisitions include: Loxam's acquisition of Locarest, Phocomex and OBM Location in France, Dansk Lift in Denmark, Workx in the Netherlands, Maroc Elévation in Morocco, Hertz Equipment Rental Company's French and Spanish businesses and most recently Hune in Spain and Lavendon in the United Kingdom, Kiloutou's acquisition of Rentecnika Iberica in Spain, Aquiloc, AKMO, Nacelle 42, Alain Location and BM Location in France, and Tytanium Rental and EWPA Majster in Poland, Cramo's acquisition of C/S RaumCenter and Theisen Baumaschinen in Germany, Visby Hyresmaskiner in Sweden and Vuokra-Pekat and OptiRent in

Finland, and Ramirent's acquisition of Savonlinnan Rakennuskonevuokraamo, Safety Solutions Jonsereds, Tannefors Lift and Rogaland Planbygg. Large, well-financed companies such as Loxam are in a position to invest as needed to take advantage of the potential return to growth in the rental market and of opportunities for market consolidation.

The ERA estimates that the European rental market grew by 2.0% from 2014 to 2015 and estimates further growth of 2.8% in 2016. The strongest growth markets in 2015 were the Czech Republic (9.9%), Spain (4.2%) and the Netherlands (3.5%), which are further estimated to grow at 0.6%, 3.8% and 3.7%, respectively, in 2016. Although the ERA estimates that the market in France experienced a modest decline of 0.1% in 2015, the French market is expected to start a recovery in 2016 with estimated growth at 1.9% for the year according to the ERA. In the United Kingdom, the market grew by 2.8% in 2015 and is estimated to sustain the same growth rate in 2016.

Rental penetration is expected to increase throughout Europe as users recognize the advantages of equipment rental. The penetration rate of rental, defined by the ERA as the total turnover of rental companies in a specific country divided by the total output of the construction sector, differs widely from country to country, and is influenced by, among other factors, the existence and quality of equipment rental companies in the local market, national economic conditions, attractiveness of financing and tax environments, weather patterns and cultural behavior towards equipment rental. In 2015, according to the ERA, the average penetration rate in the construction industry in Europe was 1.5%. France's penetration rate was 1.6% in 2015, slightly higher than the European average. Sweden and the United Kingdom topped the list in terms of rental penetration with penetration rates of 3.6% and 2.5% respectively.

In an economic downturn, equipment rental companies typically take significant measures to reduce costs to mitigate the impact of adverse market conditions. Such measures include optimizing fleet utilization rates and reducing capacity to match demand, reducing capital expenditures and using free cash flow to pay down debt, thus implicitly increasing fleet age but reducing leverage.

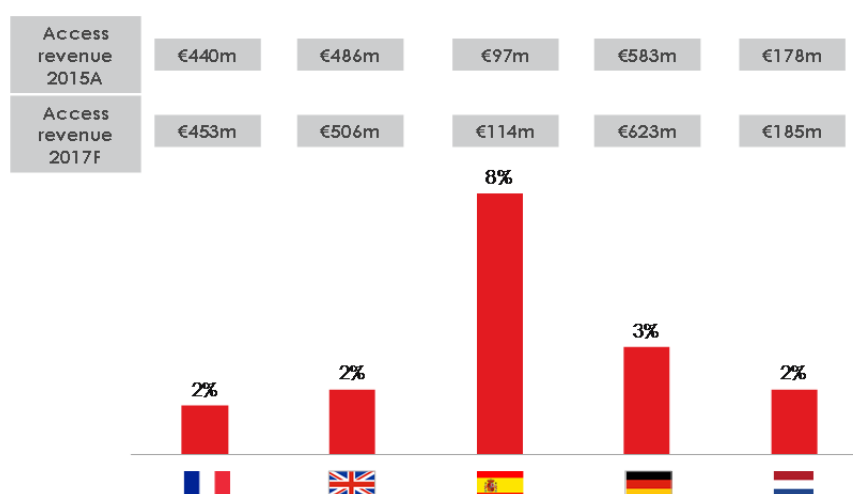
### European Powered Access Equipment Rental Market

The powered access equipment or mobile elevating work platforms ("MEWPs") market consists of booms, scissor lifts and vertical masts, including both articulated and straight telescopic booms. Powered access equipment can be self-propelled, pushed-around, towed or vehicle mounted.

The MEWP European rental market is less dependent on the construction sector than the overall equipment rental market, as 44% of the MEWP European rental market consisted of non-construction end users in 2015, compared to 35% for the overall European equipment rental market. In addition to construction, the market for MEWPs is also driven by development in the property care, maintenance, cleaning, utilities, storage and events planning sectors.

According to The International Powered Access Federation ("IPAF"), the biggest MEWP rental market in Europe is Germany with rental revenue of €583 million in 2015, followed by the United Kingdom and France, with rental revenue of €486 million and €440 million in 2015 respectively. These three countries made up more than 50% of the European market in 2015, while the top 10 countries represented 85% of the European market by value over the same year.

#### Access market rental market size and growth forecasts (2015-2017, in millions of euros)



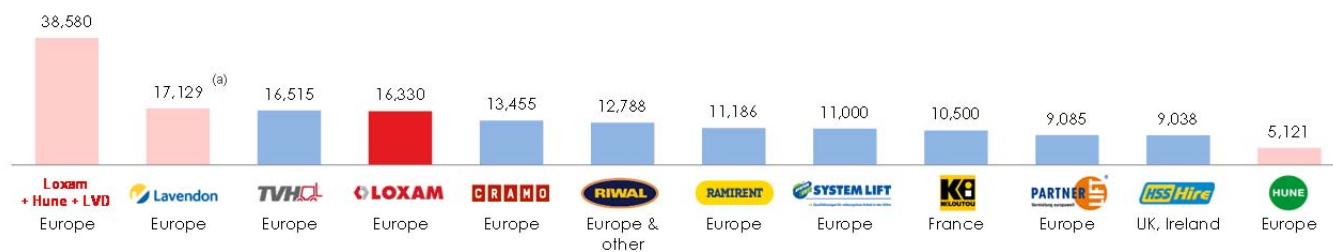
Source: IPAF Powered Access Rental Market Report 2016  
2015A refers to actual 2015 data; 2017F refers to forecasts for 2017

The European MEWP rental market of the top 10 countries is valued at €2,364 million in 2015 and grew at a moderate rate of 3% for the year on the back of a strong construction market and overall economy leading to fleet expansion and higher utilization, despite intense competition pressure on rates. Sweden and Germany were the highest growing countries in the region, with both markets growing at above 5%, driven by fleet expansion in Germany and utilization improvement in Sweden. The United Kingdom and Norway, which were historically higher growth countries showed signs of growth slow down, with both experiencing downward pressure on rental rate in 2015, which is expected to persist in 2016. Based on IPAF figures, Finland, France, the Netherlands and Denmark are showing signs of stabilization, while confirming their exit from recession, based on IPAF.

The market size of the top 10 countries is expected to grow to \$2,497 million in 2017 at a stable rate of 3% both in 2016 and 2017. In 2015, MEWP rental revenue accounted for 10.92% of total rental revenue in the top 10 countries in Europe. MEWP is expected to slowly gain further market share, increasing its penetration rate to 11.06% in 2017, as forecast by IPAF. The positive trend in the MEWP market is driven by increasing safety concerns by operators and increased enforcement of safety regulations by authorities.

The 3 largest MEWP rental operators in Europe are Lavendon, TVH and Loxam, with fleet size of 17,129 (excluding Middle-East), 16,515 and 16,330 (pre-acquisition of Lavendon and Hune), respectively. Pro-forma for acquisition of Lavendon and Hune, Loxam becomes the largest player in Europe with a fleet size of 38,580, more than twice the size of the nearest competitor.

### Top European MEWP Players by FleetSize (2016)

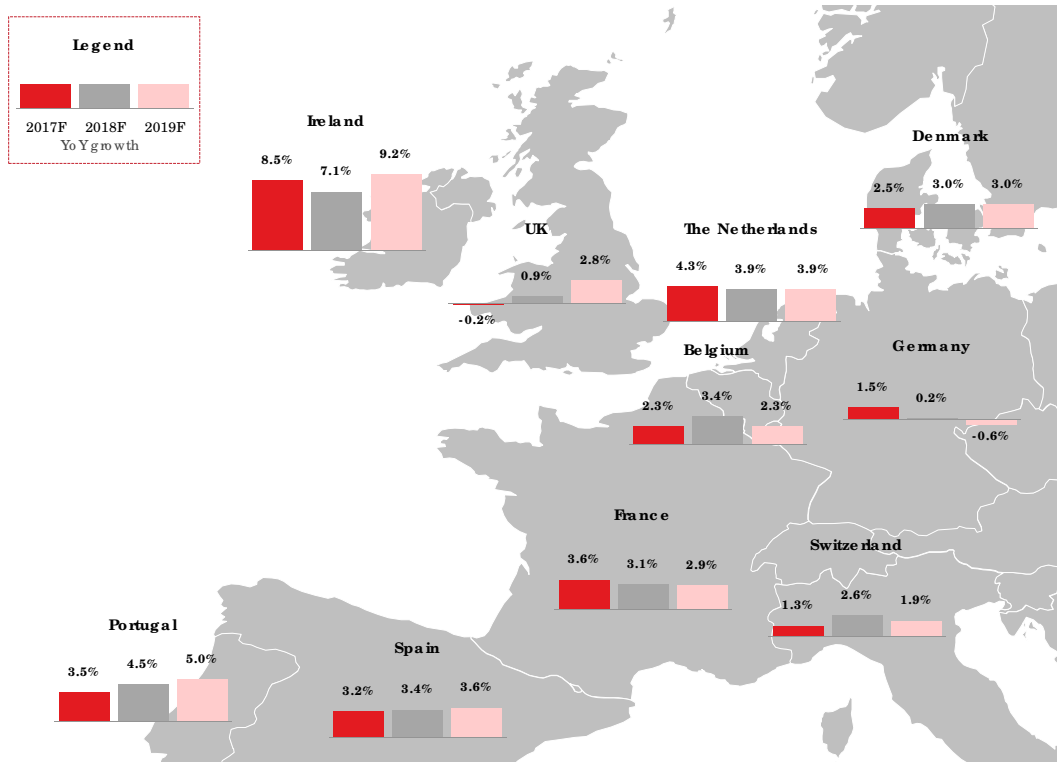


(a) Excluding Middle East

Source: Company reports, Access International July-August 2016

### European construction market

Overall, the European construction market is expected to recover, with almost all countries exhibiting positive growth in the short term including the French market that is expected to recover fully, driven by an improved macroeconomic outlook and increases in infrastructure spending and non-residential demand.



Source: Euroconstruct December 2016

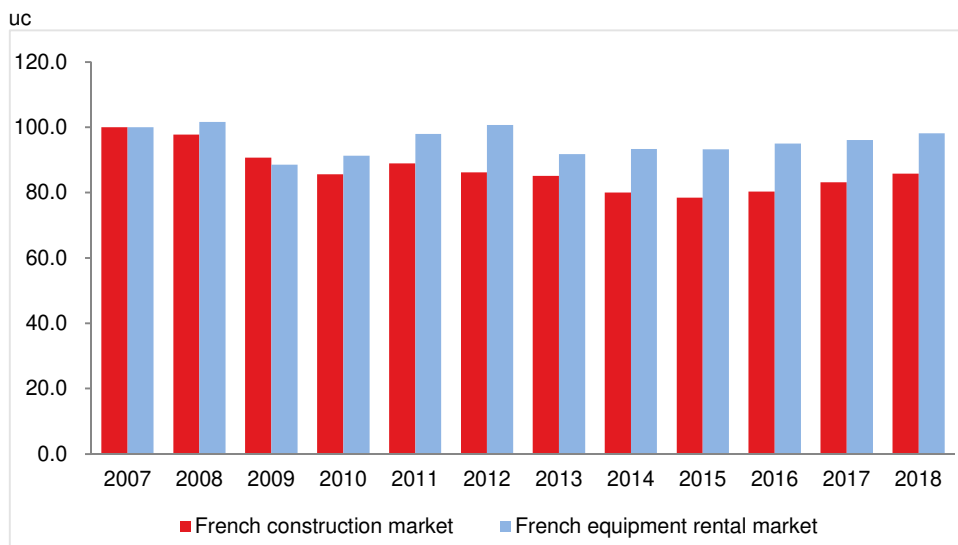
### French Equipment Rental Market

The French equipment rental market is the third largest market in Europe, behind the United Kingdom and Germany, with an estimated size of €3.6 billion in 2015 according to the ERA.

The French equipment rental market is also fragmented, though to a lesser degree than the European market. According to the ERA, there are more than 1,000 companies operating in the French equipment rental market. The largest two market players account for approximately 4% market share. Loxam is the market leader with a 21% market share in 2015 (taking into account the 3% additional market share from the acquisition of Hertz Equipment and Lavendon), followed by Kiloutou with a 13% market share. Specialty equipment companies compete with Loxam in the provision of a narrow range of equipment, such as Aggreko in rental of power and temperature control equipment and Algeco in modular construction equipment.

Market consolidation has been ongoing in recent years, led in particular by Loxam and its main competitor Kiloutou, leading to an increase in concentration of the market. However, with more than 1,000 companies operating today in the French equipment rental market, there is still room for significant further consolidation.

## Comparison between the evolution of the French equipment market and the construction market since 2007



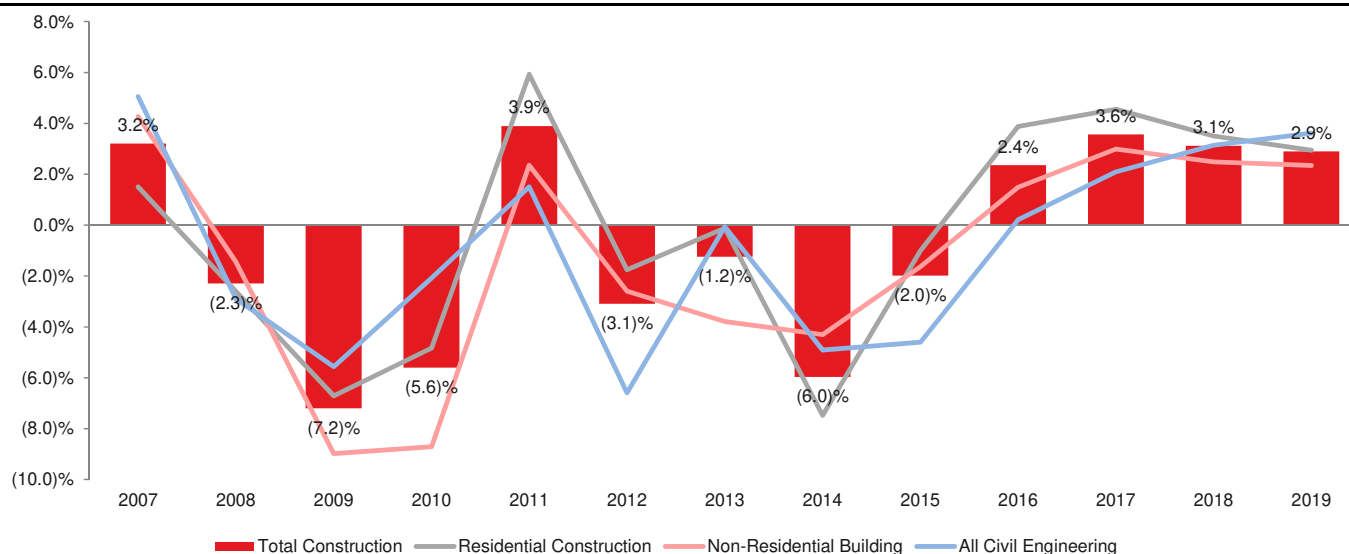
Source: Euroconstruct, Dec-16, ERA Market report 2016

The challenging economic climate in France affected the equipment rental industry in 2013, causing a decline of 8.8%. The industry stabilized and showed resilience in 2014, and has continued to display stronger performance than the French construction market. Despite a slight dip of (0.1%) in 2015, the French rental market is expected to recover at a compound annual growth rate (“CAGR”) of 1.6% from 2016 to 2018.

The French MEWP rental industry stabilized in 2015 due to fleet expansion after two years of decline in 2013 and 2014. The beginning of 2016 also showed signs of relative positive market trends, however the market remains highly uncertain and is expected to grow slowly at a CAGR of 1.5% to reach a market size of €453 million in 2017, based on IPAF’s forecast. MEWP rental penetration is evolving similarly to the overall equipment rental market and is expected to remain stable at 12.1% between 2015 and 2017.

According to Euroconstruct, the overall French construction market is expected to return to positive growth after four years of contraction. This recovery is driven by a strong recovery in the residential market related to an increase in household incomes, supportive political measures and the availability of attractive housing loans. Both the non-residential and civil engineering sectors are also expected to return to positive growth on the back of an overall economic improvement underway in France and higher levels of private investment.

## French construction market



Source: Euroconstruct – December 2016

The construction market in France, which is the third largest in Europe following Germany and the United Kingdom with a total construction output of €200 billion in 2015, is also estimated by Euroconstruct to recover and increase by 2.4% in 2016 and 3.6% in 2017.

**Residential construction:** Residential construction is the largest component of total construction output in France. A report published by Euroconstruct indicates that in 2015 residential spending accounted for 48% of total construction spending. The residential segment decreased by 1.0% in 2015 compared to the prior year. The renovation and maintenance segment (“R&M”) accounted for more than half of the total residential spending in 2015 and is expected by Euroconstruct to remain at around 60% of the total in the near future. Residential R&M showed resilience in 2015 remaining stable in comparison to new residential construction which faced a decline. The outlook for residential construction for 2016 is positive, and figures from the first-half of the year confirmed this outlook as Euroconstruct reports an estimated total growth of 3.9% for the year. Euroconstruct expects strong positive momentum moving forward with growth rates of 4.6% in 2017 and 3.5% in 2018.

**Civil engineering:** In 2015, civil engineering represented 21% of France’s total construction spending. France has the second largest civil engineering construction segment in Western Europe, just behind Germany. During the recession, stimulus funds were able to prevent this type of construction from declining. In 2015, civil engineering spending decreased 4.6%, but Euroconstruct estimates that spending in the sector will begin to recover in 2016 at a growth rate of 0.2%, to be followed by 2.1% for 2017 and 3.1% for 2018.

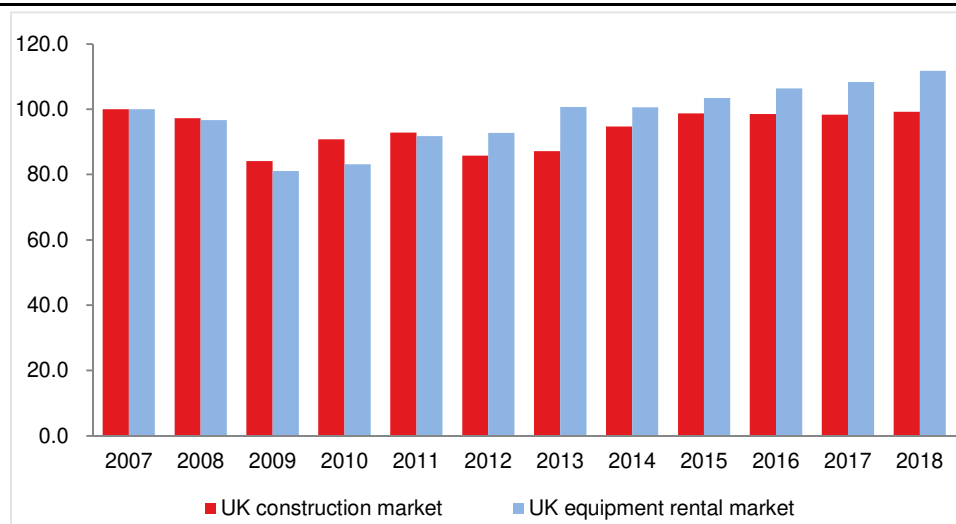
**Non-residential structures:** Non-residential construction output in France, including R&M, experienced a negative growth of (1.6%) in 2015 compared to the prior year. However, Euroconstruct reported that this outlook is expected to improve with 1.5% growth in 2016, 3.0% in 2017, and 2.5% in 2018.

### United Kingdom Equipment Rental Market

The United Kingdom equipment rental market is the largest market in Europe with an estimated size of €7.7 billion in 2015 according to the ERA.

Despite having 3,900 rental companies, the United Kingdom market is relatively concentrated according to the ERA. Large rental companies (each with more than 250 employees) and rental companies with between 50 and 250 employees together account for more than 50% of total industry revenue. The share of non-construction related rental revenue in the United Kingdom is at 40%, one of the highest in Europe.

### Comparison between the evolution of the United Kingdom equipment market and the construction market since 2007

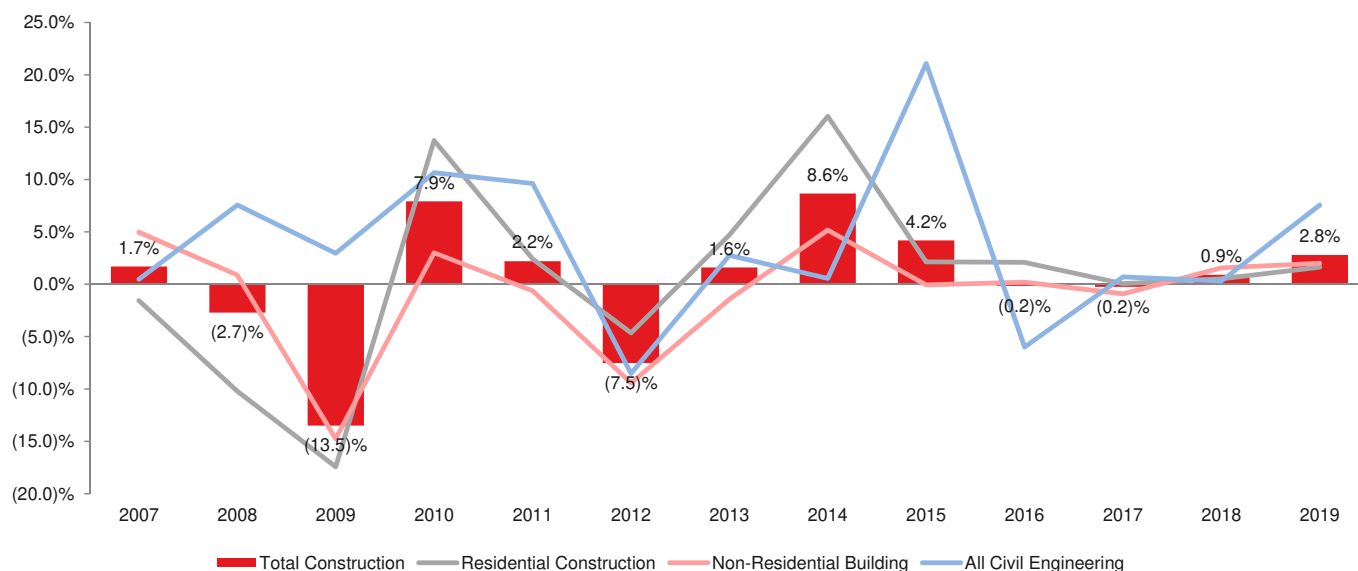


Source: Euroconstruct, Dec-16, ERA Market report 2016

The United Kingdom equipment rental market was amongst the first to recover from the crisis. With the exception of a minor contraction of (0.1%) in 2014, United Kingdom rental markets have shown consistent growth since 2010, with a CAGR of 4.1% from 2009 to 2015. A key driver during that period was the preparation for the 2012 Olympics, resulting in 10.3% growth in rental revenue in 2011. Government initiatives, such as the “Help to Buy” scheme for new housing was one of the drivers for the 8.6% growth in 2013.

The ERA has estimated that the United Kingdom rental market grew by 2.8% in 2016, however political uncertainty has put industry growth on hold; the effects of the Brexit vote remain unclear and have led to a downwards revision compared with the 2015 forecast. In the short term, the market is expected to grow at a moderate rate of 1.9% and 3.1% in 2017 and 2018 respectively.

## United Kingdom Construction Market



Source: Euroconstruct – December 2016

The MEWP rental market in the United Kingdom has experienced positive growth every year since the recession in 2010, however growth slowed down in 2015 to 1%, after the industry had experienced CAGR of approximately 4% from 2009 to 2014. According to IPAF, this market will grow at 2% per annum to reach €506 million in 2017; however, it is expected to underperform relative to the overall equipment rental market and remain fairly stable between 2015 and 2017.

According to the ERA, as a result of economic uncertainties in the United Kingdom and worldwide, growth in all segments in construction was revised downwards following the United Kingdom's vote to leave the European Union. In particular, a likely marked downturn in housing market activity and prices could well increase pressure on consumers and lead to a significant slowdown in residential construction. The nonresidential construction sector is also undermined by increased caution among business investors.

The construction market in the United Kingdom is the second largest in Europe following Germany with a total construction output of €223 billion in 2015. Euroconstruct expects the market to slow down in 2016 and 2017, by declining at a rate of 0.2% per annum due to economic uncertainties.

**Residential construction:** Residential construction accounted for 41% of total construction spending in 2015 and increased by 2.1% compared to the prior year. The outlook for residential construction for 2016 is expected to remain at 2.1%, however, short- to medium-term growth were revised down following the United Kingdom's vote to leave the European Union. Growths in 2017 and 2018 are expected to slow down to 0.1% and 0.5% respectively.

**Civil engineering:** Due to a hiatus in road building and energy works for the first time in many years, the civil engineering market is expected to decline by 6.0% in 2016, followed by low growth of 0.7% and 0.3% in 2017 and 2018. Euroconstruct cautions that 2015 growth data have been overstated due to statistical discontinuity, meaning that 2014 and 2015 data are not compared like-for-like.

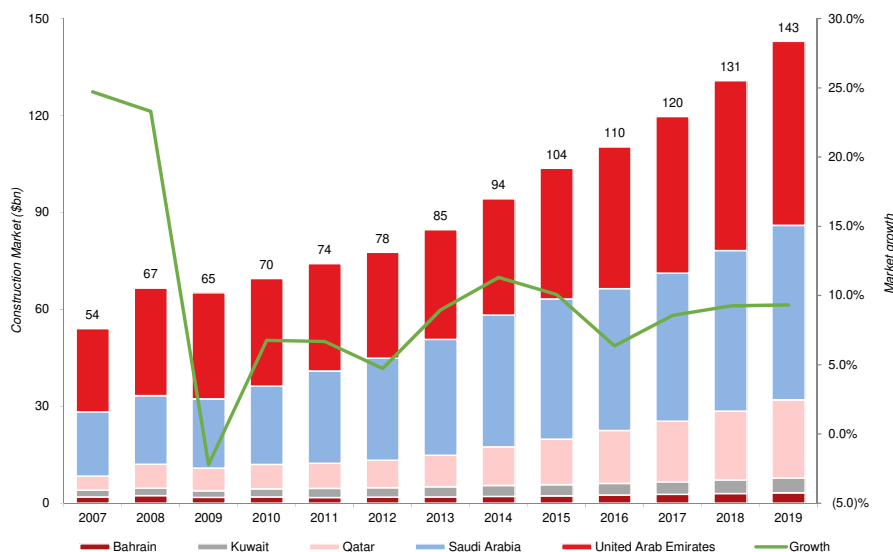
**Non-residential structures:** Non-residential construction output in the United Kingdom experienced a slight decline of 0.1% in 2015. Euroconstruct expect this market to remain stagnant in the coming years with growth hovering between 1.0% to 2.0% from 2016 to 2018.

## Middle East Construction

The Middle Eastern construction market, taking into account Bahrain, Kuwait, Qatar, Saudi Arabia and United Arab Emirates only, was estimated at \$104 billion in 2015 according to Business Monitor International ("BMI"). This market has doubled in size since 2007, when it stood at \$54 billion.



## Middle East construction market (in billions of U.S. dollars)



Source: BMI

Coming out of the financial crisis, the Middle East construction market grew at a CAGR of 8.1% from 2009 to 2015, however growth was forecasted to slow down to 6.4% in 2016 in the wake of the fall in oil prices and the associated impact on both private sector investment and government expenditure. Saudi Arabia was the hardest hit by the drop in oil prices, with nominal growth forecasted at 1.0% in 2016, as the government withheld payments to contractors while making budgetary adjustments in light of decreasing revenue from oil.

Offsetting the slower growth of Saudi Arabia in the near term, Qatar and the United Arab Emirates will contribute to the majority of the growth in the region in 2016 with growth at 16.6% and 8.5% respectively. Key drivers include major event preparation such as for the 2022 FIFA World Cup in Qatar and the World Expo in Dubai in 2020.

Furthermore, BMI expects a positive long-term outlook of the Middle East market as the tightening financing environment in many markets begins to impact how projects are financed. Public-private partnerships (“PPPs”) are expected to become more popular in a significant shift from the manner in which the majority of projects have been developed to date. Moving forward, large markets with a history of direct government financing such as the United Arab Emirates and Saudi Arabia are looking to develop their PPP industries, allowing their governments to ease their financial burdens and offering support to the realization of projects which may have otherwise been cancelled.

Despite the minor slowdown in 2016, the region is expected to rebound with construction market expansion of 8.6% and 9.3% in 2017 and 2018 respectively, as forecast by BMI.

The United Arab Emirates remains a key driver for the region, with expected growth at 10.5% for 2017 and 8.5% for 2018. It is expected to overtake Saudi Arabia by year-end 2016 as the largest construction market in the Middle East with an estimated value of \$44 billion. The country will use World Expo 2020 as a catalyst for further growth with major projects in the transport and real estate sectors. Additionally, BMI expects an growth in construction activity in the United Arab Emirates over the coming years as it prioritizes non-oil sectors, including infrastructure, in an effort to move away from its reliance on hydrocarbons.

Qatar, the other main driver for the region, is expected to experience double-digit growth rates throughout the lead-up to the 2022 FIFA World Cup. According to BMI, large oil revenues have allowed the Qatari government to develop one of the most ambitious and well-funded infrastructure development plans in the region with \$26 billion of the 2015-2016 budget allocated for the infrastructure sector and approximately 47% of the country’s 2017 budget allocated to World Cup related projects.

As of 2015, Saudi Arabia still had the largest construction sector in the Middle East. BMI estimates that 2017 will be a transition year towards recovery with 4.6% growth, and 2018 will witness the sector’s return to a stronger growth trajectory at 8.4% growth as contract awards gather pace over the latter stages of 2017. The Mecca Metro is the most widely anticipated project in the country. Economic diversification also remains a key driver for the Saudi Arabia government. Furthermore, a rise in oil prices, a recent issuance of sovereign debt and a desire to develop its PPP industries are all key factors driving growth in Saudi Arabia in the medium term.



## BUSINESS

*The following discussion presents our business, competitive strengths and strategy on a historical basis, prior to taking into account the Lavendon Acquisition and the Hune Group Acquisition.*

### Our Company

We are a leading European equipment rental group for the construction, industry, public works and events sectors. Prior to the acquisitions of Lavendon and Hune Group, we were the leading equipment rental company in Europe, based on revenues in 2016. Our historical activity was split in three divisions, which constitute our reporting segments:

- Generalist France division, which includes equipment for earth moving (backhoes and loaders), aerial work (booms and scissors), handling (forklifts and tele-handlers), compaction (compactors and rollers), and building (concrete mixers and saws), as well as hand tools such as power drills, chainsaws and jackhammers. As of December 31, 2016, our generalist network included 426 branches. Our generalist network trades under the LOXAM Rental brand.
- Specialist France division, which includes high-access equipment, modular shelters, large compressors and generators, heavy compaction equipment, suspended platforms and scaffolding. As of December 31, 2016, our specialist network in France included 73 branches. We rent specialist equipment in France under several specific brands, such as LOXAM Access, LOXAM Lev, LOXAM Module, LOXAM Power, LOXAM Laho TEC, LOXAM TP and LOXAM Event.
- International division, which comprises our specialist and generalist equipment offerings in 11 countries outside of France (Denmark, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg, Morocco and Norway). As of December 31, 2016, our international division had a network of 144 branches. We have been present in Brazil since April 2015 through our 25% stake in Degraus (which we increased to 25.71% in April 2016), a Brazilian equipment rental company that operates a network of 23 branches.

Without taking into account the acquisitions, we rent over 1,500 different types of equipment and tools. We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. As of December 31, 2016 (before the acquisitions), our rental fleet exceeded 220,000 pieces of equipment (excluding accessories) with a gross book value of €1.8 billion. We have the largest rental network in Europe. As of December 31, 2016 (without taking into account the acquisitions), we had 643 branches across 11 countries, of which 499 were located in France.

We generated revenue of €926.8 million and EBITDA of €304.8 million for the year ended December 31, 2016, representing an EBITDA margin of 32.9%. In 2016, 61.9% of our revenue was generated by our generalist France division, 17.6% by our specialist France division and 20.5% by our international division. As of December 31, 2016, our net debt (as defined below) (excluding derivative instruments) was €1,140.8 million and our shareholder's equity, group share was €479.9 million.

### Competitive Strengths

We believe that the acquisitions of Lavendon and Hune Group will enhance the following historical competitive strengths that have been instrumental in our success and will provide a solid foundation for future growth:

#### ***European market leader with dense local network and strong brand recognition.***

We believe we are the largest equipment rental service provider in Europe based on 2016 revenue, with operations across 11 European countries prior to the acquisitions of Lavendon and Hune Group as of December 31, 2016. We also have operations in Morocco, as well as a presence in Brazil through our minority stake in Degraus, a Brazilian rental company. In France, our largest market, we are the leading industry participant, with a national market share of approximately 20% in 2016 (assuming a total market size of €3.6 billion as calculated by the European Rental Association), and we believe that we are consistently one of the two largest players in most of the regions and metropolitan areas where we are active. As of December 31, 2016, our network included 426 generalist branches and 73 specialist branches in France, as well as 144 branches in 11 other countries. The density of our network allows us to maintain close relationships with clients at the local level, which we see as an important competitive advantage in understanding our clients' needs and winning profitable business.

The Loxam brand benefits from strong recognition in France. We believe that many of our professional customers consider Loxam to be a trusted partner in their day-to-day operations, principally as a result of our reliability in terms of service and fleet availability across a wide range of products. Our portfolio of clients in our generalist France business included approximately 105,000 customers as of December 31, 2016. Our RentalMan platform allows us to set up a national account for each entity and for each branch.

## ***Diversified business model***

Our business model and size result in a significant diversification in terms of offering, customers, end-markets and regions.

With a total of over 220,000 machines, representing a gross book value of €1.8 billion as of December 31, 2016 (and an estimated replacement value of €2.1 billion as of the same date), we believe we offered the largest fleet on the European market by gross book value prior to the acquisitions of Lavendon and Hune Group, which have further enhanced our offerings. Our fleet provides for a full-range of client needs for earth moving, aerial work, handling, compaction, energy, modular and building equipment, including both generalist and specialist equipment. Our fleet is continuously evolving as we seek to meet the demands of increasingly sophisticated technical aspects of our clients' operations and pursue opportunities to target new sectors. Our expanding product offering allows us to act as a one-stop shop with comprehensive rental solutions and to diversify our client portfolio. In 2015, our fleet capital expenditures decreased by 47.1% year-over-year to €123.6 million. This decrease resulted primarily from our decision to adjust our fleet in response to decreased demand in the French market and the downward adjustment of our expenditures in anticipation of the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet. In 2016, our fleet capital expenditures increased by 59.8% year-over-year to €197.6 million as the construction and rental markets in France picked up. The estimated replacement value of our fleet increased from €2.0 billion as of December 31, 2014 to €2.1 billion as of December 31, 2016.

Our broad and diversified customer base (representing approximately 174,000 customers across all divisions as of December 31, 2016) includes construction, industrial and specialist customers, from small business and craftsmen to large international groups. Most of our largest customers operate multiple divisions, which results in a large portion of our business being carried out directly between our local branches and the local divisions or subsidiaries of larger groups, which further increases our level of customer diversification. Our top 10 customers at the group level, all of which operate in the civil engineering, construction or utilities sectors, accounted for 18% of our revenue for 2016 compared to 20% in 2015. We have also diversified our revenue across industries. Revenue generated outside of the construction and civil engineering sectors accounted for 36% of our 2016 revenue, an increase from 34% in 2014. While there is some variability in the composition of our customer base, the same 10 clients have comprised our 10 largest customers in France, our largest market, in every fiscal year since 2007. Our largest client over the past three years accounted for 5.8%, 5.7% and 5.2% of our revenue in 2014, 2015 and 2016, respectively. Our customer and industry diversification will be enhanced by the acquisitions of Lavendon and Hune Group.

Our diversified end market exposure spans from residential and commercial construction sectors to public infrastructure and we are increasingly expanding into industry, municipal projects, as well as events and media, whether to support their day-to-day activities or occasional needs. Approximately 64% of our 2016 revenue was generated from the construction and civil engineering sectors, while 36% was generated from other end-markets. The largest of these other end markets was the industrial sector, which generated 10% of our revenue in 2016.

The significant density of our network and large number of customers we serve limit the impact of localized economic fluctuations in certain end-markets or geographies and reduce our dependence on any particular customer or group of customers.

## ***Acceleration of international development in recent years***

On the back of our strong national market leadership position in France, we started to expand across Europe in 1996. Prior to the acquisitions of Lavendon and Hune Group, we were active in 11 European countries as well as in Morocco and Brazil. In Denmark, the Netherlands and Belgium, we believe we were the number two player in terms of revenue in 2016. Our position was strengthened in Denmark in 2014 thanks to our acquisition of Dansk Lift. We also reinforced our market position in the Netherlands through our acquisition of Workx in July 2014. We have been present in Brazil since April 2015 through our 25% stake, which we increased to 25.71% in April 2016, in Degraus, a Brazilian equipment rental company that operates a network of 23 branches as of December 31, 2016. In June 2015, our subsidiary in Morocco acquired Maroc Elevation, a Moroccan company specializing in access equipment. In addition, in October 2015, we acquired the French and Spanish businesses of Hertz Equipment Rental Company. We believe we are the only rental group to operate through a portfolio of generalist and specialist brands on this scale in several countries.

Our network of branches in our international division increased from 99 branches as of December 31, 2013 to 144 branches as of December 31, 2016. This growth has been driven by the acquisitions mentioned above, as well as organic developments in our international markets. As a result of this growth, the revenue generated from our international division increased from €158.3 million for the year ended December 31, 2014 to €189.9 million for the year ended December 31, 2016. The percentage of our revenue generated by our international division has increased from 19.5% of our total revenue in 2014 to 20.5% of our total revenue for the year ended December 31, 2016.

The Lavendon Acquisition and the Hune Group Acquisition will deepen our network in Europe and expand our global footprint in the Middle East. Following these acquisitions, we are now active in 18 countries other than France and we also have equity affiliates in Brazil and Colombia.

### ***Strong financial track record***

We operate in a cyclical industry and, as a result, we have gained a significant amount of experience in managing risks and tracking signs of market slowdown and recovery.

We continuously monitor market indicators such as GDP growth and construction activity, as well as information generated from our local branch network and our strong customer relationships, to gain insight on future short- and medium-term demand for our services. This allows us to adjust our operating cost structure in a timely manner in reaction to changes in the industry, as demonstrated by our high level of profitability, with annual group EBITDA margins ranging between 30% and 36% since 2006.

Our EBITDA margin was 34.5% for the generalist France division in 2016, despite the costs associated with the merger and integration of Hertz Equipment within our network and headquarters in France. The EBITDA margin of this division has consistently been above 30% since 2006. As for our specialist France division, its EBITDA margin was at 31.1% in 2016 as we built upon the integration of the specialist branches of Hertz Equipment to expand the networks of Loxam Power and Loxam TP. The EBITDA margin of this division has also consistently ranged between 31% and 39% since 2006.

For our international division, the EBITDA margin was 26.8% in 2016 (before taking into account the Lavendon Acquisition and the Hune Group Acquisition), increasing as a result of growth in the markets of our international subsidiaries as the EBITDA margins of all of our international subsidiaries converged towards the division average. EBITDA margins for our international division have historically been lower than in France because we have pursued an active growth strategy through branch openings and acquisitions and also because of the impact of local headquarters costs on networks with a lower density of branches. Margins for the international division have ranged between 22% and 33% since 2008.

Our understanding of the business cycles affecting our industry and a close monitoring of our own set of key internal indicators, such as the age and utilization rates of the different products in our fleet, also allow us to make appropriate decisions with respect to our capital expenditure programs.

In a growth cycle, we use free cash flow to invest in our rental fleet to enhance our product offering and expand into new products and markets. It is our view that larger market participants such as Loxam are well positioned to take advantage of the return to growth in the rental market while maintaining a strong financial position. In a downturn, we tend to right-size our business, reduce capital expenditure and apply cash flow to pay down debt. Investment in the fleet can be quickly limited to a strict minimum by our management and we have no long-term engagements in respect of capital expenditure. Following the onset of the global financial crisis, we significantly reduced our investments in new equipment and increased our asset sales, primarily during the 2009 fiscal year, when our investments were only €28.1 million, a fraction of our normal level of investments. In contrast, we increased our new fleet investments in 2014 in an effort to diversify and rejuvenate our fleet in France, and to sustain the organic growth of our international division. In 2015, we again reduced our capital expenditures significantly, by 47.1% compared to 2014. This decrease was in response to weaker demand in the French market and the downward adjustment of our expenditures in connection with the Hertz Equipment Acquisition, from which we acquired fleet capital assets that were, on average, younger than those in our fleet. In 2016, we increased our capital expenditures by 59.8% compared to 2015 to €197.6 million in order to take advantage of increased demand for our rental fleet.

We believe that our focus on quickly adjusting our operating costs and our fleet to market conditions is a competitive advantage. We have been able to maintain a high level of profitability throughout the business cycles, while maintaining an active and modern fleet.

### ***Flexibility and responsiveness of our network***

Our reactivity and flexibility is driven by our dense branch network, which is supported by a well-trained and motivated workforce, a standardized premium rental equipment fleet and an optimized IT system.

The capacity to anticipate and adapt to changes in market environment is an important part of our business culture. Our branches are deeply embedded in local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level to better anticipate their needs. Typically, the selection of a rental equipment provider is made locally by the construction site supervisor, and we believe the key factors in this decision are proximity, product offering and reliability. Our key clients show significant loyalty and generate significant recurring revenue. Our business model combines

a centrally-determined investment budget with large autonomy for regional and branch managers in spending their respective budget allocations, which allows us to adapt our equipment fleet at the branch level to accurately address local demand. Branches serve as a continuous source of information by reporting the latest market opportunities and seamlessly feed information up to the rest of the organization.

We operate a high-quality and well-invested fleet that has the breadth to meet the specific and complex needs of our most demanding customers. Across our rental fleet, we aim to obtain standardized equipment from our suppliers by providing them with uniform specifications, according to our high standards. A standardized fleet lowers maintenance costs and reduces training time for our staff. It also makes it easier to share spare parts between branches and transfer equipment from one branch to another, resulting in greater fleet utilization.

To improve the efficiency of our French generalist network, all branches have been operating under the Loxam Rental brand since January 2014. In order to optimize our network, we have streamlined and simplified the management of our operations. For example, in 2016 we merged 35 branches, including 34 in France and one in our international division.

Our network is well-managed through close quality control of our branches, optimized IT systems and strong reporting tools, allowing information sharing and internal benchmarking and resulting in a highly dynamic and flexible network. We monitor the quality of our branches through regular audits (both internal and external). In order to support our network and preserve its quality and dynamism, we provide our employees with different types of comprehensive internal training across all levels and divisions to foster the development of multiple skill sets, resulting in a more efficient utilization of our employees.

In 2015, we completed the roll-out of a group-wide integrated ERP system based on the RentalMan platform, which is a dedicated, unified and multilingual rental system that links all aspects of our fleet management and back office in real time. We have access to immediate information that allows us to redeploy assets within our network to areas where the level of demand is higher and to maximize our utilization rates.

In addition, we have deployed a new customer relationship management (CRM) system, a valuable commercial tool based on the Salesforce platform that helps us serve our customers more efficiently.

Our IT systems also track maintenance and certification requirements, credit management and supplier e-invoicing.

### ***Experienced and proven management team***

Our senior management team is led by Mr. Gérard Déprez, our president, CEO and controlling shareholder who has 30 years of experience with Loxam. The members of our management committee have significant industry experience.

Our management team has experienced several economic cycles of expansion and downturn in our industry and has proven its ability to consistently maintain strong financial performance and protect cash flow generation. Our management team has also successfully acquired and integrated several businesses with over 130 branches since 2013. Our top management is supported by divisional and regional managers in an organizational structure that empowers middle management and keeps bureaucratic processes at a minimum. This encourages strong commitment and entrepreneurial spirit across the Company and ensures lean corporate functions.

Our shareholders include Pragma Capital, which has strong expertise in the rental industry stemming from previous investment in the sector. Pragma Capital participates actively in our strategic decisions through its representatives on our Strategic Committee. See “Management—Strategic Committee.”

### **Our Strategy**

Prior to the acquisitions of Lavendon and Hune Group, the key elements described below formed the base of our business strategy. We believe the acquisitions of Lavendon and Hune Group will solidify our ability to pursue this strategy successfully.

#### ***Continuously refine our network coverage to capture profitable growth***

We will continue to focus on generating profitable growth through the optimization of our branch network at the local, national and international levels.

We aim to defend our national leadership position in France on the back of strong market shares in all the local markets in which we are active. We continue to monitor the efficiency of our network of 499 branches in France (prior to the acquisitions of Lavendon and Hune Group) through regular reviews of the profitability of each individual branch and the utilization rates of

our fleet. Based on a certain number of key indicators relating to our network and our fleet, as well as our expectations of future local market conditions, we adjust our coverage and product offering accordingly. We are able to open new branches in dynamic areas while reducing our presence where demand is weaker. For example, in 2016 (prior to the Lavendon and Hune Group acquisitions), we opened 11 branches, including six in our generalist France division, closed two branches and conducted 35 mergers of branches as part of the optimizing of our network. Among the branch mergers, 34 took place in France as we continued to consolidate our network following the Hertz Equipment Acquisition. We typically include costs associated with branch openings or closings as part of our operating costs in the ordinary course of business.

To complement our organic growth, we have acquired approximately 130 branches (excluding Brazil) through external acquisitions since the beginning of 2013. In July 2014, we acquired Workx in the Netherlands, with its network of 42 branches. In November 2014, we acquired two branches in Spain and in December 2014, we acquired most of the remaining assets of Phocomex, which added 11 branches to our generalist France network. Since April 2015, we have been present in Brazil through our 25% stake, which we increased to 25.71% in April 2016, in Degraus, a Brazilian equipment rental company that operates a network of 23 branches as of December 31, 2016. In June 2015, our subsidiary in Morocco acquired Maroc Elevation, a Moroccan company specializing in access equipment. In August 2015, we acquired the modular building rental business of OBM Construction, consisting of one branch in France. In October 2015, we acquired the French and Spanish businesses of Hertz Equipment Rental Company, which included 60 branches in France and two in Spain. In October 2016, we acquired Salmat Nord, a French company with one branch in Dunkirk in northern France. In addition, in February 2017, we completed the acquisition of Hune Group which operates a network of 37 branches, including 34 in Spain in addition to two branches in Portugal and one in France, and acquired control of Lavendon, whereby we expect to acquire 100% of its share capital in April 2017 after completion of the Squeeze-Out which was initiated on February 17, 2017. Through our acquisition strategy, we seek to strengthen our leading market positions, increase the density of our network and reach a critical size to run profitable operations at a local level. We believe the fragmentation in the market will continue to allow us to complete acquisitions at attractive prices and act as a market consolidator going forward.

### ***Further diversify our end-markets***

We will continue our strategy of diversifying our end-markets. For example, we have strengthened our focus on renovation, which is less cyclical than the overall new construction market, and we have also reduced the share of our business generated from civil engineering. We have increased as well our exposure to other end-markets, such as manufacturing, local authorities, event organization, landscaping, retail, petro-chemical, training, demolition and facilities management. The customers in these sectors often have higher expectations in terms of quality of service (24 hours a day/7 days a week), which helps us maintain a high standard of service and equipment quality across our business. We are also seeking to target additional client categories, such as small and medium enterprises (SME) or craftsmen who need smaller equipment. Our expansion of our access equipment business through the Lavendon Acquisition will allow us to diversify our end-markets even further. We are also broadening our customer base through the development of partnerships with major do-it-yourself retail chains, sometimes based on a co-branding model. We already have co-branding partnerships in place with Leroy Merlin, Bricoman and Weldom, three French do-it-yourself chains. We also continue to open shops in Paris branded Loxam City to offer our customers proximity to their sites in parts of the city where traffic is heavy. We opened a new Loxam City branch in Paris in 2016, and had a total of 10 branches as of December 31, 2016.

### ***Managing lifecycle and performances of our rental equipment***

We will continue to actively monitor the size, quality, age, composition and efficiency of our rental fleet. We are committed to the disciplined management of our fleet to optimize utilization and profitability through the following strategies:

- Leveraging our scale to negotiate fleet purchase prices and develop customized services and bespoke equipment addressing our internal requirements in terms of quality, safety and low maintenance costs. In addition, our long-lasting relationship with key equipment suppliers will allow us to obtain useful information on new product innovations and assess market demand.
- Using our comprehensive information systems to increase our utilization rate and yield. We will continue redeploying assets within our branch network, optimizing pricing, adjusting our fleet mix on a real time basis and maintaining fleet quality and diversification. We will focus our primary investments in the most active markets where our fleet has a higher utilization rate and where we expect stronger market trends.
- Continuing a rigorous maintenance program by tracking the servicing history of each piece of equipment.
- Seeking to remove older or idle equipment from our fleet at optimal times, and rejuvenating our fleet so as to be well positioned to serve customers and meet higher demands as a result of a strengthening market.
- Optimizing recycling of equipment through repair and salvage is an integral part of our approach. Fleet equipment that leaves our active rental fleet at the end of its lifecycle is sent to a reprocessing facility near

Alençon. This facility evaluates the equipment and helps us to determine whether to sell such equipment to third parties or to recycle it for spare parts for our fleet. These recycling efforts allow us to take advantage of lower costs for certain replacement parts for our rental fleet.

### ***Continue to adapt our financial discipline to business cycles***

Our management's experience in equipment rental gives us a long-term vision of cyclicalities in the construction and public works industries and thus of demand for our equipment. Our diversified and flexible business model enables us to maintain high EBITDA margins and quickly adjust our capital expenditure investments to demand in order to protect cash flow generation. This strategy relies on strong financial discipline implemented across our platform, and the cash flows we generated during the downturn are evidence of our success in relying on this discipline in the past.

We plan to continue using this experience to help us identify the inflection points in the business cycle, when we must decide whether to reduce capital investments and apply cash to debt repayment or make further expenses to meet growing market demand. Our approach helps us to avoid either excess fixed costs related to over-investment when demand drops or lost revenue opportunities and customer dissatisfaction due to under-investment when demand picks up. We intend to continue managing our operations with a clear focus on EBITDA and cash flow growth to fund our future investments and service our debt.

### ***Maintain our commitment to innovation, quality, sustainability and corporate and social responsibility***

We intend to remain at the forefront of innovation in the industry and leverage our reputation for quality, safety, reliability and environmental commitment, as evidenced by our ISO 9001, ISO 14001, MASE and VCA certifications.

We continually strive to offer the best level of safety to users of our equipment, and as such we endeavor to work only with well-known manufacturers. Our long-standing relationships and cooperation with our suppliers makes us well positioned to highlight difficulties in the use of equipment or safety issues and thereby improve machine design standards. By accounting for market changes, feedback from users in the field and changes to regulations, we strive to ensure that the equipment we offer our customers is increasingly reliable and practicable.

We also endeavor to train our employees throughout their careers. The Loxam School in Bagneux, near Paris, has been open to our French employees across our divisions and has offered sessions to both beginners and experienced staff since 2008. The aim of the Loxam School is to improve the key skills of our employees. Training is provided by experienced professionals from our network. They deal with a variety of fields including knowledge of equipment, safety, environment (waste processing, energy savings, etc.) sales skills and team management, among others.

In October 2015, we became a member of the UN Global Compact programme, the world's largest corporate sustainability initiative. We issued our first Corporate Social Responsibility brochure, "Responsible Rental," in 2014 providing information about our corporate responsibility initiatives. In December 2015 Loxam underwent an audit of its corporate and social responsibility actions according to the guidelines of the ISO 26000:2010 standard. We have been rewarded in France with a performance rating of three (on a scale of five) in the ISO 26000:2010, which demonstrates our level of commitment and maturity with regards to our corporate and social responsibility.

## **History and Development**

Our company was founded in 1967 in Hennebont (Brittany), France under the name "SAM Location." Since our creation we have been a generalist equipment rental company. In the early 2000s we decided to create a specialist network to address the growing demand from our customers in France for specialist equipment (such as access equipment, power equipment, assembled modular shelters, heavy earthmoving equipment, and more recently, events and scaffolding). Around the same time, we began our international expansion through a combination of acquisitions and new branch openings. These three principle areas of our group's development are further described below.

Our company was the subject of a management buy-out starting in 1994 following the acquisition of our main shareholder by Holderbank, a building materials company, which had decided to exit the equipment rental sector in order to refocus on its core business. In 2011, private equity investors led by 3i plc and Pragma Capital each took a minority stake in Loxam. In December 2016, the funds managed by 3i plc tendered their shares in an offer by Loxam to buy-back 11% of its share capital, as part of its strategy to optimize its capital structure. As a result, and as of the date of this offering memorandum, management owns approximately 95.2% of Loxam's shares and Pragma Capital owns 4.8%.

### ***Generalist market expansion***

We began expanding nationally in France almost 20 years ago, both organically and through a number of small and large strategic acquisitions. We opened our 100th branch in 1991. In 2004, we acquired Loueurs de France, an equipment rental company focused on the construction and civil engineering sectors with approximately 50 branches concentrated in Paris and in northern and southeastern France. In 2007 we acquired Laho, which was at the time a major general construction equipment rental firm in France with a similar range of equipment. Laho's approximately 120 branches across France significantly increased the

size our network. In September 2011, we strengthened our presence in the Eastern part of France with the acquisition of Locarest. Until January 1, 2014, we operated branches under the Loueurs de France, Laho and Locarest names. Since the beginning of 2014 we have combined our networks into a single organization, operating under the Loxam Rental name. In December 2014, we acquired most of the assets of Phocomex, a French rental company based near Marseilles which had filed earlier in the year for bankruptcy. In October 2015, the Hertz Equipment Acquisition expanded our generalist network in France by 60 branches. In October 2016, we acquired Salmat Nord, a French rental company with one branch in Dunkirk in northern France. As of December 31, 2016, the generalist France division had 426 branches.

### ***Specialization to meet client needs***

We began developing activities in specialist markets as early as the 1980s in order to address our clients' needs for large quantities of specific equipment, such as access equipment, or very specialized needs, such as high access with operators, assembled modular constructions, temperature control, high end power and large capacity compressors, which we believed presented targeted opportunities for growth. In 1988, we acquired LMI (since named Loxam Power), which specializes in air compressors and generators. In 2001, we solidified this segment by establishing three business units to address the increasing demand for specialist equipment: Loxam Access, which specializes in powered-access equipment, Loxam TP, which specializes in heavy equipment for civil engineering and demolition, and Loxam Module, which specializes in modular shelters. We further extended our reach in the specialist segment in recent years through targeted acquisitions, such as Loxam Access PL (a specialist in access equipment with and without operators) in 2008. Our specialist branches are located in France and also in other geographical markets. As of December 31, 2016, we had 73 specialist branches located in France.

### ***International development***

We established our international presence in 1996 with the acquisition of two branches in Switzerland. In 1999 and 2000, we expanded through acquisitions in generalist and specialist rental markets in Belgium, Germany, the United Kingdom and Ireland. In 2002, we opened operations in Spain under the name Loxam Alquiler. In 2007, we became an important participant in the Denmark equipment rental market with the acquisition of DNE/JJ operating in approximately 15 locations. In 2010, we expanded our presence in Belgium with the acquisition of Locamachine. We opened our first branch outside of Europe in 2011 with the launch of our operations in Morocco in partnership with Stokvis, a Moroccan industrial group. In December 2013, we acquired Dansk Lift, operator of 6 branches in Denmark and, under the Safelift name, four branches in Norway and one branch in Sweden. On April 14, 2015, we acquired 25% of the share capital of Degraus, which we increased to 25.71% in April 2016 through the purchase of an additional 0.71% stake. Degraus operates 23 branches in Brazil, primarily located in Sao Paulo state. This acquisition enables us to enter a new market that has long-term development potential with limited capital expenditure, as well as to gain expertise in the market through partnership with an established market participant. On June 30, 2015, our 51% owned subsidiary in Morocco, Atlas Rental, acquired 100% of the shares of Maroc Elevation, a Moroccan company operating two branches and specializing in access equipment. On October 30, 2015, we completed the Hertz Equipment Acquisition in France and Spain which added to our network two branches in Spain specialized in power generation. In February 2017, we completed the Hune Group Acquisition which added 34 branches in Spain to our network, in addition to branches in Portugal. We also acquired control of Lavendon in February 2017, and expect to acquire 100% of its share capital in April 2017, after completion of the Squeeze-Out which was initiated on February 17, 2017. As of December 31, 2016, we had 144 generalist and specialist branches in our international network.

### **Products and Services**

Our business is organized into three divisions:

- generalist France division, which comprises our generalist rental operations in France;
- specialist France division, which comprises our specialist rental operations in France; and
- international division, which is composed of our generalist and specialist rental operations in 11 countries other than France (prior to the acquisitions of Lavendon and Hune Group).

In each of our divisions, our principal activity is equipment rental, which accounted for approximately 70% of total revenue in 2016. We also provide rental services (approximately 24% of total revenue in 2016), such as transportation of equipment and assembly related to modular rentals, that complement and support our rental offerings and, to a lesser extent, engage in retail activity at our branches (approximately 6 % of total revenue in 2016).

We offer over 1,500 different types of equipment and tools for rent. Most of our rentals are short-term (often less than one week), although we are also expanding our offerings under longer-term rental contracts. For example, our “mini-leases” (one to three years) offer clients the ability to personalize equipment and use it for a longer period while having us handle maintenance and repair.

### ***Generalist France***

Our generalist offering in France is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. We also provide equipment for general industrial, landscaping and other activities. Since January 1, 2014, we rent generalist equipment solely under the Loxam Rental brand. Our main product lines include:

- earth moving equipment, including backhoes, loaders, dumpers and excavators, which are designed for digging, lifting, loading and moving material and are frequently used in construction and civil engineering projects;
- aerial work platforms, including booms, scissors and vehicle-mounted platforms, which are mechanical elevation equipment used in various activities, including general industrial and service works and facility management;
- handling equipment, such as forklifts and telehandlers, which are used to lift and transport materials and are often used in the construction, manufacturing and warehousing industries;
- compaction equipment, including compactors, rammers and rollers, which are used to compact soil, gravel, concrete or asphalt in the construction of roads and foundations or to reduce the size of waste material;
- energy equipment, including compressors and generators, which are used to power machinery or construction sites;
- building equipment, such as concrete mixers and saws; and
- other equipment, including scaffolding, trucks, pumps, site surveillance systems, traffic management equipment and hand-operated tools such as power drills, chainsaws, and jackhammers, among others, mainly used in construction and renovation projects.

### ***Specialist France***

Our specialist equipment offerings in France serve specific client needs in terms of performance (such as power or reach) or quantity of equipment. Our different lines of specialist equipment are marketed and rented through dedicated subsidiaries and business units, as described below:

- powered-access elevation equipment, with or without operators, rented by Loxam Access and Loxam Lev, includes truck-mounted booms, telescopic and articulated booms and other platforms for reaching significant heights, used in construction, landscaping, events and by utilities and media customers;
- modular shelters, rented by Loxam Module, include portable accommodation, workspaces and containers, often used on major construction or civil engineering sites, for special events, for schools, administrative offices and for other applications;
- large compressors, generators and temperature control units, rented by Loxam Power, include air compressors used to provide power to construction machinery and electrical generators that convert mechanical energy into electrical energy to power heavy machinery or to provide electricity where the grid is not available, as well as welding and pumping equipment;
- heavy civil engineering equipment, rented by Loxam TP, is used for excavating, grading and compacting, principally for earthworks, road and railway construction, landscaping and demolition;
- equipment such as forklifts, super-silent generators and platforms, rented by Loxam Event for use in the production and logistical coordination of cultural, sporting and public events, concerts, exhibitions and television productions, and
- temporary suspended platforms, mobile and fixed scaffolding, modular portable formwork and lifting equipment, rented by Laho TEC.



We continue to add new products to our rental catalogue, including temperature controls and cooling equipment, deconstruction equipment and accessories, bi-energy equipment (such as excavators and access equipment) and site elevators, reflecting our ongoing innovation and response to customer needs.

### ***International***

In addition to our generalist and specialist offerings in France, we offer equipment rental in Denmark, Belgium, the Netherlands, Germany, Spain, the United Kingdom, Ireland, Switzerland, Luxembourg, Norway and Morocco. Since April 2015 we have been present in Brazil through our 25% stake in Degraus, a Brazilian equipment rental company that operates a network of 23 branches as of December 31, 2016. We increased our stake in Degraus by buying an additional 0.71% of its share capital, thereby increasing our stake in the company to 25.71%, in April 2016. We believe we were the number two player in terms of revenue in 2016 in Denmark, the Netherlands and Belgium and we believe we were in the top three in Luxembourg, Spain, and Morocco, in the top five in Spain and Ireland and in the top 10 in the United Kingdom (Source: Cranes & Access August/September 2015; International Rental News January/February 2015; company filings, press releases and websites; Loxam estimates).

Internationally, we are principally focused on generalist equipment used in construction and civil engineering projects, which we rent mainly through our Loxam Rental brand. We also offer specialist equipment in certain international markets, including: powered-access elevation equipment in Ireland, Luxembourg, the Netherlands, the United Kingdom, Denmark and Switzerland through our Loxam Access brand; modular shelters in Belgium and Denmark through our Loxam Module brand; and compressors, generators and temperature control units in the Netherlands through our Loxam Power brand.

### ***Rental services and retail***

In all three of our divisions, we offer a variety of services that complement and support our rental offerings. Rental services, which accounted for approximately 24% of total revenue in 2016, include transportation of equipment to a site and assembly of modular equipment, damage waivers, which act like a product warranty against theft and breakage, and rebilling of other services such as equipment maintenance and fuel. The cost of providing these services is passed on to customers. Our rental services activity supports our core rental business and is not a separate division.

We also sell supplies, work site accessories and tools at our branches, including replacement parts, safety equipment and cleaning tools used by our end-customers. Retail activity accounted for approximately 6% of total revenue in 2016. We consider retail to be an activity that supports our primary rental activity.

### ***Customers***

We have a broad customer base of approximately 174,000 clients across all divisions, ranging from individuals to large international companies. Our customers operate in many sectors, including residential, industrial, commercial and governmental construction, civil engineering such as transportation and infrastructure, utilities, building renovation, distribution, logistics, retail, environmental, events and media. A significant portion of our customers are large construction and civil engineering groups with national operations. These customers operate through a large number of divisions with whom our relationships are established locally at the branch level by our branch managers and sales executives (and supported by key accounts managers at our headquarters), providing multiple entry points in our contacts with customers and contributing to the diversification and stability of our customer base. In 2016, construction and civil engineering customers represented approximately 31% and 33% of our sales, respectively.

Our network of branches and our specialist equipment offerings enable us to provide tailored and attentive service to local and regional customers, while our developed full-service infrastructure allows us to effectively service large national and international customers. Our largest customers include Bouygues and Eiffage. These large and diversified groups are significant operators in the construction and civil engineering sectors, as well as in road building, industrial maintenance and electrical works. They operate through hundreds of companies whom we serve through our network of 499 branches in France. Our top 10 customers in France, all of which operate in the civil engineering, construction or utilities sectors, accounted for approximately 23% of our revenue in France (excluding the impact of the Hertz Equipment Acquisition) for 2016 and no single customer on a group basis accounted for more than 7% of our revenue in 2016. In 2016, as a result of our diversification efforts, we have continued to reduce the percentage of our revenue generated by our top 10 customers and we continue to develop our base of smaller customers, including small- and medium-sized enterprises (SMEs) and craftsmen. See “—Our Network of Branches—Loxam City.”

With our largest customers, we negotiate framework agreements establishing pricing policies for our equipment. These agreements typically have a duration of 12 months but do not include exclusivity or volume commitments. Smaller and more localized customers are typically subject to our standard terms and conditions. While rental rates and pricing guidelines are established centrally, branches negotiate directly with their customers and generally have flexibility to make certain price adjustments as needed.

We monitor counterparty risk, particularly in respect of our smaller customers, and are attentive to signs of liquidity problems among our customers so that we can react quickly if needed. This policy has helped us to maintain a bad debt ratio of approximately 0.5% of our revenue in 2016.

## **Sales and Marketing**

We have a strong sales and marketing organization, which we believe allows us to expand our customer base and maintain loyalty with existing customers. Our sales and marketing organization operates at three levels: (i) locally, at the branch level; (ii) regionally, through commercial managers operating under the regional managers; and (iii) centrally, through our dedicated sales and marketing team. Branch managers and regional commercial managers develop relationships with local customers and assist them in planning their equipment and rental requirements, while our centralized sales and marketing team works with our largest customers and targets new customers to identify their needs and propose comprehensive solutions. In addition, we maintain an in-house call center staffed only with experienced sales staff, providing additional points of contact for our customers.

To stay informed about local markets, sales agents track rental opportunities in the area through industry reports and local contacts. In addition, our specialist branches, due to the nature of the equipment they supply, are often in contact with customers at the early phases of large construction or civil engineering projects, which we believe creates opportunities for cross-selling and cross-promotion that also benefit our generalist branches. We also offer training programs for our customers at all of our branches, which we believe improves customer satisfaction and loyalty.

We have also implemented marketing and service initiatives at a centralized level to prioritize strong relationships with our customers. These initiatives include:

- LoxCall, our dedicated call center that provides a 24/7 one-stop service to clients by phone and coordinates order fulfillment through our branches, with guaranteed equipment availability. This service is targeted to our larger clients that need to source equipment in a number of locations and prefer centralized handling of their accounts;
- Loxam Drive, a service that allows customers to use our website to reserve any piece equipment in our catalog, to be collected at the branch of the customer's choice within 24 hours;
- LoxForce, our new customer relationship management platform based on the Salesforce platform, which will allow us to know our customers better and respond to their needs;
- loyalty programs, including our specialty programs such as Loxam Club, which targets SMEs, and Loxcity, which targets public authorities;
- Loxam Global Solutions, a turn-key solution for major civil engineering and industrial sites, which can provide for a dedicated fleet of equipment, an on-site branch and optimized local service; and
- Loxam app for iPhone that allows customers to geo-locate the branch closest to them, request a quote and book equipment from their phones.

We also leverage our quality, safety and environmental certifications, including ISO 14001 for environmental commitment, ISO 9001 for product quality and MASE for employee safety, which we believe are factors used by some of our larger customers in selecting their rental partners. In October 2015, we became a member of the UN Global Compact programme, the world's largest *corporate sustainability initiative*.

We have also issued our first corporate social responsibility brochure called "Responsible Rental" providing information about our corporate responsibility initiatives.

## **Rental Fleet**

We have a well-maintained fleet consisting of over 220,000 pieces of equipment (excluding accessories) as of December 31, 2016, with approximately 143,000 pieces of equipment in our generalist France division, approximately 25,000 in our specialist France division and approximately 52,000 in our international division. We strive to offer a large variety of equipment and we believe that our rental fleet is one of the most extensive fleets in the European market, representing over 1,500 different types of generalist and specialist equipment and tools. All of the equipment in our fleet is branded and painted in Loxam colors or those of the relevant business unit. As of December 31, 2016, our fleet had a gross book value of €1.8 billion, of which generalist France accounted for €1,010 million, specialist France accounted for €355 million and international accounted for €418 million.

Our combined fleet is composed of the following principal equipment ranges and equipment types:

- earth moving: excavators, backhoes, loaders, dumpers;
- aerial work platforms: booms, scissors, van mount, truck mount;

- handling: forklifts and telehandlers;
- compaction: compactors, rammers, rollers;
- energy: compressors, generators, coolers, heaters;
- modular: modular spaces, containers, sanitarries; and
- building and other: concrete mixers, scaffolding, pumps, tools and other equipment, such as trucks and traffic management.

Together, earth moving and aerial work platform equipment represented approximately 61% of our 2016 rental revenue in France while the remainder was divided among handling, compaction, energy, modular, building and other equipment.

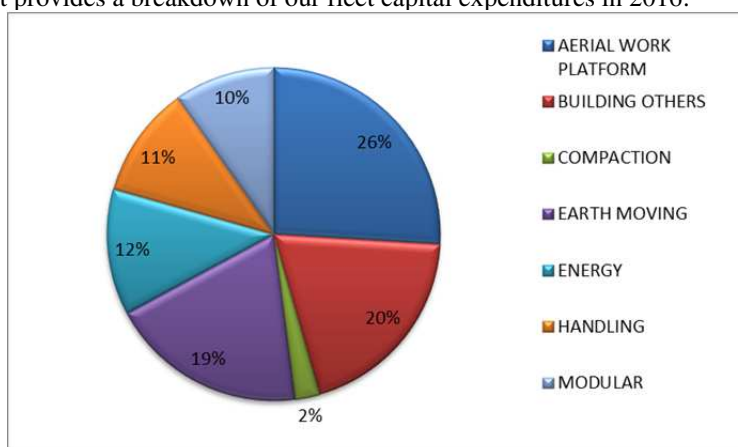
### ***Fleet management***

Our approach with respect to fleet management is to provide regional and branch managers with wide autonomy to develop their business and manage their own equipment with the objective of maximizing its own profitability, but with central fleet managers able to monitor and assist in fleet management across branches and regions and to ensure overall efficiency. Managers of our generalist branches are encouraged to maintain and rent a diverse and balanced portfolio. Large customer orders may require cooperation among branches to provide the quantities required, but equipment is not pooled at the regional or group level. If a branch is unable to answer its own demand for a major construction site, for example, it notifies the regional manager. The regional manager then decides whether to temporarily grant equipment to other branches. If the request is approved, the regional manager notifies the branches concerned and the relevant equipment is transferred from one branch to the other for the required duration. We believe this approach helps to ensure that each branch acts as its own profit center.

Our budget for fleet investment is established annually by management, which sets out the group's orientation in terms of capital expenditure for the year. The investment budget is then allocated by region. Each branch manager gives his or her equipment needs (the number and types of machines) for the coming year to the regional manager. Regional managers, in consultation with branch managers, set commercial objectives and adapt the requests to the budget, allowing them to respond to trends at the local level. The consolidated requests are given to group management for review, which makes any required adjustments and delivers approvals to the regional managers. Purchase orders are then centralized and new equipment is delivered directly to the branches.

Our approach to fleet management assumes the replacement of a fleet item upon the expiration of its useful rental life, which is usually when it is obsolete or no longer capable of generating revenue in excess of maintenance costs. Most of the equipment in our fleet is depreciated on a straight-line seven-year basis, with a residual value of 10% of its original value staying on our books. The disposal of a piece of equipment from the fleet is a technical decision made by a technical manager at the regional level. We have established metrics and guidelines for each category of equipment that help determine the desired replacement cycle. Most metrics are based on repair costs relative to rental income, utilization rate and age. We determine whether to use equipment that has been removed from our fleet for parts, sell it for scrap or sell it at auction. We take measures to ensure that sales of our used equipment are made to buyers outside of our principal markets to avoid reducing demand for rentals in the areas where we operate. We do not sell our fleet equipment under other circumstances, except for modular equipment, which, due to the long-term nature of the rental, is sometimes purchased by customers at the end of the rental contract.

The following chart provides a breakdown of our fleet capital expenditures in 2016:



We monitor fleet utilization and other metrics to measure branch performance and maintain appropriate inventory levels and to manage fleet allocation across our networks as well as capital expenditures. Our ERP RentalMan platform, which has been customized to enhance our operating efficiency and equipment turnover rate by providing real time access to inventory data, enables us to track the location and availability of our equipment at our branches. See “—Information Technology.”

Maintenance and daily checks of equipment in the fleet are performed at each branch. Minor repairs and parts replacement, such as windshields, tires and hydraulic fittings, are outsourced to approved specialized suppliers, while major repairs are performed by manufacturer-approved dealers.

### **Suppliers**

We purchase the equipment in our rental fleet from large, recognized original equipment manufacturers who we believe have the best product quality and support, and we typically choose to work with two or three manufacturers per equipment range. We have no long-term agreements with our fleet suppliers and no volume commitments or exclusivity clauses apply to these relationships. Furthermore, we typically bundle our purchases and solicit bids through a tender process with selected manufacturers. We believe this policy towards our fleet suppliers allows us to apply competitive pressure and optimize the prices we pay for our fleet equipment. We also work in cooperation with our suppliers to adapt our fleet equipment to client needs and limit maintenance costs. We remove all manufacturers' branding from our equipment and paint it according to our corporate colors, under which it will be offered to customers. In 2016 our four largest fleet suppliers were Manitou, Haulotte, Volvo and Multitel, and they accounted for approximately 33% of our equipment purchases.

We also purchase goods and services, principally non-fleet vehicles and equipment, fuel, lubricants, insurance and transportation, as well as the goods sold in our retail activities, from a number of third-party suppliers. Our arrangements with service suppliers are typically governed by two- or three-year framework agreements.

### **Our Network of Branches**

As of December 31, 2016, we had a network of 643 branches, primarily located in Western Europe. The table below shows the number of branches we operate in each country:

	<b>Number of branches as of December 31, 2016</b>
Country	
France .....	499
Denmark .....	25
Belgium.....	14
Germany .....	14
The Netherlands .....	48
United Kingdom .....	11
Spain .....	14
Switzerland .....	7
Ireland .....	2
Luxembourg.....	1
Morocco .....	4
Norway .....	4
<b>Total .....</b>	<b>643</b>

Our business model combines a centrally-determined strategy, budget and back-office with wide autonomy for regional and branch managers to develop their business and spend their budget allocation, which allows us to adapt at the local level to meet our clients' needs in different markets. Each branch manages its own fleet, budget and financial reporting and is responsible for bringing in business by developing local relationships and monitoring local construction sites. Branches serve as a continuous source of information about the latest market opportunities, such as planned construction projects, allowing us to offer our services early and to the right client. A typical branch includes a branch manager, a rental consultant, a sales representative, one or more mechanics and one or more drivers. At the regional level, technical managers, commercial managers and administrative managers support the branches in their region, under the oversight of a regional manager. Our branches are deeply embedded in the local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level. Our decentralized business model allows us to adapt our equipment fleet at the branch level in order to meet our clients' needs in various markets, offering them a value-added alternative to owning and maintaining equipment in-house. Our dense network in France allows us to meet customer demand by moving equipment across branches.

Our branch network is dynamic, and in any given year we both open and close a number of branches. The decision to open a branch is driven by our analysis of the interaction of the proposed branch with our existing network, the conditions in the local market and the competition in that market. Whether we open a new branch or acquire an existing network depends on the level of saturation in that market and whether acquisitions can provide us a level of penetration that would take too long to develop organically. Branches may be merged or closed based on the market environment (if, for example, a large construction project concludes or an industrial site closes) or excess proximity to another branch following an acquisition. Closures have also resulted from the consolidation of branches as part of the merger of our generalist France networks under the Loxam rental brand, which continued in 2016, as well as consolidations of the network as a result of the Phocomex acquisition and the Hertz Equipment Acquisition. We may also relocate branches in light of the development of cities, the evolution of infrastructure or to optimize our geographical coverage.

We conduct periodic network optimization plans to enhance profitability. For example, in 2016 we acquired one branch, opened 11 branches, closed 2 branches and conducted 35 mergers of branches as part of the streamlining of our network. Among the branch mergers, 34 took place in France as we consolidated the network following the Phocomex acquisition and the Hertz Equipment Acquisition. Since January 1, 2014, the generalist France division is operated under a single brand, Loxam Rental, to capitalize on the stronger brand of our portfolio. We believe this consolidation should generate revenue synergies through better coordination of commercial activities and capital expenditures, enable the pooling of resources, and improved exchanges of staff and equipment among branches, generate savings in back office and marketing costs, and enhance our branch positioning. Following the Hertz Equipment Acquisition in France and Spain, the Hertz brand disappeared in the first half of 2016.

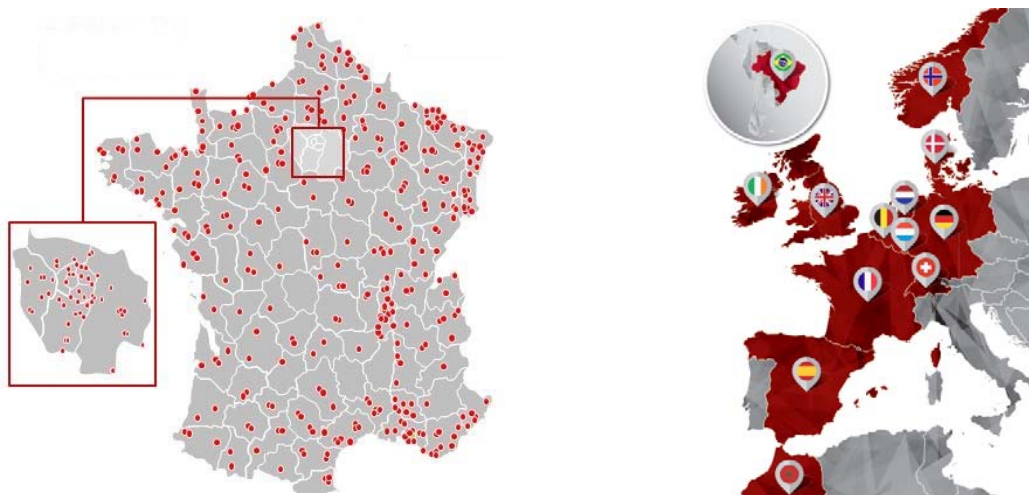
### ***Branches in France and International Branches***

Most of our branches are located in France. Of our 499 branches in France as of December 31, 2016, 426 were generalist branches and 73 were specialist branches. Most of our branches are located in industrial zones in or near medium and large metropolitan areas. Our broad geographical coverage in France reduces our exposure to regional variations in economic activity.

Our generalist branches in France operate under the Loxam Rental name. Our specialist branches operate under the names Loxam Access (38 branches), Loxam Power (16 branches), Loxam Module (10 branches), Laho TEC (2 branches), Loxam TP (6 branches) and Loxam Lev (1 branch).

In Denmark, the Benelux and Switzerland, where we operate dense networks, we compete at a national level and enjoy strong competitive positioning. In other countries we generally compete at the regional level. Our international branches operate under the Loxam name.

The maps below show the locations of the branches in our generalist France division demonstrating the density of our network in France, and the markets in which we are present (prior to the Lavendon Acquisition and the Hune Group Acquisition):



\* Note: In Brazil, Loxam owns a minority stake in Degraus.

### ***Loxam City***

In 2011, we opened Loxam City, the first store in our urban branch initiative, in Paris. Loxam City offers a wide range of immediately available and easily transportable generalist equipment, such as portable power tools that are often used in urban construction, renovation and other projects. Loxam City also provides service and support, including advice and solutions to tackle specific urban construction site challenges, and is adapted in terms of location, selection and operating hours to the needs of smaller customers, including craftsmen and individuals. As at December 31, 2016, we had 10 Loxam City branches in Paris.

### ***Branch ownership and leasing***

We lease the vast majority of our facilities in order to maintain flexibility in growing and developing our network and to be able to respond to demographic and other changes in the areas where we operate and the customers we serve. As of December 31, 2016, we owned the premises of approximately 10% of our branches, which were owned by companies we acquired, and leased the rest. Most of these leases provide for standard terms and renewal options.

Most of our French branches are leased pursuant to “commercial leases” (*baux commerciaux*) which grant significant rights under French law to lessees compared to leases in many other jurisdictions, in particular the lessee’s right of renewal, which the lessor can avoid only by indemnifying the lessee. Most of these commercial leases are for nine-year terms (the statutory minimum) and provide termination rights for the tenant at the end of each three-year period upon six-months’ prior notice. The

rent paid under most of our commercial lease agreements is a fixed sum which is annually reviewed relative to national rental indices. In addition, in accordance with applicable regulations governing commercial leases, commercial rents can be adjusted upon the renewal of the lease in certain cases, and if not mutually agreed, may be determined by a competent court. In the year ended December 31, 2016, our Group's real estate rental expense was €47 million, compared to €44 million for the corresponding period in 2015.

In other countries, our leases generally provide for standard terms under the relevant national laws and regulations. We tend to negotiate these leases with a view towards maintaining a certain level of flexibility so that we can fine tune our network as needed from time to time. Generally, rent adjustment upon renewal of our leases is based on market value.

### ***Administrative premises***

In addition to the branches in our rental network, we lease a small number of premises for administrative and logistics purposes. Our corporate headquarters are located in Paris, France.

### **Employees**

As of December 31, 2016 we had approximately 5,000 employees (including apprentices and trainees), nearly all of which were salaried personnel. At this date, approximately 80% of our employees were based in France. Our employees perform the following functions, amongst others: sales operations, parts operations, rental operations, technical service and office and administrative support.

Developing quality rental equipment staff is one of our priorities and staff training plays a key role in ensuring a consistent customer experience across our branches and the adoption of common internal procedures. Our group-wide training center is available to all members of our staff and provides training in areas such as customer relations, sales methods, group processes, regulation, quality and environmental management, technical expertise and management.

### **Information Technology**

Our IT strategy is designed to reinforce our overall business strategy, and in particular, to optimize the management of our fleet and improve synergies as we expand our network. Our IT team, which is centralized in Paris, maintains our hardware and services the software we use. We also use dedicated software such as Salesforce (CRM), Sidetrade (accounts management) and Kyriba (treasury management) for specific purposes and therefore work with external support teams provided by the publishers of these softwares.

We recently completed the implementation of an ERP ("RentalMan") specialized in rental activity. RentalMan, published by Wynne Systems, is a dedicated, unified and multilingual rental system that links all aspects of our front and back office in real time and is one of the main software applications used by key players in the equipment rental industry. It is designed to support all of our business needs, other than finance. RentalMan supports in our operating efficiency and equipment turnover rate by providing real-time access to inventory data, including the availability and location of equipment. RentalMan also enables branch managers to access information on day-to-day performance, search the entire rental fleet for needed equipment, quickly determine the closest location equipment and arrange for delivery to customers' work sites. In 2016, the former Hertz Equipment branches in France and Spain were migrated into RentalMan. We believe we are one of the only international equipment rental networks to have consolidated all of its branches across multiple countries under a unified platform.

We have taken steps to enhance the safety of our IT systems. We have a disaster recovery program to protect most of our operations and IT systems, including our ERP system, which includes duplicate synchronized back-ups of our servers hosted by a third party.

### **Intellectual Property**

We use the trademark "Loxam," which enjoys high brand recognition in France and other European countries, as our trading name wherever we are present. "Loxam" is protected in the countries where we do business, including France and the other members of the European Economic Community.

### **Environmental and Safety Matters**

We are subject to comprehensive and frequently changing local, national and European Community-level laws and regulations, including those relating to discharges of substances to the air, water and land, the handling, storage, transportation, use and disposal of hazardous materials and wastes and the cleanup of properties affected by pollutants. Under these laws and regulations, we may be liable for, among other things, the cost of investigating and remediating contamination at our sites and fines and penalties for non-compliance. Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment and dispose of solid and hazardous waste and wastewater from equipment washing.

To our knowledge, there is no pending or likely remediation and compliance cost that could have a material adverse effect on our business. We cannot be certain, however, as to the potential financial impact on our business if new adverse environmental conditions are discovered or compliance or remediation costs are imposed that we do not currently anticipate.

We have obtained certifications under ISO 14001 for environmental commitment and MASE for employee safety. In October 2015, we became a member of the UN Global Compact programme, the world's largest corporate sustainability initiative. Following an in-depth audit among customers, suppliers, staff members and other stakeholders conducted in December 2015 by SGS, the world's leading inspection and certification body, LOXAM's corporate social and environmental responsibility policy has been rewarded in France with a performance rating of level 3 (on a scale of 5) in the ISO 26000:2010 standard.

We have issued our first corporate and social responsibility report entitled "Responsible Rental" in 2014 in order to inform our staff and customers of our significant efforts in this regard.

## **Competition**

Our main competitors include medium-sized and large regional and national, and to a certain extent, international equipment rental groups, but we also compete at a local level with smaller competitors, including those that operate just in a single location.

Competition in our business tends to be based primarily on geographic proximity and availability of equipment, as well as on equipment quality, price, quality of sales relationships, delivery times, quality of service and, for our largest clients, possession of relevant health and safety certifications. We believe our extensive network of branches in France and our decentralized approach give us an advantage over competitors. Our main competitor in France is Kiloutou, which has an estimated 14% market share and competes with us on a national scale. We also have a few regional competitors and many more local competitors.

## **Insurance**

We maintain the types and amounts of insurance customary in our industry and countries of operation. Our group insurance policies, which may be supplemented locally in certain countries where we operate, comprise, in particular, our automotive fleet policy, civil liability policy, multi-risks industrial policy, direct or indirect loss crime and data policy and include coverage for, among other things, employee-related occupational accidents and injuries, property damage, fraud, theft of vandalism of equipment, machinery break-down, and damage and injury that could be caused to third parties by poorly-maintained equipment. We have also subscribed to directors and officers insurance. We consider our insurance coverage to be adequate both as to risks and amounts for our business. We have not had any material claims that were not covered under our insurance policies.

## **Legal Proceedings**

We are party to certain pending legal proceedings arising in the ordinary course of business. We cannot estimate with certainty our ultimate legal and financial ability with respect to such pending matters. See "Risk Factors—Risks Related to our Business—We are exposed to various risks related to legal proceedings or claims that may exceed the level of our insurance coverage." Based on our examination of these matters and the provisions we have made, we believe that any ultimate liability we may have for such matters will not have a material adverse effect on our business or financial condition.

## MANAGEMENT

Pursuant to French law governing limited liability companies (*sociétés par actions simplifiées*) and our articles of association (*statuts*), our affairs are managed by our Chairman and Chief Executive Officer (*président*), who is assisted by the Managing Director and our Management Committee in running our day-to-day operations. Our Strategic Committee (*comité stratégique*) is primarily an advisory body whose purpose is to assist and advise the Chairman and Chief Executive Officer.

### Chairman and Chief Executive Officer

Our Chairman and Chief Executive Officer is Mr. Gérard Déprez, who has held this position since 1986. Before joining Loxam, Mr. Déprez was regional director of the building materials manufacturer SOCIMAT from 1983 to 1986, and vice president of finance of Ciments d'Origny Group (part of the Holderbank Group, also in the building materials industry) from 1978 to 1983. Mr. Déprez also held the position of Chairman of the Board of the European Rental Association from 2005 to 2013. He holds a business degree from EM Lyon, as well as degrees in law and accounting.

The Chairman and Chief Executive Officer has broad powers to act on our behalf in any circumstances, as limited by the corporate purposes set out in our articles of association and the powers expressly reserved for the general meeting of shareholders by law or by our articles of association, to represent and bind us in dealings with third parties, to manage and administer our affairs and has full management powers in respect of the employees of the company. Our Chairman and Chief Executive Officer is appointed by our shareholders and may be dismissed by the shareholders at any time.

### Managing Director

Our Managing Director is Mr. Stéphane Hénon, who has held this position since July 2012. Mr. Hénon joined Loxam in 2000 and previously held the positions of Director for Ile de France (2000-2001) and Chief Operating Officer (2001-2012). Before joining Loxam, Mr. Hénon was the director of building activities at Dagard, an industrial company from 1996 to 2000, and prior to that, an associate consultant at Axionis, a consulting company from 1995 to 1996.

Pursuant to the Articles of Association of Loxam, the Managing Director has broad powers to act on our behalf in any circumstances, as limited by the corporate purposes set out in our articles of association and the powers expressly reserved for the general meeting of shareholders by law or by our articles of association, to represent and bind us in dealings with third parties and to manage and administer our affairs and has full management powers in respect of the employees of the Company. Our Managing Director is appointed by our shareholders for a term of three years and may be dismissed by the shareholders at any time.

### Management Committee

Our day-to-day operations are managed by our Management Committee, which consists of our Chairman and Chief Executive Officer, Managing Director, Chief Financial Officer and other key managers. The members of the management committee are appointed by the Chairman and Chief Executive Officer.

**The following table sets out the members of the Management Committee:**

Name	Position
Gérard Déprez.....	Chairman and Chief Executive Officer
Stéphane Hénon .....	Managing Director
Patrick Bourmaud .....	Chief Financial Officer
Pierre-Yves Rallet.....	Sales and Marketing Director
Thierry Lahuppe .....	Equipment Director
Nicolas Jonville.....	Human Resources Director
Jean Paul Dubois.....	Chief Operating Officer
Philippe Lécheneau.....	Chief Operating Officer
Alain Prudhomme .....	Chief Operating Officer
Philippe Simonnet.....	Chief Operating Officer
Stéphane Aldéano .....	Chief Operating Officer

The following is a brief description of the experience of each of the members of the Management Committee.

*Stéphane Hénon.* Mr. Hénon has been Managing Director since July 2012. Mr. Hénon joined Loxam in 2000 and has held the positions of Director Ile de France (2000-2001) and Chief Operating Officer (2001-2012). Prior to joining Loxam he was with the industrial company Dagard as a director of building activities (1996-2000) and the consulting company Axionis as an associate consultant (1995-1996). He holds a degree from Ecole Supérieure d'Electricité (SUPELEC).

*Patrick Bourmaud.* Mr. Bourmaud has been Chief Financial Officer since 2008. Mr. Bourmaud has been with Loxam since 2004, first as M&A Director of Subsidiaries Services (2004-2005) and then as Regional Director (2005-2007). Before



joining Loxam he worked for HSBC in the M&A and equity capital markets departments (1994-2004). He holds a finance degree from Ecole Supérieure de Commerce Paris.

*Thierry Lahuppe.* Mr. Lahuppe joined Loxam in September 2015 as Equipment Director. Prior to joining Loxam, he worked at Vinci for 12 years, most recently as Equipment Director for the African Construction division, based in Morocco (2005-2007) and at the headquarters at Rueil-Malmaison (2008-2015). Previously he held positions as operations manager and project manager in construction and in nuclear maintenance. He holds an engineering degree from ENSAM (Arts & Métiers Paris Tech) and an executive MBA from CPA (HEC).

*Pierre-Yves Rallet.* Mr. Rallet joined Loxam in April 2016 as Sales and Marketing Director. Prior to joining Loxam, he was Sales and Marketing Director at ISS Facility Services in France, one of the world's largest facility services companies. Prior to that, between 2001 and 2005, he held several senior positions in strategy, sales and marketing at SFR, the second largest telecom operator in France. He also previously spent five years as a management consultant with Ernst & Young. He holds an engineering degree from ENSIMAG and an MBA from INSEAD.

*Nicolas Jonville.* Mr. Jonville has been with Loxam since the end of 2013 as Human Resources Director of the Group. Before joining Loxam, he worked as a Human Resources Director at the European level of a U.S. leading provider of commercial cleaning, sanitation and hygiene solutions. Prior to this, he was a French Human Resources Director for the French dealer of Caterpillar. He holds a master's degree from Dauphine University.

*Jean Paul Dubois.* Mr. Dubois has been with Loxam since 1993, first as Regional Manager, then as Managing Director of our German subsidiary, as Manager of European Subsidiaries, and, since 2004, as Chief Operating Officer. Before joining Loxam, he worked for the truck rental company Via Location as a regional manager and for the manufacturing company Avdel, as a regional sales manager. He holds a business degree from EM Lyon.

*Philippe Lécheneau.* Mr. Lécheneau has held the position of Chief Operating Officer since 2003. Prior to joining Loxam, he worked for Point P (a subsidiary of the industrial group Saint Gobain) as Chief Operating Officer and for Isoroy (a subsidiary of the wood panel manufacturing group Sonae Indústria) as Area Manager. He holds a degree in science and elemental structures.

*Alain Prudhomme.* Mr. Prudhomme has been with Loxam since 2000, initially as a Regional Manager and then as Chief Operating Officer, a position he has held since 2007. Before joining Loxam he worked for Schlumberger, the oilfield services group, as Branch Manager. He holds a baccalaureate diploma in electrotechnical studies.

*Philippe Simonnet.* Mr. Simonnet has been with Loxam since 1998 as Area Manager, then as Business Unit Manager (Loxam Access and Laho) and, since 2012, as Chief Operating Officer. From 1986 to 1998 he was with Serre & Ansot Location, a French equipment rental company acquired by Loxam in 1998, first as Branch Manager and then as Area Manager of the branches located in Ile de France. He holds a baccalaureate diploma in science.

*Stéphane Aldéano.* Mr. Aldéano has been with Loxam since 2006 as Managing Director of the Loueurs de France subsidiary and Managing Director of the merger of Loueurs de France and Locarest after the purchase of Locarest in 2011. Since 2014, Mr. Aldéano has been Chief Operating Officer and Business Development Director. Before joining Loxam he worked for the Boston Consulting Group as a project leader and for the waste management division of Suez Environnement as a region manager. He holds an engineering degree from École Centrale de Paris as well as an MBA from INSEAD.

The business address of the members of the Management Committee is Loxam, 256 Rue Nicolas Coatanlem CS 90592 56855 Caudan Cedex.

## **Strategic Committee**

Our Strategic Committee, which acts as an advisory body, is currently composed of 12 members, including the Chairman and the Managing Director. Our articles of association provide that the Strategic Committee may consist of up to 12 members who may or may not be shareholders and who are appointed by the general meeting of shareholders. Members of our Strategic Committee (other than the Chairman) are appointed for terms of three years by the ordinary general meeting of shareholders and may be dismissed by it without cause and at any time prior to the expiration of their term.

The Strategic Committee meets at least four times a year and is convened by the Chairman or the CEO. Its role is to assist and advise the Chairman on questions relating to our development strategy, the business plan, external growth transactions and any other question submitted to it by the Chairman.

Pursuant to our articles of association, shareholders may designate one or more persons (which may or may not be shareholders) as censors (*censeurs*) of the Strategic Committee. Censors participate in Strategic Committee meetings, but have no voting powers. As of the date of this offering memorandum, no censors are appointed. Pursuant to a shareholders' agreement, Pragma Capital has the right to designate, and as of the date of this offering memorandum is represented by, two members of the Strategic Committee.

The following is a brief description of the present and past experience of the members of the Strategic Committee.

*Alain Blanc-Brude.* Mr. Blanc-Brude is chairman of the supervisory board of ALPHA, a private equity firm specialized in mid-cap LBOs, which he joined in 1986. He was previously the CEO of the industrial company Compagnie Financière SARTEC, a position he held for 12 years. Mr. Blanc-Brude holds a degree from Ecole Centrale de Lille in engineering and an MBA from the Wharton School of the University of Pennsylvania.

*Yves Coquinot.* Mr. Coquinot spent 31 years at Loxam prior to his retirement in July 2012. He held the position of Managing Director from 1997 to 2012. Mr. Coquinot has a degree in law from the University of Dijon.

*Hélène Déprez.* Ms. Déprez is an assistant architect at Studios Architecture in Paris. Ms. Déprez holds a Masters degree from ENSA Paris, Val de Seine.

*Gilles Gramat (representative of Pragma Capital).* Mr Gramat is Partner and Chairman of the Supervisory Board at Pragma Capital, a private equity firm he co-founded in 2002. He began his career as an engineer for Avions Marcel Dassault, before joining Crédit National and later Sofinnova, where he served as Deputy Managing Director. In 1987, he founded Unidev, a listed investment company, which was acquired by UI in 1993. He was Chief Executive Officer of UI from 1993 to 2001 and then its Chairman and CEO from 2001 until April 2003. He was also Director of Investments and International Participations of Credit Agricole SA. Mr. Gramat is a graduate of the Ecole Nationale Supérieure des Télécommunications.

*Alice Henault.* Currently managing the Access division of Loxam, Ms. Henault previously worked as an analyst with PricewaterhouseCoopers in Paris (2007-2011). She holds an MBA from Harvard Business School, an MPhil in Technology Policy from the University of Cambridge, and a Master of Science from Ecole Nationale Supérieure des Télécommunications.

*Annick Lourdais.* Ms. Lourdais spent 35 years at Loxam prior to her retirement in 2008. Her last position with the group was Secrétaire Général (Finance & Legal Affairs), from 1994 to 2008. Ms. Lourdais has a degree in accounting.

*Daniel Milord.* Mr. Milord spent 35 years at Loxam prior to his retirement in 2006, and was most recently the Deputy Managing Director (from 2001 to 2006).

*Olivier de la Morinière.* Mr. de la Morinière was formerly chairman and CEO of the truck rental company Fraikin, a position he has held since 2003. Previously, he was chairman and CEO of MC International, a consulting firm. Mr. de la Morinière holds a degree from Ecole Polytechnique de Paris—Ponts et Chaussées.

*Jean-Pierre Créange (representative of Pragma Capital).* Mr. Créange is managing director of Pragma Capital, a private equity firm he founded in 2002. Having started his career in the aeronautic sector and in the banking sector, Mr. Créange has held positions with the investment firms Unidev and UI. He holds degrees from Ecole Nationale Supérieure des Télécommunications and Institut d'Administration des Entreprises.

*François Varagne.* Mr. Varagne was formerly CEO of Gras Savoye, a major insurance broker, between 2012 and 2016. Mr. Varagne was previously CEO of French natural gas distributor Antargaz (2001-2011), the transport group Keolis, and Brink's France, a division on the Brinks security group. He graduated from HEC and holds a degree in philosophy.

A brief description of the present and past experience of Gérard Déprez and Patrick Bourmaud can be found under “—Chairman and Chief Executive Officer” and “—Management committee,” respectively.

#### ***Audit committee***

Our audit committee is currently composed of three individuals, Annick Lourdais, Jean Pierre Créange and Olivier de la Morinière, all of whom are also members of the Strategic Committee. The role of the audit committee is to examine the half-year and annual financial statements of the company and the Group prior to their presentation to the Strategic Committee. The audit committee meets at least two times per year.

#### ***Remuneration committee***

Our remuneration committee is currently composed of four individuals, Jean Pierre Créange, François Varagne, Olivier de la Morinière and Gérard Déprez, all of whom are also members of the Strategic Committee. The role of the remuneration committee is to report and advise on remuneration matters with respect to the company's officers. The remuneration committee meets at least once per year.

#### ***Ethics committee***

Our ethics committee is currently composed of Olivier de la Morinière who is also a member of the Strategic Committee. Loxam's Ethics Officer reports to the ethics committee on all ethical matters of which he becomes aware.

## SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### Shareholders

Our share capital is comprised of ordinary shares as well as Class A and Class B shares, all of which have the same voting rights. Pursuant to our articles of association, transfers of Class B shares are subject to the prior approval of holders of Class A shares in certain circumstances.

Our Chairman and Chief Executive Officer, Gérard Déprez, and his affiliates and family members together own 84.07% of our share capital. Pragma Capital owns 4.8% of our share capital, while the remainder is owned by other members of our management team, certain retired managers, employees and other entities controlled by management. The table below lists our shareholders of ordinary shares, Class A and Class B shares as of December 31, 2016.

Shareholder	Number of shares	Percentage of share capital
Mr. Gérard Déprez and affiliates <sup>(1)</sup>	19,403,102	84.07%
Managers, employees, retired managers and others <sup>(2)</sup>	2,246,329	9.73%
FCPR Pragma Capital II <sup>(3)</sup>	1,108,000	4.80%
FCPE Loxam <sup>(4)</sup>	324,384	1.40%
Total	23,081,815	100.00%

#### Notes:

- (1) All of which are Class A shares held by Gérard Déprez, DPZ Partners SAS and certain members of the Déprez family. DPZ Partners SAS is a holding company controlled by Gérard Déprez. DPZ Partners SAS and certain members of Gérard Déprez's family have pledged 6,562,764 shares to secure personal financing agreements and other arrangements.
- (2) All of which are Class B Shares.
- (3) All shares held by FCPR Pragma II are ordinary shares.
- (4) Shares held by Loxam employees indirectly through an employee fund, all of which are Class B shares.

### Other Securities Giving Access to our Share Capital

As of December 31, 2016, there are no other securities giving access to our Share Capital.

### Related Party Transactions

From time to time in the ordinary course of our business we enter into agreements with certain of our affiliates for the provision of management and administrative services. These agreements are established on arm's-length terms and we do not consider them to be material.

On November 30, 2011 we entered into a management agreement with DPZ Partners, a company controlled by our Chairman and Chief Executive Officer, Gérard Déprez, pursuant to which DPZ Partners provides us with strategic, organizational, research and administrative assistance, as well as analysis on business development opportunities in France and abroad, and financial and legal advice. This agreement has a one-year term and is automatically renewed for successive one-year periods unless canceled by either party prior to the end of the term. Services provided under this agreement are invoiced to us on a "cost plus" basis. For the year ended December 31, 2016 we were invoiced €1.1 million by DPZ Partners pursuant to this agreement.

## DESCRIPTION OF CERTAIN INDEBTEDNESS

*The following is a summary of the material terms of our principal financing arrangements in addition to the Indentures after giving effect to the offering. 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. Capitalized terms used in the following summaries and not otherwise defined in this offering memorandum have the meanings ascribed to them in their respective agreements.*

### Overview

Following the completion of this offering, our outstanding indebtedness will include certain bilateral credit facilities for which the borrowers are either Loxam or our subsidiaries, the Notes, the 2014 Notes, the 2016 Senior Secured Notes and the Revolving Credit Facility.

In connection with the Lavendon Acquisition, we entered into the Bridge Facility Agreement. We intend to repay the Bridge Facility Agreement in full with the net proceeds of this offering, upon which any commitments thereunder will be cancelled. See “Use of Proceeds.”

### Bilateral Credit Facilities

We and our subsidiaries have entered into bilateral credit facilities with a number of banks, primarily for the purpose of financing investments in our rental fleet. As of February 28, 2017, we and certain of our subsidiaries had a total of €387.6 million in debt outstanding under these bilateral credit facilities, including €163.6 million owed by our subsidiaries and €224.0 million owed by Loxam S.A.S. We guarantee certain of the bilateral credit facilities entered into by our subsidiaries.

Most of our bilateral credit facilities have terms of five years with annual straight-line amortization. Interest on most of these loans accrues at the rate of one-, two-, three-, six- or twelve-month EURIBOR plus a margin. Most of our bilateral credit facilities include a limited number of covenants, including a limitation on our ability to incur liens and create security interests. Events of default under the bilateral credit facilities typically include non-payment of amounts due, breach of terms, payment default in respect of certain other obligations, and certain insolvency events affecting us or our significant subsidiaries.

### The 2014 Notes

On July 23, 2014, we issued (i) €410,000,000 principal amount of 4.875% senior secured notes due 2021 (the “2014 Senior Secured Notes”) and (ii) €250,000,000 principal amount of 7.000% senior subordinated notes due 2022 (the “2014 Senior Subordinated Notes”) and, together with the 2014 Senior Secured Notes, the “2014 Notes”). Terms capitalized and otherwise not defined in this section have the meanings given to them in the relevant 2014 Indenture (as defined below).

### The 2014 Senior Secured Notes

The 2014 Senior Secured Notes mature on July 23, 2021. We pay interest on the 2014 Senior Secured Notes semi-annually on each June 15 and December 15, commencing December 15, 2014, at a rate of 4.875% per annum. The 2014 Senior Secured Notes (together with the 2016 Senior Secured Notes) are our general senior secured obligations and (i) are not guaranteed and are secured by a first-priority security interest in our “Loxam” trademark and 100% of the share capital of two of our subsidiaries, Loxam Module and Loxam Power (collectively, the “Senior Secured Collateral”) and upon the issue of the Senior Secured Notes offered hereby and until their redemption in full, by a first priority security interest in the Lavendon shares held by Loxam; (ii) rank *pari passu* in right of payment with any of our existing and future obligations that are not expressly subordinated in right of payment to the 2014 Senior Secured Notes, including the 2016 Senior Secured Notes and indebtedness incurred under the Revolving Credit Facility; (iii) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (iv) are effectively subordinated to any of our and our subsidiaries’ existing or future obligations that are secured by property and assets that do not secure the 2014 Senior Secured Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility, and additional indebtedness permitted under the 2014 Senior Secured Indenture to be incurred and secured by assets other than the property and assets securing the 2014 Senior Secured Notes. The 2014 Senior Secured Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in “ – Intercreditor Agreement” below.

We may redeem all or part of the 2014 Senior Secured Notes at any time on or after July 23, 2017 at redemption prices specified as percentages of the principal amount of 2014 Senior Secured Notes so redeemed. At any time prior to July 23, 2017 we may redeem all or part of the 2014 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal amount of the applicable note; or (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on July 23, 2017 (being 102.438% of the principal amount of the note) plus all required interest payments due on the note through July 23, 2017 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note, if greater. At any time prior to July 23, 2017, during each 12-month period commencing on the issue date, we may redeem up to 10% of the aggregate principal amount of the 2014 Senior Secured Notes at a redemption price of 103% of the principal

amount of the 2014 Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date. In addition, at any time prior to July 23, 2017 we may also redeem up to 45% of the aggregate principal amount of the 2014 Senior Secured Notes with the net proceeds from certain equity offerings at a redemption price equal to 104.875% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the original aggregate principal amount of the 2014 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 90 days after the closing of such equity offering. Further, we may redeem all of the 2014 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If we or our Restricted Subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the 2014 Senior Secured Notes at specified redemption prices.

### ***The 2014 Senior Subordinated Notes***

The 2014 Senior Subordinated Notes mature on July 23, 2022. We pay interest on the 2014 Senior Subordinated Notes semi-annually on each June 15 and December 15, commencing December 15, 2014, at a rate of 7.000% per annum. The 2014 Senior Subordinated Notes are general unsecured senior subordinated obligations and (i) are expressly subordinated in right of payment to indebtedness incurred under the Revolving Credit Facility, the Senior Secured Notes offered hereby, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and other of our future senior indebtedness; (ii) rank *pari passu* in right of payment to any of our existing or future indebtedness (other than our senior indebtedness) that is not expressly subordinated in right of payment to the 2014 Senior Subordinated Notes; (iii) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (iv) are effectively subordinated to all secured debt (including the Senior Secured Notes offered hereby, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and any indebtedness under the Revolving Credit Facility) to the extent of the value of the collateral securing such debt (including the Senior Secured Security and the Revolving Credit Facility Collateral). The 2014 Senior Subordinated Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in “– Intercreditor Agreement” below.

We may redeem all or part of the 2014 Senior Subordinated Notes at any time on or after July 23, 2017 at redemption prices specified as percentages of the principal amount of 2014 Senior Subordinated Notes so redeemed. At any time prior to July 23, 2017 we may redeem all or part of the 2014 Senior Subordinated Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; or (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on July 23, 2017 (being 105.250% of the principal amount of the note) plus all required interest payments due on the note through July 23, 2017 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note, if greater. In addition, at any time prior to July 23, 2017, we may also redeem up to 45% of the aggregate principal amount of the 2014 Senior Subordinated Notes with the net proceeds from certain equity offerings at a redemption price equal to 107% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the original aggregate principal amount of the 2014 Senior Subordinated Notes remains outstanding after the redemption and the redemption occurs within 90 days after the closing of such equity offering. Further, we may redeem all of the 2014 Senior Subordinated Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If we or our Restricted Subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the 2014 Senior Subordinated Notes at specified redemption prices.

### ***The 2014 Indentures***

The indenture governing the 2014 Senior Secured Notes (the “2014 Senior Secured Indenture”) and the indenture governing the 2014 Senior Subordinated Notes (the “2014 Senior Subordinated Indenture” and, together with the 2014 Senior Secured Indenture, the “2014 Indentures”), among other things, limit our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. The 2014 Senior Secured Indenture also limits our ability and the ability of the Restricted Subsidiaries to take actions that would impair the security interests in the Senior Secured Security. In order to incur additional Indebtedness (other than specified permitted Indebtedness) under the 2014 Indentures, our Fixed Charge Coverage Ratio must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Senior Secured Debt (as defined in the 2014 Senior Secured Indenture) or Priority Debt (as defined in the 2014 Senior Subordinated Indenture), if our Consolidated Senior Secured Leverage Ratio (as defined in the 2014 Senior Secured Indenture) or Consolidated Priority Debt Leverage Ratio (as defined in the 2014 Senior Subordinated Indenture), respectively, is less than 3.85 to 1.00, in each case on a pro forma basis. The 2014 Indentures also allow us to incur up to €1 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein) and the 2014 Senior Secured Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 3.85 to 1.0 senior secured leverage ratio or priority debt leverage ratio, as

applicable. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The 2014 Indentures provide for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of 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 accelerated) aggregates €20 million or more.

The 2014 Indentures and the 2014 Notes are governed by the laws of the State of New York.

### **The 2016 Senior Secured Notes**

On May 3, 2016, we issued €250,000,000 aggregate principal amount of 3.500% senior secured notes due 2023 (the “2016 Senior Secured Notes”). Terms capitalized and otherwise not defined in this section have the meanings given to them in the 2016 Indenture (as defined below).

#### ***The 2016 Senior Secured Notes***

The 2016 Senior Secured Notes mature on May 3, 2023. We pay interest on the 2016 Senior Secured Notes semi-annually on each March 15 and September 15, commencing September 15, 2016, at a rate of 3.500% per annum. The 2016 Senior Secured Notes are our general senior secured obligations (together with the 2014 Senior Secured Notes) and (i) are not guaranteed and are secured by a first-priority security interest in the Senior Secured Collateral and upon the issue of the Senior Secured Notes offered hereby and until their redemption in full, by a first priority security interest in the Lavendon shares held by Loxam; (ii) rank *pari passu* in right of payment with any of our existing and future obligations that are not expressly subordinated in right of payment to the 2016 Senior Secured Notes, including indebtedness incurred under the 2014 Senior Secured Notes and the Revolving Credit Facility; (iii) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (iv) are effectively subordinated to any of our and our subsidiaries’ existing or future obligations that are secured by property and assets that do not secure the 2016 Senior Secured Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility, and additional indebtedness permitted under the 2016 Indenture to be incurred and secured by assets other than the property and assets securing the 2016 Senior Secured Notes. The 2016 Senior Secured Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in “– Intercreditor Agreement” below.

We may redeem all or part of the 2016 Senior Secured Notes at any time on or after May 3, 2019 at redemption prices specified as percentages of the principal amount of 2016 Senior Secured Notes so redeemed. At any time prior to May 3, 2019 we may redeem all or part of the 2016 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; and (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on May 3, 2019 (being 101.750% of the principal amount of the note) plus all required interest payments due on the note through May 3, 2019 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note.

Additionally, at any time and from time to time prior to May 3, 2019, during each 12-month period commencing on the issue date of the 2016 Senior Secured Notes, we may redeem up to 10% of the original aggregate principal amount of the 2016 Senior Secured Notes, at our option, at a redemption price of 103% of the principal amount of the 2016 Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date. In addition, at any time prior to May 3, 2019, we may redeem up to 45% of the aggregate principal amount of the 2016 Senior Secured Notes with the net proceeds from certain equity offerings at a redemption price equal to 103.500% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the aggregate principal amount of the 2016 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 90 days after the closing of such equity offering. Further, we may redeem all of the 2016 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date (subject to the rights of holders of the 2016 Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date) upon the occurrence of certain changes in tax law. If we or certain of our subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the 2016 Senior Secured Notes at specified redemption prices.

#### ***The 2016 Indenture***

The indenture governing the 2016 Senior Secured Notes (the “2016 Indenture” and, together with the 2014 Indentures, the “Existing Indentures”), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of

intercompany loans and advances; (viii) engage in mergers or consolidations; and (ix) impair the security interests in the Senior Secured Security. In order to incur additional indebtedness (other than specified permitted indebtedness) under the 2016 Indenture, our Fixed Charge Coverage Ratio (as defined in the 2016 Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Senior Secured Debt (as defined in the 2016 Indenture), if our Consolidated Senior Secured Leverage Ratio (as defined in the 2016 Indenture) is less than 3.85 to 1.00, in each case on a pro forma basis.

The 2016 Indenture also allows us to incur up to €1 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The 2016 Senior Secured Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 3.85 to 1.0 Consolidated Senior Secured Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The 2016 Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of 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 accelerated) aggregates €20 million or more.

The 2016 Indenture and the 2016 Senior Secured Notes are governed by the laws of the State of New York.

## **Revolving Credit Facility**

### ***Overview***

On February 28, 2017, we entered into a €75 million revolving credit facility agreement (the “Revolving Credit Facility”) with Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale Corporate and Investment Banking as arrangers, the financial institutions named therein as original lenders, Natixis as agent (the “Agent”) and Natixis as security agent (the “Security Agent”). Terms capitalized and otherwise not defined in this section have the meanings given to them in the Revolving Credit Facility.

The Revolving Credit Facility provides for borrowings of up to an aggregate of €75 million on a committed basis. Borrowings may be prepaid or repaid and reborrowed in accordance with the terms of the Revolving Credit Facility. Borrowings may be used to fund our general corporate and working capital requirements, although we may not use borrowings under the Revolving Credit Facility to redeem the 2014 Notes, the 2016 Senior Secured Notes or the Notes.

### ***Availability***

The Revolving Credit Facility may be utilized from the date when certain conditions precedent are satisfied (the “Effective Date”) until the date falling one month prior to the final maturity date. The Revolving Credit Facility has a maturity of five years and all utilizations thereunder must be repaid by that date.

### ***Interest and Fees***

The amounts drawn under the Revolving Credit Facility bear interest at a rate equal to the sum of (i) EURIBOR; and (ii) the applicable margin.

The applicable margin is initially equal to a base margin of 2.75% per annum, subject to, after at least 12 months has elapsed from the date of the Revolving Credit Facility, a ratchet up or down based on our Consolidated Leverage Ratio, calculated on a quarterly basis over the then last twelve-month period. The applicable margin varies between 2.25% and 2.75% per annum, and is automatically increased up to 2.75% per annum upon the occurrence of, and as long as an Event of Default is continuing.

Default interest is calculated as an additional 1.00% on the overdue amount.

A commitment fee is payable, quarterly in arrears, at the rate of 0.75% per annum on each lender’s undrawn and uncanceled commitments, until the last day of the availability period.

We are further required to pay certain fees to the Agent and the Security Agent.

### ***Security***

The Revolving Credit Facility is secured separately from the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and the Senior Secured Notes by:

- an assignment of certain eligible customer receivables (*cession de créances à titre de garantie*) in accordance with article L-313-23 and seq. of the French Monetary and Financial Code (the “*Dailly* receivables”); and
- a related pledge over the bank account into which the *Dailly* receivables are paid.

The *Daily* receivables shall represent at least 120% of the drawn amount under the Revolving Credit Facility at any time.

### ***Repayments***

Each loan made under the Revolving Credit Facility must be repaid on the last day of the relevant interest period of one, three or six months, or any other period agreed to by the Lenders, subject to a netting mechanism against amounts to be drawn on such date. Amounts repaid may be re-borrowed during the availability period, subject to certain conditions.

The final maturity date of the Revolving Credit Facility is the date falling five years from the date of the agreement.

### ***Prepayments***

In addition to scheduled repayment of principal, the Revolving Credit Facility provides for mandatory prepayment under certain circumstances, including upon the occurrence of a Change of Control or upon a sale of all or substantially all of the assets of the Restricted Group.

In the event of (i) a Change of Control or (ii) the sale of all or substantially all of the assets of the Restricted Group (as defined in the Revolving Credit Facility), the Revolving Credit Facility will immediately be cancelled and all amounts outstanding thereunder will become due and payable on the 5<sup>th</sup> business day following such event.

A Change of Control will be deemed to have occurred under the Revolving Credit Facility if a Change of Control has been deemed to have occurred under the Existing Indentures; *provided, however*, that a Change of Control under the Revolving Credit Facility will be deemed to have occurred regardless of whether there is a decline in the Company's credit rating (referred to as a "Change of Control Rating Decline" in the Existing Indentures).

The Revolving Credit Facility contains provisions relating to cancellation of commitments and, to the extent necessary as a result of such cancellation, prepayment of outstanding loans upon repurchase of 2014 Notes, 2016 Senior Secured Notes and/or the Notes.

Indebtedness under the Revolving Credit Facility may further be voluntarily cancelled or prepaid at any time, in whole or in part, subject to certain conditions, including with respect to minimum amounts, notice period and payment of any break funding costs if such prepayment is made on a day that is not the last business day of an interest period.

Amounts prepaid may be re-borrowed during the availability period, subject to certain conditions. Commitments cancelled may not be reinstated.

### ***Covenants***

#### ***General***

The Revolving Credit Facility contains customary information and affirmative loan style covenants (including covenants applicable to the Company and, as the case may be, to the Company's subsidiaries or Material Subsidiaries (as such term is defined in the Revolving Credit Facility) relating to maintenance of relevant authorizations, compliance with laws, payment of taxes, change of business, preservation of assets, *pari passu* ranking, insurance, intellectual property, hedging, principal place of business, provision of financial and other information, etc.) and incorporates the restrictive covenants set forth in the 2016 Indenture.

#### ***Financial Covenant***

The Revolving Credit Facility also requires us to comply with a "springing" financial covenant. Specifically, we are required to ensure that our Consolidated Leverage Ratio in respect of a Relevant Period does not exceed 5.00:1.00 in respect of any testing period; *provided* that (a) only synergies and cost savings referred to in the definition of Consolidated Leverage Ratio shall be taken into account which result from the acquisition, restructuring or reorganization (as applicable) confirmed as reasonably anticipated to be achievable by the chief financial officer in the 12 months immediately following the acquisition, restructuring or reorganization (as applicable) and (b) the synergies referred to in the definition of Consolidated Leverage Ratio during any applicable testing period may not exceed 10% of our Consolidated Cash Flow during such period (after giving pro forma effect to the relevant acquisition).

This financial covenant is tested quarterly on a rolling 12-month basis, although it is only tested if the outstanding aggregate amount of utilizations at the end of the applicable testing period is equal to or exceeds 30% of total commitments. *Pro forma* compliance with this financial covenant is also required as a condition precedent to the incurrence of new utilizations (other than rollover loans), but only if the aggregate amount of utilizations (taking into account the proposed utilization) is equal to or exceeds 30% of total commitments.



## ***Events of Default***

The Revolving Credit Facility contains customary events of default (subject in certain cases to grace periods, thresholds, materiality and other exceptions), including payment default, failure to comply with the financial covenant described above, failure to comply with any other obligation, misrepresentation, cross-default, insolvency and insolvency proceedings concerning the Company or one of the Material Subsidiaries, creditor enforcement proceedings, judicial alert proceeding (*procédure d'alerte*) initiated by the Company's auditors, failure to comply with the Intercreditor Agreement (as defined below), unlawfulness and invalidity, cessation of business, material qualification of financial statements by the Company's auditors, expropriation of assets, material litigation arising out of the transaction documents and material adverse change.

The occurrence of an event of default would allow the Agent, among other things, to (i) cancel the total commitments under the Revolving Credit Facility; (ii) declare all or part of any borrowings thereunder immediately due and payable; (iii) declare all or part of any borrowings thereunder payable on demand; and/or (iv) exercise any rights, remedies, powers or discretions it has under the revolving facility documents, including directing the Security Agent to exercise such remedies, powers or discretions in respect of the security.

## ***Amendments and Waivers***

The terms of the Revolving Credit Facility may be amended or waived with the consent of lenders representing more than two-thirds of the aggregate commitments. Certain amendments or waivers, however, such as changes to the maturity, margin, principal or interest in respect of a borrowing, changes in currency, change of control or changes to the legal entity of the borrower require the consent of all lenders.

## ***Governing Law and Jurisdiction***

The Revolving Credit Facility and any non-contractual obligations arising out of or in connection with it are governed by English law. Without prejudice to the foregoing, the restrictive covenants incorporated into the Revolving Credit Facility from the 2016 Indenture and any non-contractual obligations arising out of or in connection with them are to be interpreted in accordance with New York law. The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Revolving Credit Facility.

## ***Intercreditor Agreement***

### ***General***

To establish the relative rights of certain of our creditors under our financing arrangements, we entered into the Intercreditor Agreement with, among others, the Agent for the lenders under the Revolving Credit Facility, the trustees under the 2014 Senior Secured Notes and the 2016 Senior Secured Notes (the "Senior Secured Notes Trustee"), the trustee under the 2014 Senior Subordinated Notes (the "Senior Subordinated Notes Trustee") and the Security Agents in respect of the Revolving Credit Facility, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes. In connection with the issuance of the Notes, the Trustee will accede to the Intercreditor Agreement in its capacity as trustee for the Senior Secured Notes and trustee for the Senior Subordinated Notes and the Senior Secured Notes will be subject to the terms of such agreement as senior secured notes and the Senior Subordinated Notes will be subject to such agreement as senior subordinated notes.

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain of our debt, including the Revolving Credit Facility, the 2014 Notes, the 2016 Senior Secured Notes and the Notes offered hereby, as well as certain future debt and hedging obligations;
- when payments can and cannot be made in respect of our debt, including in particular restrictions on payments in respect of senior subordinated notes including the 2014 Senior Subordinated Notes and the Senior Subordinated Notes offered hereby that will apply in certain circumstances (such as a default in respect of senior debt);
- conditions relating to our ability to provide security for future debts, including sharing of the Senior Secured Security and the collateral for the Revolving Credit Facility, with certain future creditors (including certain hedge counterparties);
- when and by whom an enforcement action can be taken in respect of that debt;
- the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events;
- the terms pursuant to which the Company and its subsidiaries (the "Group") may make payments in respect of certain liabilities (the "Intra-Group Liabilities") owed by them to other members of the Group from time to time; and
- turnover provisions.

In general, the Intercreditor Agreement does not restrict or prevent the incurrence by the Issuer or any Restricted Subsidiary of indebtedness secured by Security other than the Senior Secured Security and the collateral for the Revolving Credit Facility to the extent permitted by our financing agreements and the right of any lender thereon to take enforcement action with respect thereto.

The Intercreditor Agreement only regulates Intra-Group Liabilities to the extent that such Liabilities (1) are owed by a Debtor to a non-Debtor or another Debtor and (2) do not relate to current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations. Accordingly, other Intra-Group Liabilities are not required by the terms thereof to be subordinated or junior in right of payment to any Liabilities owed to any Secured Creditors. Members of the Group are not required to accede to the Intercreditor Agreement solely because they have incurred Intra-Group Liabilities, although such intra-group liability shall still be deemed Intra-Group Liabilities for the purposes of the Intercreditor Agreement.

The Intercreditor Agreement does not regulate liabilities owed by any member of the Group to any direct or indirect shareholders.

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. The following description is a summary of certain provisions contained in the Intercreditor Agreement which relate to the rights and obligations of the holders of the Notes. It does not restate the Intercreditor Agreement in its entirety. In particular, we provide summary definitions of certain terms below for ease of reading, but such definitions are qualified in their entirety by the more detailed definitions contained in the Intercreditor Agreement. As such, you are urged to read the Intercreditor Agreement because it, and not the discussion that follows, defines certain rights of the holders of the Notes. You can obtain a copy of the Intercreditor Agreement in the manner described under “General Information—Listing.”

### **Ranking and Priority**

#### **Priority of Liabilities**

The Intercreditor Agreement provides that the liabilities of the Company and any member of the Group that becomes a debtor (collectively, “Debtors”) in respect of the Revolving Credit Facility, the 2014 Notes, the 2016 Senior Secured Notes, the Notes, certain future hedging obligations and certain future debt, rank in the following order or priority:

- *first*, the Senior Lender Liabilities, the Senior Secured Liabilities and the Creditor Representative Amounts (each as defined below), *pari passu* and without any preference between them;
- *second*, the Senior Subordinated Notes Liabilities (as defined below), *pari passu* and without any preference between them; and
- *third*, the Intra-Group Liabilities.

The terms used above are defined in detail in the Intercreditor Agreement, and as a general matter have the following meanings:

“Additional Senior Secured Creditor” means a holder of Additional Senior Secured Liabilities.

“Additional Senior Secured Finance Documents” means each document or instrument entered into between any Debtor and one or more Additional Senior Secured Creditors setting out the terms of any loan, credit or debt facility, notes, indenture or security which creates or evidences any Additional Senior Secured Liabilities, or setting out the terms of any guarantee or indemnification for, or grants or evidences any Security for, any Additional Senior Secured Liabilities.

“Additional Senior Secured Liabilities” means liabilities owed in respect of any loan, credit or debt facility, notes, indenture or security:

(a) that are not subordinated in right of payment to any Senior Lender Liabilities or Senior Secured Notes Liabilities; and

(b) that are designated by the Company to the applicable Security Agent as “Additional Senior Secured Debt” and which are permitted under the terms of the Senior Secured Finance Documents, the Senior Lender Finance Documents and the Senior Subordinated Notes Finance Documents to rank *pari passu* with the other Senior Secured Liabilities including at the time of such designation; and

(c) for which the relevant Additional Senior Secured Creditors (or the applicable creditor representative on its behalf) has acceded to the Intercreditor Agreement.

“Arranger” means any Arranger as defined in the Revolving Credit Facility.

“Creditor Representative Amounts” mean certain amounts due to the Senior Secured Notes Trustee, the Trustee, the Senior Subordinated Notes Trustee, the Agent under the Revolving Credit Facility and the agent, trustee or similar representative

under certain other credit facilities, indentures and similar documents. Each such party is referred to as a “Creditor Representative,” and the representatives of the Additional Senior Secured Liabilities are referred to as “Additional Senior Secured Creditor Representatives.”

“Distress Event” means the acceleration of the Senior Lender Liabilities, the Senior Secured Liabilities (other than the Hedging Liabilities) or the Senior Subordinated Notes Liabilities, or the enforcement of any related transaction security, as the context requires.

“Senior Agent” means Natixis in its capacity as original senior agent under the Revolving Credit Facility and any agent under an Additional Senior Facilities Agreement that has acceded to the Intercreditor Agreement in such capacity.

“Senior Discharge Date” means the date on which all Senior Lender Liabilities and Senior Secured Liabilities have been fully and finally discharged to the satisfaction of the relevant Creditor Representatives.

“Senior Event of Default” means an event of default under the Revolving Credit Facility or an Additional Senior Facilities Agreement or an event of default under a Senior Secured Finance Document.

“Senior Lender Creditor” means each Senior Lender and the Senior Agent.

“Senior Lender Finance Party” means a Finance Party as defined in the Revolving Credit Facility.

“Senior Lender Liabilities” mean liabilities owed to the lenders under the Revolving Credit Facility and to the lenders, issuing banks and ancillary lenders in any additional or new future senior credit facility agreement that becomes subject to the Intercreditor Agreement (the “Additional Senior Facilities Agreements”). The holders of Senior Lender Liabilities are referred to as the “Senior Lenders.”

“Senior Secured Liabilities” mean liabilities owed to the holders of the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the 2022 Senior Secured Notes offered hereby and the 2024 Senior Secured Notes offered hereby including any additional 2014 Senior Secured Notes, any additional 2016 Senior Secured Notes, any additional 2022 Senior Secured Notes and any additional 2024 Senior Secured Notes issued in the future (the “Senior Secured Notes Liabilities”); the liabilities in relation to certain permitted hedging agreements (the “Hedging Liabilities”), and any future senior secured liabilities that become subject to the Intercreditor Agreement as Additional Senior Secured Liabilities. The holders of Senior Secured Liabilities (including hedge counterparties) are referred to as the “Senior Secured Creditors.”

“Senior Subordinated Notes Liabilities” mean liabilities owed to the holders of the 2014 Senior Subordinated Notes and the Senior Subordinated Notes offered hereby (including any additional senior subordinated notes issued in the future).

“Transaction Security” means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the transaction security documents relating to the Senior Lender Security and the Senior Secured Security.

The Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes will therefore rank *pari passu* in right of payment with certain other current and future debt of our Company, including, among others, the Revolving Credit Facility, any Additional Senior Facilities Agreements and any future Senior Secured Liabilities. The Senior Subordinated Notes and the 2014 Senior Subordinated Notes will rank junior in right of payment to all such liabilities, and will rank *pari passu* among themselves in right of payment and *pari passu* in right of payment with any future 2014 Senior Subordinated Notes, any future Senior Subordinated Notes and future Senior Subordinated Notes Liabilities.

Our ability to incur such future debt is subject to compliance with the incurrence tests under the Indentures (see “Description of Certain Indebtedness,” “Description of the 2022 Senior Secured Notes,” “Description of the 2024 Senior Secured Notes” and “Description of the Senior Subordinated Notes”), as well as any other limitations imposed by our debt documents. If we are able to incur such future debt, it is possible that the amount of debt ranking *pari passu* in right of payment with the Senior Secured Notes and senior to the Senior Subordinated Notes and/or the amount of debt ranking *pari passu* in right of payment with the Senior Subordinated Notes will increase significantly in the future.

### **Priority of Security**

The Revolving Credit Facility and the related security agreements provide that the Senior Lenders will benefit from a pledge of receivables owed to the Company (the “Daily Pledge”), and a pledge of the bank account into which such receivables are transferred (collectively, the “Senior Lender Security”). The Daily Pledge will be equal to an amount no less than 120% of the outstanding principal amount loans outstanding under the Revolving Credit Facility at all times. See “—Revolving Credit Facility.” Additional security may be pledged for some or all of the Senior Lender Liabilities under the circumstances described herein. We may incur indebtedness secured by such receivables and/or additional receivables under Additional Senior Facilities Agreements, such security to be shared on a *pari passu* basis with the Original Senior Lenders.

The Senior Secured Indentures and related security documents also provide that the holders of the Senior Secured Notes will benefit from a pledge of the Senior Secured Security, which includes a security interest in the Senior Secured Collateral ranking after any then-existing security interest in the Senior Secured Collateral which shall be deemed a first-priority security interest therein by virtue of the Intercreditor Agreement as well as from a pledge of the Lavendon shares held by Loxam on a first-priority basis (this additional security, together with the Senior Secured Collateral, the “Senior Secured Security”). See “Description of the 2022 Senior Secured Notes—Security” and “Description of the 2024 Senior Secured Notes—Security.” The Senior Secured Security may also secure any future Senior Secured Liabilities under the circumstances described herein. Additional security may be pledged for some or all of the Senior Secured Liabilities under the circumstances described herein.

The holders of the Senior Subordinated Notes will not benefit from any security.

The Intercreditor Agreement provides that the Senior Lender Security will secure the liabilities of the Senior Lender Creditors only, and that the Senior Secured Security will secure the liabilities of the Senior Secured Creditors only (*pari passu* without any preference between them).

If we incur additional Senior Lender Liabilities in the future, the amount of our debt that will be secured by the Senior Lender Security will increase. As a result, the amount of Senior Lender Security that will be available to satisfy claims of other creditors in case of an enforcement action or insolvency event may be reduced.

Similarly, if we incur additional Senior Secured Liabilities in the future, the amount of our debt that will be secured by the Senior Secured Security will increase. As a result, the amount of Senior Secured Security that will be available to satisfy claims of other creditors in case of an enforcement action or insolvency event may be reduced.

The Intercreditor Agreement provides that, if we or any of the other Debtors incur incremental borrowings, new borrowings or guarantees, refinance any borrowings or guarantees, or share existing security, and if this is permitted by the terms of our outstanding debt documents (including, but not limited to, the terms of the Notes), the creditors party to the Intercreditor Agreement (including the Trustee) will (at the cost of the Debtors) co-operate with the Debtors with a view to enabling such financing or refinancing and such sharing of security to take place. In each case, the relevant creditors, including the holders of the Notes, will be deemed to have authorized their respective Creditor Representatives to execute any amendment to the Intercreditor Agreement and the other debt documents required to reflect such arrangements.

### ***Restriction on Enforcement of Security***

The Intercreditor Agreement provides that the Senior Lenders may not take any action to enforce the Senior Lender Security without the prior written consent of the Majority Senior Lender Creditors and that the Senior Secured Creditors may not take any action to enforce the transaction security without the prior written consent of the Majority Senior Secured Creditors. Notwithstanding the foregoing, if an insolvency event in relation to a Debtor (meaning generally that insolvency or similar proceedings are instituted by or in respect of such Debtor), Senior Lenders and Senior Secured Creditors may take certain enforcement actions in connection with the relevant insolvency proceedings, but may not direct the applicable Security Agent to enforce the relevant transaction security in connection with such insolvency event except with the relevant majority consent.

The “Majority Senior Lenders” are generally defined as Senior Lenders holding more than 66 2/3% of the Senior Lender Liabilities, and the “Majority Senior Secured Creditors” are generally defined as Senior Secured Creditors holding more than 50% of the Senior Secured Liabilities.

The Intercreditor Agreement does not contain any mechanism regulating enforcement action between Senior Lenders as a creditor class and Senior Secured Creditors as a creditor class.

### ***Additional Security and Guarantees***

#### ***Senior Lenders***

Any Senior Lender may take, accept or receive the benefit of:

- any security from the Company or any member of the Group in respect of its Senior Lender Liabilities, subject to a requirement to offer similar security:
  - to the Security Agent as agent or trustee for the other Senior Lenders (which will then form part of the Senior Lender Security); or
  - in the case of any jurisdiction in which effective security cannot be granted in favor of the applicable Security Agent as agent or trustee for the other Senior Lenders:
    - to the other Senior Lender Creditors in respect of their secured obligations; or
    - to the applicable Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Senior Lender Creditors,

- any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Senior Lender Liabilities in addition to those provided in the existing documents evidencing or relating to the Senior Lender Liabilities and in the Intercreditor Agreement, subject to a requirement to offer similar benefits to other Senior Lenders or their Creditor Representatives on their behalf to the extent legally possible and subject to certain agreed security principles.

In any such case, such security, guarantee, indemnity or other assurance against loss will rank in the same order of priority as set out under “—Ranking and Priority—Priority of Security,” and all amounts received by any Senior Lender Finance Party (which shall generally mean the relevant Senior Lenders and their Creditor Representative(s)) with respect to such security will be paid to the applicable Security Agent and held and applied in accordance with the provisions set out under “—Application of Proceeds.”

This provision does not require any security or guarantee to be granted in respect of the Senior Secured Liabilities or the Senior Subordinated Notes Liabilities.

In addition, the ancillary lenders or issuing banks under any Additional Senior Facilities Agreements may take, accept or receive certain additional security or guarantees, including cash cover provided under such Additional Senior Facilities Agreements, separate from the security and guarantees provided to all the Senior Lenders, and without providing any security or guarantee in respect of the Senior Secured Liabilities or the Senior Subordinated Notes Liabilities.

### ***Senior Secured Creditors***

The Senior Secured Creditors may take, accept or receive the benefit of:

- any security from any member of the Group in respect of Senior Secured Liabilities if and to the extent legally possible and subject to certain agreed security principles, at the same time, it is also offered either:
  - to the applicable Security Agent as agent or trustee for the other Senior Secured Creditors in respect of their Senior Secured Liabilities; or
  - in the case of any jurisdiction in which effective security cannot be granted in favor of the applicable Security Agent as agent or trustee for the other Senior Secured Creditors:
    - to the other Senior Secured Creditors in respect of their secured obligations; or
    - to the applicable Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Senior Secured Creditors,

and ranks in the same order of priority as set out under the caption “—Ranking and Priority—Priority of Security,” provided that all amounts received or recovered by any Senior Secured Creditor with respect to such security are immediately paid to the applicable Security Agent and held and applied in accordance with the provisions set out under the caption “—Application of Proceeds;” and

- any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Senior Secured Liabilities if and to the extent legally possible, and subject to certain agreed security principles, at the same time it is also offered to the other Senior Secured Creditors in respect of their Senior Secured Liabilities and ranks in the same order of priority as set out under the caption “—Ranking and Priority” and all amounts received by any Senior Secured Creditor with respect thereto are immediately paid to the applicable Security Agent and held and applied in accordance with the provisions set out under the caption “—Application of Proceeds.”

### ***Hedge Counterparties and Hedging Liabilities***

The Debtors may enter into interest rate or currency exchange rate hedge agreements under ISDA or other forms of master agreements from time to time, so long as the total hedged amounts do not exceed certain limits. The Hedging Liabilities created under such agreements may rank *pari passu* with the Senior Lender Liabilities and the Senior Secured Liabilities, and senior to the Senior Subordinated Notes Liabilities. Such Hedging Liabilities may share in the Senior Secured Security.

The Debtors may make payments due under the terms of the agreements relating to such Hedging Liabilities as they come due, as well as close-out or termination payments thereunder. Close-out and termination payments are subject to certain limitations, including compliance with the terms of the documents governing the Senior Lender Liabilities and the Senior Secured Liabilities if the close-out or termination occurs prior to a Distress Event. The Debtors may not make any payment to a hedge counterparty that has failed to make a payment under the relevant hedging agreement, and the failure by the Debtors to make such payment will not constitute an Event of Default under the Notes. Following the acceleration of the Notes or the occurrence of an Insolvency Event, the Debtors may not make payments under the hedging agreements except in connection with the enforcement of the Senior Secured Security and the application of the proceeds thereof as provided under “—Application of Proceeds.” The hedge counterparties shall be required to terminate or close out the hedge agreements upon the acceleration of the Notes or Additional Senior Secured Finance Documents or upon the instruction of the Majority Senior Secured Creditors.

### ***Permitted Payments in Respect of Senior Lender Liabilities and Senior Secured Liabilities***

The Debtors may make payment in respect of the Senior Lender Liabilities and the Senior Secured Liabilities (other than Hedging Liabilities) at any time in accordance with the provisions of the applicable documents governing the terms of the Senior Lender Liabilities (the “Senior Lender Finance Documents”) and the Senior Secured Liabilities (the “Senior Secured Finance Documents”).

### ***Option to Purchase: Senior Secured Creditors***

Upon the occurrence of a Distress Event, the Senior Secured Creditors may elect to purchase the Senior Lender Liabilities for the amount that would have been required to prepay such liabilities on the purchase date plus certain costs and expenses.

The Senior Secured Creditors may not exercise their right to purchase the Senior Lender Liabilities if the Senior Subordinated Notes Trustee, on behalf of the Senior Subordinated Creditors, has exercised its right to purchase the Senior Lender Liabilities and the Senior Secured Liabilities, as described under “—Option to Purchase—Senior Subordinated Creditors.”

### ***Restrictions Relating to Senior Subordinated Note Liabilities***

#### ***Restriction on Payment and Dealings***

The Intercreditor Agreement provides that, until the Senior Discharge Date, except with the prior consent of the Creditor Representative under the Senior Facilities Agreements and (to the extent otherwise prohibited under any Senior Secured Finance Document) the Creditor Representative under such Senior Secured Finance Document, the Debtors shall not (and the Company shall ensure that no member of the Group will):

- (i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Subordinated Note Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Subordinated Notes Liabilities except as permitted by the provisions set out below under the captions “—Permitted Senior Subordinated Payments,” “—Permitted Senior Subordinated Notes Enforcement,” and the fourth paragraph under the caption “—Effect of Insolvency Event; Filing of Claims” or by a refinancing of the 2014 Senior Subordinated Notes or the Senior Subordinated Notes as permitted by the Intercreditor Agreement;
- (ii) exercise any set-off against any Senior Subordinated Notes Liabilities, except as permitted by the provisions set out in the caption “—Permitted Senior Subordinated Payments” below, the provisions set out in the caption “—Restrictions on Senior Subordinated Notes Enforcement” below or the fourth paragraph under the caption “—Effect of Insolvency Event; Filing of Claims” below; or
- (iii) create or permit to subsist any security over any assets of any member of the Group or give any guarantee (and the Senior Subordinated Notes Trustee may not and no Senior Subordinated Creditor may, accept the benefit of any such Security or guarantee) from any member of the Group for, or in respect of, any Senior Subordinated Notes Liabilities other than guarantees that contain subordination provisions and other limitations substantially consistent with those of the 2014 Senior Subordinated Notes and the Senior Subordinated Notes (“Senior Subordinated Guarantees”).

### ***Permitted Senior Subordinated Notes Payments***

Prior to the Senior Discharge Date, the Debtors may make payments in respect of the Senior Subordinated Notes Liabilities then due in accordance with the terms of the relevant documents that govern them (the “Senior Subordinated Notes Finance Documents”) if:

- (i) the payment is not principal or capitalized interest, or is made after the maturity date of the Senior Subordinated Notes Liabilities, or is otherwise expressly permitted by the documents governing the Senior Lender Liabilities;
- (ii) no Senior Subordinated Notes payment stop notice is outstanding (as described under “—Payment Blockage Provisions); and
- (iii) no Senior Payment Default has occurred and is continuing (a “Senior Payment Default” is a default on Senior Lender Liabilities or Senior Secured Liabilities resulting from non-payment, subject to certain limited exceptions).

Any other payment to the holders of the Senior Subordinated Note Liabilities may be made only if the Majority Senior Lender Creditors and Creditor Representatives for the Senior Secured Liabilities give prior consent to that payment being made.

In addition, the Debtors may make certain payments to the Creditor Representative for the Senior Subordinated Notes Liabilities, as well as certain payments of administrative expenses, tax gross-up amounts, amendment and waiver fees and similar amounts. The Debtors may also pay costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Subordinated Notes Liabilities in compliance with the Intercreditor Agreement and the documents governing the Senior Lender Liabilities and the Senior Secured Liabilities.

On or after the Senior Discharge Date, the Debtors may make payments in respect of the Senior Subordinated Notes Liabilities in accordance with the Senior Subordinated Notes Finance Documents.

### ***Payment Blockage Provisions***

Until the Senior Discharge Date, except with the prior consent of the Creditor Representatives in respect of the Senior Lender Liabilities and the Senior Secured Liabilities, and subject to the provisions set out under “—Effect of Insolvency Event; Filing of Claims” below, the Debtors shall be prohibited from making payments in respect of the Senior Subordinated Notes Liabilities (other than certain amounts due to the Senior Subordinated Notes Trustee) if:

- a Senior Payment Default is continuing; or
- a Senior Event of Default (other than a Senior Payment Default) is continuing, from the date which is one business day after the date on which a Creditor Representative delivers a payment stop notice specifying the event or circumstance in relation to that Senior Event of Default to the Company, the applicable Security Agent and the Senior Subordinated Notes Trustee until the earliest of:
  - the date falling 179 days after delivery of that payment stop notice;
  - in relation to payments of Senior Subordinated Notes Liabilities, if a Senior Subordinated Notes standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires (see “—Restrictions on Enforcement”);
  - the date on which the relevant Senior Event of Default has been remedied or waived;
  - the date on which the relevant Creditor Representative (as applicable) delivers a notice to the Company, the applicable Security Agent and the Senior Subordinated Notes Trustee cancelling the payment stop notice and no other stop notice is then in effect;
  - the Senior Discharge Date; and
  - the date on which the applicable Security Agent or the Senior Subordinated Notes Trustee takes Enforcement Action (as defined below) permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Subordinated Notes Trustee waives this requirement (i) a new payment stop notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior payment stop notice and (ii) no payment stop notice may be delivered in reliance on an Event of Default in respect of Senior Secured Liabilities more than 45 days after the Creditor Representative for the applicable Senior Lender Liabilities or Senior Secured Liabilities has received notice of that Senior Event of Default.

The Creditor Representatives for any Senior Creditors may only serve one payment stop notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of any such Creditor Representative to issue a payment stop notice in respect of any other event or set of circumstances. No payment stop notice may be served by a Creditor Representative in respect of a Senior Event of Default which has been notified to such Creditor Representatives at the time at which an earlier payment stop notice was issued.

Any failure to make a payment due under the Senior Subordinated Notes Finance Documents as a result of the issue of a payment stop notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in the relevant Senior Subordinated Notes Finance Documents) as a consequence of that failure to make a payment in relation to the relevant Senior Subordinated Notes Finance Documents or (ii) the issue of an enforcement notice with respect to the relevant Event of Default on behalf of the Senior Subordinated Creditors.

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Senior Subordinated Notes finance document (including the Senior Subordinated Indenture and the 2014 Senior Subordinated Notes Indenture) by the operation of the provisions set out above even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

If:

- (i) at any time following the issue of a payment stop notice or the occurrence of a Senior Payment Default, that payment stop notice ceases to be outstanding and/or (as the case may be) the Senior Payment Default ceases to be continuing; and
- (ii) the relevant Debtor then promptly pays to the holders of the Senior Subordinated Notes Liabilities an amount equal to any payments which had accrued thereunder and which would have been permitted but for that payment stop notice or Senior Payment Default,

then any event of default which may have occurred as a result of that suspension of payments shall be waived and any Senior Subordinated enforcement notice which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Senior Subordinated Creditors.

#### ***Restrictions on Amendments and Waivers***

Prior to the Senior Discharge Date, the parties to the documents governing the Senior Subordinated Notes Liabilities (the “Senior Subordinated Notes Finance Parties”) may not amend or waive the terms of such documents unless the amendment or waiver does not adversely affect the rights of holders of the Senior Liabilities.

#### ***Restrictions on Enforcement***

Until the Senior Discharge Date, except with the prior consent of or as required by each Creditor Representative of any Senior Lender Liabilities and Senior Secured Liabilities then outstanding:

- (a) no Senior Subordinated Notes Finance Party shall direct the applicable Security Agent to enforce or otherwise (to the extent applicable), require the enforcement of, any transaction security documents (which in any event the Senior Subordinated Notes Finance Parties ordinarily would not be able to do, since security for the Senior Subordinated Notes Liabilities is prohibited except with the consent of the Creditor Representatives of the Senior Lenders and the Senior Secured Creditors); and
- (b) no Senior Subordinated Notes Finance Party shall take or require the taking of any Enforcement Action in relation to the Senior Subordinated Notes Liabilities.

These restrictions will not apply in respect of the Senior Subordinated Guarantee liabilities or the security documents (if any) which secure the Senior Subordinated Notes Liabilities if:

- (i) a Senior Subordinated Event of Default is continuing;
- (ii) each Creditor Representative for Senior Lender Liabilities and Senior Secured Liabilities has received a notice of such Senior Subordinated Note Default specifying the event or circumstance in relation to such Senior Subordinated Default from the Senior Subordinated Notes Trustee;
- (iii) the relevant Senior Subordinated Standstill Period (as defined below) has elapsed; and
- (iv) such Senior Subordinated Default is continuing at the end of the relevant Senior Subordinated Standstill Period.

In relation to a Senior Subordinated Default, a “Senior Subordinated Standstill Period” shall mean the period beginning on the date (the “Senior Subordinated Standstill Start Date”) the Senior Subordinated Notes Trustee serves a notice of such event on each Creditor Representative for any Senior Lender Liabilities and Senior Secured Liabilities, and ending on the earliest to occur of:

- (i) the date falling 179 days after the Senior Subordinated Standstill Start Date (the “Senior Subordinated Standstill Period”);
- (ii) the date the Senior Lenders or Senior Secured Creditors take any Enforcement Action in relation to a particular Debtor, provided, however, that:
  - (A) if a Senior Subordinated Standstill Period ends pursuant to this paragraph, the Senior Subordinated Notes Finance Parties may only take the same Enforcement Action in relation to the Debtor as the Enforcement Action taken by the Senior Lenders or the Senior Secured Creditors or holders against such Debtor and not against any other member of the Group; and
  - (B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realizing it;



- (iii) the date of an Insolvency Event (as defined below) in relation to a particular Senior Subordinated Note Guarantor against whom Enforcement Action is to be taken; and
- (iv) the expiry of any other Senior Subordinated Standstill Period outstanding at the date such first mentioned Senior Subordinated Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

The Senior Subordinated Notes Finance Parties may take Enforcement Action under the provisions set out above in relation to a Senior Subordinated Note Default even if, at the end of any relevant Senior Subordinated Note Standstill Period or at any later time, a further Senior Subordinated Note Standstill Period has begun as a result of any other Senior Subordinated Note Default.

#### ***Option to Purchase: Senior Subordinated Creditors***

Upon the occurrence of a Distress Event, the Senior Subordinated Creditors may elect to purchase all of the Senior Lender Liabilities and the Senior Secured Liabilities for the amount that would have been required to provide cash cover for any letter of credit and to prepay such liabilities on the purchase date plus certain costs and expenses. Any such purchase must include a transfer of all Hedging Liabilities, and if a transfer cannot be made, then no such purchase may be made, unless the relevant hedge counterparty otherwise agrees. The purchase price for a transfer of Hedging Liabilities will be based on the termination payment calculation methodologies in the relevant ISDA or other agreement governing such Hedging Liabilities, and must be certified by the relevant hedge counterparty.

#### ***Effect of Insolvency Event; Filing of Claims***

An “Insolvency Event” occurs in relation to any Debtor if:

- any resolution is passed or order made for its winding up, dissolution, administration or reorganization, a moratorium is declared in relation to any of its indebtedness or an administrator is appointed to it;
- any composition, compromise, assignment or arrangement is made with creditors generally;
- a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer is appointed in respect of that Debtor or any of its assets;
- certain specified French law insolvency events occur in respect of the Company or its subsidiaries; or
- any analogous procedure or step to those described above in respect of the Debtor is taken in any jurisdiction.

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event in relation to any Debtor, any party entitled to receive a distribution out of the assets of that Debtor in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that Debtor to pay that distribution to the applicable Security Agent until the liabilities owing to the Senior Lenders and the Senior Secured Creditors have been paid in full. In this respect, the applicable Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption “—Application of Proceeds” below.

Generally, to the extent that any member of Group’s liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any creditor which benefited from that set-off shall (to the extent such amount constitutes proceeds from the enforcement of security) pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the applicable Security Agent for application in accordance with the provisions set out in the caption “—Application of Proceeds” below.

If a Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities owed to them by a member of the Group, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

After the occurrence of an Insolvency Event in relation to any member of Group, each creditor (including the holders of the Notes) irrevocably authorizes the applicable Security Agent, on its behalf, to:

- (i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;
- (ii) demand, sue, prove and give receipt for any or all of that member of Group’s liabilities owed to the creditors under the debt documents;
- (iii) collect and receive all distributions on, or on account of, any or all of that member of Group’s liabilities owed to the creditors under the debt documents; and

- (iv) file claims, take proceedings and do all other things the applicable Security Agent considers reasonably necessary to recover that Debtor's liabilities owed to the creditors under the debt documents.

Each creditor will (i) do all things that the applicable Security Agent reasonably requests in order to give effect to the matters disclosed under this section and (ii) if the applicable Security Agent is not entitled to take any of the actions contemplated by this section or if the applicable Security Agent requests that a creditor take that action, undertake that action itself in accordance with the instructions of the applicable Security Agent or grant a power of attorney to the applicable Security Agent (on such terms as the applicable Security Agent may reasonably require, although no trustee shall be under any obligation to grant such powers of attorney) to enable the applicable Security Agent to take such action.

### **Turnover**

Subject to certain exceptions, the Intercreditor Agreement provides that if any Senior Lender, Senior Secured Creditor, holder of Senior Subordinated Liabilities or any of their respective Creditor Representatives (the "Primary Creditors") receives or recovers from any member of the Group:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption "—Application of Proceeds;"
- (ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;
- (iii) any amount:
  - (A) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:
    - (I) after the occurrence of an acceleration event or the enforcement of any security; or
    - (II) as a result of any other litigation or proceedings against a Debtor (other than after the occurrence of an Insolvency Event in respect of that Debtor); or
  - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

other than, in each case, any amount received or recovered in accordance with the provisions set out below under the caption "—Application of Proceeds;"
- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "—Application of Proceeds;" or
- (v) other than in the case of set-off or a refinancing, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any Debtor which is not in accordance with the provisions set out in the caption "—Application of Proceeds" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group,

that Primary Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the applicable Security Agent and promptly pay that amount to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Subject to certain exceptions, the Intercreditor Agreement provides that if any creditor party to the Intercreditor Agreement other than a Primary Creditor receives or recovers from any member of the Group:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption "—Application of Proceeds;"
- (ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

- (iii) any amount:
    - (A) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:
      - (I) after the occurrence of an acceleration event or the enforcement of any security; or
      - (II) as a result of any other litigation or proceedings against a Debtor (other than after the occurrence of an Insolvency Event in respect of that Debtor); or
    - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,
- other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption “—Application of Proceeds”;
- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption “—Application of Proceeds”; or
  - (v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption “—Application of Proceeds” and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of Group,

that creditor which is not a Primary Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the applicable Security Agents and promptly pay that amount to the applicable Security Agents for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the applicable Security Agents for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the applicable Security Agents for application in accordance with the terms of the Intercreditor Agreement.

## ***Enforcement of Security***

### ***Instructions to Enforce***

The applicable Security Agent may refrain from enforcing the security unless instructed otherwise by an Instructing Group. An “Instructing Group” means (i) in relation to the Senior Lender Security, until the date on which the Senior Lender Liabilities are fully discharged, the Majority Senior Lender Creditors, and (ii) in relation to the Senior Secured Security, until the date on which the Senior Secured Liabilities are fully discharged, the relevant Senior Secured Creditor Representative, to the extent required under the terms of the Senior Secured Finance Documents, acting upon instruction of the Majority Senior Secured Creditors. Subject to the relevant security having become enforceable in accordance with its terms, the Instructing Group may give, or refrain from giving, instructions to the applicable Security Agent to enforce, or refrain from enforcing, such security as they see fit. No secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the applicable Security Agent.

### ***Manner of Enforcement***

If the security is being enforced as set forth above under the caption “—Enforcement Instructions,” the applicable Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the applicable Security Agent) as the Instructing Group shall instruct, or, in the absence of any such instructions, as the applicable Security Agent sees fit.

### ***Waiver of Rights***

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the Senior Lender Creditors, the Senior Secured Creditors, the Senior Subordinated Creditors, the other Creditors and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

### ***Duties Owed***

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the applicable Security Agent enforces, or is instructed to enforce, the security prior to the applicable discharge date, the duties of the applicable Security Agent and of any receiver or delegate owed to any Senior Lender Finance Party or Senior

Secured Creditor in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall be no different to or greater than the duty that is owed by the applicable Security Agent, receiver or delegate to the Debtors under general law.

### ***Exercise of Voting Rights***

Each Primary Creditor (including the Trustee and holders of the Notes) agrees (to the fullest extent permitted by law at the relevant time) with the applicable Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the applicable Security Agent. The applicable Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group.

### ***Security Held by Other Creditors***

If any security is held by a creditor other than the applicable Security Agent, then creditors may only enforce that security in accordance with instructions given by an Instructing Group in accordance with the Intercreditor Agreement.

### ***Asset Disposals***

If any Debtor disposes of any asset subject to the Transaction Security in a manner that is permitted by the documents governing the Senior Lender Liabilities and the Senior Secured Liabilities, or enters into a merger or other reorganization transaction permitted by such documents, the applicable Security Agent shall, subject to certain conditions, release the security interests created by the relevant security documents to the extent necessary to give effect to such disposal or other transaction. If such transaction involves the disposal of shares of a company (other than the Company), the applicable Security Agent shall also release any guarantee given by such company or any security interests over such company's assets created by the relevant security documents.

In connection with a disposal of an asset subject to Transaction Security other than a Distressed Disposal (defined below), if any disposal proceeds are required to be applied in mandatory prepayment of the Senior Lender Liabilities, the Senior Secured Liabilities or the Senior Subordinated Notes Liabilities (as applicable) then, subject to the terms of the Intercreditor Agreement, the disposal proceeds shall be applied in or towards payment of (or to the extent applicable under the relevant debt document the making of an offer of payment):

- (i) first, on a *pro rata* basis, (x) in respect of Disposal Proceeds that are required to be applied in mandatory prepayment of the Senior Lender Liabilities, the Senior Lender Liabilities in accordance with the terms of the Senior Facilities Agreement and (y) in respect of Disposal Proceeds that are required to be applied in mandatory prepayment of the Senior Secured Liabilities, the Senior Secured Liabilities in accordance with the terms of the Senior Secured Finance Documents (without, in each case, any obligation to apply those amounts towards the Senior Subordinated Notes Liabilities); and
- (ii) second, after the discharge in full of the Senior Lender Liabilities and the Senior Secured Liabilities, the Senior Subordinated Notes Liabilities in accordance with the terms of the documents governing them,

A "Distressed Disposal" is a disposal of an asset or shares of a member of the Group or a third party which is not a Debtor (a "Third Party Chargor") that secures Senior Lender Liabilities or Senior Secured Liabilities which is (a) being effected at the request of an Instructing Group in circumstances where the transaction security has become enforceable, (b) being effected by enforcement of the transaction security or (c) subject to the transaction security which is being effected, after the occurrence of a Distress Event, by a Debtor or a Third Party Chargor to a person that is not a member of the Group.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Senior Secured Security Agent for application in accordance with the provisions set out under "—Application of Proceeds" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (other than a Distressed Disposal of an asset subject to the Senior Lender Security) (or a disposal of liabilities other than the Senior Lender Liabilities) effected by, or at the request of, the Senior Secured Security Agent (acting in accordance with the Intercreditor Agreement), the Senior Secured Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Senior Secured Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where borrowing liabilities in respect of any Senior Secured Debt would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to the Company, in which case the Senior Secured Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Company and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

If before the Senior Subordinated Discharge Date, a Distressed Disposal is being effected such that the Senior Subordinated Guarantees or assets of a Senior Subordinated Guarantor will be released pursuant to the Intercreditor Agreement, it is a further condition to the release that either:

- the Senior Subordinated Notes Trustee has approved the release; or
- where shares or assets of a Senior Subordinated Notes Guarantor are sold:
  - (A) the proceeds of such sale or disposal are in cash (or substantially in cash) and/or other marketable securities or, if the proceeds of such sale or disposal are not in cash (or substantially in cash) and/or other marketable securities, the requirements of paragraph (C) below are satisfied;
  - (B) all claims of the Senior Secured Creditors against a member of the Group (if any), all of whose shares are pledged in favor of the Senior Secured Creditors are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):
    - (I) the Creditor Representatives for the Senior Secured Creditors (other than Hedge Counterparties) (the “Relevant Creditor Representatives”) determine, acting reasonably and in good faith, that the Senior Secured Finance Parties will recover more than if such claim was released or discharged; and
    - (II) the Relevant Creditor Representatives serve a notice on the Senior Secured Security Agent notifying the applicable Security Agent of the same,in which case the Senior Secured Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and
  - (C) such sale or disposal (including any sale or disposal of any claim) is made to a public or private auction or other competitive process.

#### ***Application of Proceeds***

##### ***Senior Lender Security***

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the applicable Security Agent pursuant to the terms of any document relating to the Senior Lender Security or in connection with the realization or enforcement of all or any part of the Senior Lender Security shall be held by the applicable Security Agent on trust, to the extent legally permitted, to apply them at any time as the applicable Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (following the occurrence of an acceleration event or enforcement of any Transaction Security and subject to the establishment of certain reserves for amounts the Security Agent reasonably considers might become due or owing at any time in the future), in the following order of priority:

- (i) to the payment of fees, costs and expenses due to the applicable Security Agent and any applicable receiver or delegate;
- (ii) to the payment of amounts due to any Creditor Representatives of the Senior Lenders;
- (iii) to pay costs and expenses incurred in connection with such enforcement or realisation taken in accordance with the terms of the Intercreditor Agreement or at the request of the Security Agent;
- (iv) in payment of the Senior Lender Liabilities; and
- (v) the balance, if any, in payment to the relevant Debtor.

##### ***Senior Secured Security***

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the applicable Security Agent pursuant to the terms of any document relating to the Senior Secured Security or in connection with the realization or enforcement of all or any part of the Senior Secured Security shall be held by the applicable Security Agent on trust, to the extent legally permitted, to apply them at any time as the applicable Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (following the occurrence of an acceleration event or enforcement of any Transaction Security and

subject to the provisions of the establishment of certain reserves for amounts the Security Agent reasonably considers might become due or owing at any time in the future), in the following order of priority:

- (i) to the payment of fees, costs and expenses due to the applicable Security Agent and the Senior Secured Notes Trustee and any applicable receiver or delegate;
- (ii) to pay costs and expenses incurred in connection with such enforcement or realisation taken in accordance with the terms of the Intercreditor Agreement or at the request of the Security Agent;
- (iii) in payment of the Senior Secured Liabilities (including Hedging Liabilities) on a pro rata basis; and
- (iv) the balance, if any, in payment to the relevant Debtor.

#### ***Other Recoveries***

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the applicable Security Agent other than in connection with the realization or enforcement of all or any part of the Senior Lender Security or Senior Secured Security shall be held by the applicable Security Agent on trust, to the extent legally permitted, to apply them at any time as the applicable Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (following the occurrence of an acceleration event or enforcement of any Transaction Security and subject to the provisions of the establishment of certain reserves for amounts the Security Agent reasonably considers might become due or owing at any time in the future), in the following order of priority:

- (i) to the payment of fees, costs and expenses due to the applicable Security Agent, any Creditor Representative(s) and any applicable receiver or delegate;
- (ii) to pay costs and expenses incurred in connection with the realization of such proceeds;
- (iii) in payment of the Senior Lender Liabilities, the Senior Secured Liabilities and the Hedging Liabilities on a pro rata basis;
- (iv) to the extent resulting from the enforcement of any guarantee of the Senior Subordinated Note Liabilities, to the payment of such liabilities; and
- (v) the balance, if any, in payment to the relevant Debtor.

#### ***Refinancing of Primary Creditor Liabilities***

The Intercreditor Agreement provides that the Company and any Debtor may refinance any of the Senior Lender Liabilities or the Senior Secured Liabilities, to the extent permitted by the documents relating thereto. Any such refinanced debt will become part of the Senior Lender Liabilities or the Senior Secured Liabilities (as the case may be), and shall benefit from the same security and/or guarantees. The Senior Subordinated Note Liabilities may, to the extent permitted by the relevant financing documents, be refinanced with the proceeds of (without limitation) the issuance of new senior subordinated notes or new senior secured notes.

#### ***Required Consents***

The Intercreditor Agreement provides that, subject to certain exceptions, it may be amended or waived only with the consent of the Senior Agent, the Senior Secured Notes Trustees, the Senior Subordinated Notes Trustees, the Trustee, the relevant Additional Senior Secured Creditor Representatives and each Security Agent.

Any amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other things, the provisions set out under the caption “—Application of Proceeds” and the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of:

- (i) the Senior Agent, the Senior Secured Notes Trustee, the Senior Subordinated Notes Trustee, the Trustee and the other Creditor Representatives;
- (ii) the Senior Lenders;
- (iii) the Senior Secured Noteholders, including the holders of the Notes (to the extent that the amendment or waiver would materially and adversely affect such creditors);
- (iv) the Additional Senior Secured Creditors (to the extent that the amendment or waiver would materially and adversely affect such creditors);
- (v) the Senior Subordinated Noteholders (to the extent that the amendment or waiver would materially and adversely affect such creditors);

- (vi) each hedge counterparty (to the extent that the amendment or waiver would adversely affect the hedge counterparty); and
- (vii) each Security Agent.

The Intercreditor Agreement may be amended by the Senior Agent, the Senior Secured Notes Trustee, the Trustee, the Senior Subordinated Notes Trustee, the Additional Senior Secured Creditor Representatives and each Security Agent, without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise prescribed by the relevant finance documents.

The Senior Secured Notes Trustee, the Trustee and the Senior Subordinated Notes Trustee shall, to the extent consented to by the requisite percentage of noteholders in accordance with the relevant indenture, act on such instructions in accordance therewith unless to the extent any amendments so consented to relate to any provision affecting the rights and obligations of a notes trustee in its capacity as such.

#### ***Amendments and Waivers: Security Documents***

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the applicable Security Agent may, if authorized by an Instructing Group, and if the Company consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned “—Exceptions” below, the prior consent of the Senior Lenders or the Senior Secured Creditors is required to authorize any amendment or waiver of, or consent under, any Senior Lender Security document or Senior Secured Security document, as the case may be, which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed.

#### **Exceptions**

Subject to the third and fourth paragraphs under this caption “—Exceptions”, if the amendment, waiver or consent may impose new or additional obligations on, or withdraw or reduce the rights of, any party other than:

- (i) in the case of a Primary Creditor, in a way which affects, or would affect, Primary Creditors of that party’s class generally; or
- (ii) in the case of a Debtor or a Third Party Chargor, to the extent consented to by the Company under the Intercreditor Agreement,

the consent of that party is required.

Subject to the two paragraphs immediately below, an amendment, waiver or consent which relates to the rights or obligations of an Agent, an Arranger, a Security Agent (including, without limitation, any ability of the applicable Security Agent to act in its discretion under the Intercreditor Agreement) or a hedge counterparty which is party to the Intercreditor Agreement may not be effected without the consent of that Agent or, as the case may be, that Arranger, Security Agent or such hedge counterparty which is party to the Intercreditor Agreement.

Neither of the two immediately preceding paragraphs nor the second paragraph under the caption “—Amendments and Waivers: Security Documents” shall apply:

- to any release of transaction security, claim or liabilities; or
- to any consent,

which, in each case, the applicable Security Agent gives in accordance with the provisions set out in the caption “—Proceeds of Disposals” above.

The first two paragraphs under this caption “—Exceptions” apply to an Arranger only if any liabilities are then owed to such Arranger under the debt documents.

#### ***Snooze/Lose***

Subject to certain exceptions, if in relation to a request for a consent, a request to participate in a vote of a class of creditors, a request to approve any action or a request for a confirmation or notification, in each case, under the Intercreditor Agreement, a Primary Creditor fails to respond to the request within 10 business days or fails to provide details of its credit participation, such Primary Creditor will be disregarded or be deemed to have zero participation or outstandings in respect of the matter or be deemed to have provided the relevant confirmation or notification, as applicable.

***Agreement to Override***

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.



## DESCRIPTION OF THE 2022 SENIOR SECURED NOTES

The Issuer has issued €300,000,000 aggregate principal amount of 3.500% senior secured notes due April 15, 2022 (the “2022 Senior Secured Notes”) under an indenture (the “2022 Senior Secured Indenture”), dated as of April 4, 2017, among itself and Wilmington Trust, National Association, as Trustee (the “Trustee”), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. See “Notice to Investors” and “Transfer Restrictions.” The terms of the 2022 Senior Secured Notes include those stated in the 2022 Senior Secured Indenture and will not incorporate provisions by reference to, and will not be subject to the provisions of, or qualified under, the U.S. Trust Indenture Act of 1939. The following description is a summary of the material provisions of the 2022 Senior Secured Indenture, including the 2022 Senior Secured Notes. It does not restate the 2022 Senior Secured Indenture in its entirety. We urge you to read the 2022 Senior Secured Indenture because it, and not this description, defines your rights as holders of the 2022 Senior Secured Notes.

Certain defined terms used in this description but not defined below under “—Certain Definitions” have the meanings assigned to them in the 2022 Senior Secured Indenture. You can find the definitions of certain terms used in this description under the subheading “—Certain Definitions.”

The Issuer has made an application to list the 2022 Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and to admit the 2022 Senior Secured Notes to trading on the Euro MTF Market. The Issuer can provide no assurance that the 2022 Senior Secured Notes will be so listed or admitted to trading.

The registered holder of a 2022 Senior Secured Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the 2022 Senior Secured Indenture.

### Brief Description of the 2022 Senior Secured Notes

#### *The 2022 Senior Secured Notes*

The 2022 Senior Secured Notes:

- will be general senior secured obligations of the Issuer;
- will be secured as set forth under “—Security;”
- will 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 2022 Senior Secured Notes, including Indebtedness incurred under the Revolving Credit Facility, the 2024 Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes;
- will not be guaranteed on the Issue Date and as a result will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of the Issuer’s Subsidiaries; and
- will be effectively subordinated to any existing or future Indebtedness of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the 2022 Senior Secured Notes, to the extent of the value of the property and assets securing such Indebtedness, including the Revolving Credit Facility, which will be secured over commercial receivables that are not pledged for the benefit of the holders of 2022 Senior Secured Notes and over the bank account on which such pledged receivables are payable, and additional indebtedness permitted under the 2022 Senior Secured Indenture to be incurred and secured by assets other than the Collateral.

On an as adjusted basis, assuming this offering of Notes and the use of the gross proceeds thereof had been completed as of December 31, 2016, the Issuer would have had approximately €2,136.5 million of indebtedness outstanding, of which €410 million would have been secured indebtedness represented by the 2014 Senior Secured Notes, €250 million would have been secured indebtedness represented by the 2016 Senior Secured Notes, €600 million would have been secured indebtedness represented by the 2022 Senior Secured Notes and 2024 Senior Secured Notes, €244.7 million would have been unsecured indebtedness represented by the bilateral credit facilities extended to the Issuer, €149.4 million would have been indebtedness represented by financial leases, €250 million would have been unsecured indebtedness represented by the 2014 Senior Subordinated Notes and €250 million would have been unsecured indebtedness represented by the Senior Subordinated Notes, see “Capitalization.” In addition, the Issuer has €75.0 million of undrawn but committed financing available under the Revolving Credit Facility. See “Summary Consolidated Financial Information—Pro forma financial information” and “Capitalization.” The 2022 Senior Secured Indenture will permit the Issuer and its Subsidiaries to incur additional indebtedness, including the incurrence by the Issuer of additional Senior Secured Debt subject to certain limitations.

The operations of the Issuer are conducted in part through its Subsidiaries and, therefore, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the 2022 Senior Secured Notes. None of the Issuer’s Subsidiaries will guarantee the 2022 Senior Secured Notes on the date of the 2022 Senior Secured Indenture, although one or more of the Issuer’s Subsidiaries may be required to guarantee the 2022 Senior Secured Notes in certain future circumstances. The 2022 Senior Secured Notes will be structurally subordinated in right of payment to all Indebtedness and other commitments, trade payables and other liabilities of the Issuer’s Subsidiaries that do not guarantee the 2022 Senior Secured Notes. Any right of the Issuer to receive assets of any of its Subsidiaries that do not guarantee the 2022 Senior Secured Notes upon that Subsidiary’s

liquidation or reorganization (and the consequent right of the holders of the 2022 Senior Secured Notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary, in which case the claims of the Issuer would still be subordinate in right of payment to any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary senior to that held by the Issuer. As of December 31, 2016, on an as adjusted basis after giving effect to the Acquisitions and the offering of the Notes and the use of the gross proceeds thereof (see "Capitalization"), the Issuer's Subsidiaries would have had approximately €57.8 million of other third-party indebtedness. See "Risk Factors—Risks Related to the Notes and Our Capital Structure—Our level of indebtedness could adversely affect our ability to react to changes in our business, and we may be limited in our ability to fulfill our obligations with respect to the Senior Secured Notes, and to use debt to fund future capital needs."

As of the date of the 2022 Senior Secured Indenture, all of our Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate, subject to certain exceptions, Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Senior Secured Indentures.

### **Principal, Maturity and Interest**

The Issuer has issued €300,000,000 in aggregate principal amount of 2022 Senior Secured Notes in this offering. The 2022 Senior Secured Indenture governing the 2022 Senior Secured Notes will provide for the issuance of additional 2022 Senior Secured Notes having terms and conditions identical in all respects to the 2022 Senior Secured Notes offered in this offering (the "Additional 2022 Senior Secured Notes"). Any issuance of Additional 2022 Senior Secured Notes is subject to all of the covenants in the 2022 Senior Secured Indenture, including the covenants described below under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Limitation on Liens." The 2022 Senior Secured Notes and any Additional 2022 Senior Secured Notes subsequently issued under the 2022 Senior Secured Indenture will be treated as a single class for all purposes under the 2022 Senior Secured Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided* that if the Additional 2022 Senior Secured Notes are not fungible with the 2022 Senior Secured Notes for U.S. federal income tax purposes, the Additional 2022 Senior Secured Notes will be issued with one or more separate identification codes from the 2022 Senior Secured Notes. The Issuer has issued Notes in denominations of €100,000 and integral multiples of €1,000 above €100,000. The 2022 Senior Secured Notes will mature on April 15, 2022. Unless the context otherwise requires, in this "Description of the 2022 Senior Secured Notes" references to the 2022 Senior Secured Notes include the 2022 Senior Secured Notes and any Additional 2022 Senior Secured Notes that are issued from time to time.

Interest on the 2022 Senior Secured Notes will accrue at the rate of 3.500% per annum and will be payable semi-annually in arrears on January 15 and July 15, commencing on July 15, 2017. Interest on overdue principal and interest and Additional Amounts, if any, will, to the extent lawful, accrue at a rate that is 1% higher than the then applicable interest rate on the 2022 Senior Secured Notes. The Issuer will make each interest payment to the holders of record on the immediately preceding January 1 and July 1 (each, a "Record Date").

Interest on the 2022 Senior Secured Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

### **Methods of Receiving Payments on the 2022 Senior Secured Notes**

Principal, interest, premium and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable in euros at the specified office or agency of one or more paying agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of a nominee of the common depositary of Clearstream and/or Euroclear will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, interest, premium and Additional Amounts, if any, on the Definitive Registered Notes (as defined below) will be payable at the specified office or agency of one or more paying agents in London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes.

### **Paying Agent and Registrar for the 2022 Senior Secured Notes**

The Issuer will maintain one or more paying agents for the 2022 Senior Secured Notes (each, a "Paying Agent"). The initial Paying Agent will be Deutsche Bank AG, London Branch, in London.

The Issuer will also maintain one or more registrars (each, a "Registrar") and a transfer agent in a member state of the European Union. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial transfer agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes, if any, outstanding from time to time.

Upon written notice to the Trustee, the Issuer may change or add any Paying Agent, Registrar or transfer agent. For so long as the 2022 Senior Secured Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will publish a 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 post such notice on the official website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) in accordance with the provisions set forth under “—Notices.”

## **Transfer and Exchange**

2022 Senior Secured Notes sold within the United States to qualified institutional buyers pursuant to 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 (collectively, the “144A Global Notes”). 2022 Senior Secured Notes sold outside the United States pursuant to 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 (collectively, the “Reg S Global Notes”). The 144A Global Notes and the Reg S Global Notes are collectively referred to herein as the “Global Notes.”

The Global Notes will be deposited with a common depository for Euroclear and Clearstream or its nominee. The Global Notes may be transferred only to Euroclear and/or Clearstream or a nominee of them, to a successor of Euroclear and/or Clearstream and/or to a nominee of such successor.

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 form of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “Book-Entry, Delivery and Form—Transfers.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or 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 a 144A Global Note (the “144A Book-Entry Interests”) may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Reg S Global Note (“Reg S Book-Entry Interests”) only upon delivery by the transferor to the transfer agent of a written certification (in the form provided in the 2022 Senior Secured Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act or otherwise in accordance with the applicable restrictions set out in the 2022 Senior Secured Indenture and any applicable securities laws of any state of the United States or any other jurisdiction. Subject to the foregoing, Reg 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 to the transfer agent of a written certification (in the form provided in the 2022 Senior Secured 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 applicable transfer restrictions set out in the 2022 Senior Secured Indenture and any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest that is transferred 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 is 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 2022 Senior Secured Notes in definitive registered form (“Definitive Registered Notes”) are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the 2022 Senior Secured 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, if any, will, except as set forth in the 2022 Senior Secured 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 “Notice to Investors.”

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the 2022 Senior Secured Indenture and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the 2022 Senior Secured Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such 2022 Senior Secured Notes.

Subject to the restrictions on transfer referred to above, the 2022 Senior Secured Notes issued as Definitive Registered Notes, if any, may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the 2022 Senior Secured 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, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer (or, as applicable, any Registrar or transfer agent) is not required to register the transfer of any Definitive Registered Notes:

- for a period of 15 calendar days prior to any date fixed for the redemption of the 2022 Senior Secured Notes;
- for a period of 15 calendar days immediately prior to the date fixed for selection of 2022 Senior Secured Notes to be redeemed in part;
- for a period of 15 calendar days prior to the Record Date with respect to any interest payment date; or
- which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

## Note Guarantees

The 2022 Senior Secured Notes will not be guaranteed on the Issue Date. However, under the covenant described under “—Certain Covenants—Additional Note Guarantees,” certain Restricted Subsidiaries may be required or elect to provide a Note Guarantee in the future. The Note Guarantees will be joint and several obligations of each Guarantor.

Each of the Note Guarantees and the amounts recoverable thereunder will be contractually limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance, fraudulent transfer, maintenance of share capital, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance and the liability of directors and officers. By virtue of these limitations, a Guarantor’s obligations under its Note Guarantee could be significantly less than amounts payable in respect of the 2022 Senior Secured Notes.

The Note Guarantee of each Guarantor, if any, will:

- be a general senior secured obligation of that Guarantor;
- rank *pari passu* in right of payment with all existing and future obligations of such Guarantor that are not expressly subordinated in right of payment to such Note Guarantee; and
- be effectively subordinated to any existing and future obligations of the relevant Guarantor that are secured by property or assets that do not secure its Note Guarantee, to the extent of the value of the property and assets securing such obligations.

## Security

### General

On the Issue Date, the 2022 Senior Secured Notes will be secured by security interests granted on a first-priority basis by virtue of the Intercreditor Agreement over the “Loxam” trademark and over the issued and outstanding share capital of Loxam Module S.A.S. and Loxam Power S.A.S. (the “French Collateral”), two direct subsidiaries of the Issuer organized under French law and security interests granted over all of the Capital Stock the Issuer holds in Lavendon (the “Lavendon Collateral” and, together with the French Collateral, the “Collateral”). Any additional assets or property over which security interests may in the future be created to secure the 2022 Senior Secured Notes would also constitute Collateral.

The French Collateral was pledged on July 23, 2014 on a first-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2014 Senior Secured Notes and was pledged on May 3, 2016 on a second-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2016 Senior Secured Notes. A third- and fourth-ranking security interest in the French Collateral was granted to secure a €795 million interim facility agreement that was entered into for purposes of financing Lavendon Acquisition. This interim facility agreement was replaced by the Bridge Facility Agreement, upon which it was cancelled and the third- and fourth- ranking security interests were released. A fifth-ranking security interest has been granted to secure the Bridge Facility Agreement and will be released following its cancellation after repayment with the proceeds of the Notes.

The Intercreditor Agreement provides that the 2024 Senior Secured Notes, 2022 Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes will be deemed and treated for the purpose of the Intercreditor Agreement (including, *inter alia*, its provisions relating to the application of proceeds following the enforcement of the Collateral) as secured on a *pari passu* basis.

Under the 2022 Senior Secured Indenture, the Issuer and the Restricted Subsidiaries will be permitted to incur certain additional Indebtedness in the future that may share in the Collateral, including additional Permitted Collateral Liens securing Indebtedness and other related liabilities on a *pari passu* basis with the 2022 Senior Secured Notes. The amount of additional

Indebtedness secured by such Permitted Collateral Liens will be limited by the covenants described under the captions “—Certain Covenants—Limitation on Liens” and “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock.” Under certain circumstances, the amount of such additional Indebtedness secured by Permitted Collateral Liens could be significant.

Under the Security Documents, the Collateral will be pledged or security interests granted to the Security Agent on behalf of the Holders of the 2022 Senior Secured Notes by the Issuer to secure the payment when due of the Issuer’s and any Guarantor’s, as applicable, payment obligations under the 2022 Senior Secured Notes, any Note Guarantees and the 2022 Senior Secured Indenture. The Security Documents will be entered into by, *inter alios*, the Security Agent or its nominee(s).

Due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Security Documents in France will provide for the creation of “parallel debt” obligations in favor of the Security Agent, and the security interests will secure the parallel debt (and not the Indebtedness under the 2022 Senior Secured Notes or other secured obligations). The parallel debt construct has not been fully tested under law in France. See “Risk Factors—Risks Relating to the Notes and Our Capital Structure—The security over the Senior Secured Collateral will not be granted directly to the holders of the senior secured notes.”

Each Holder, by accepting a 2022 Senior Secured Note, shall be deemed (1) to have authorized the Trustee to accede to the Intercreditor Agreement and the Security Agent to enter into the Security Documents and accede to the Intercreditor Agreement and (2) to be bound thereby. Each Holder, by accepting a 2022 Senior Secured Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Security Documents and the Intercreditor Agreement, and authorizes it to act as such.

The Holders are not a party to the Security Documents, and therefore Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law). The Security Agent will agree to any release of the security interest created by the Security Documents that is in accordance with the 2022 Senior Secured Indenture and the Intercreditor Agreement without requiring any consent of such Holder. The Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the 2022 Senior Secured Indenture and the Security Documents. See “Description of Certain Indebtedness—Intercreditor Agreement.”

Subject to the terms of the Security Documents and prior to enforcement of any Collateral or (upon the occurrence of certain triggering events specified in the Security Documents) to there being taken certain pre-enforcement steps to protect the Holders’ rights, the Issuer and the Guarantors, as the case may be, will have the right to remain in possession and retain exclusive control of the Collateral securing the 2022 Senior Secured Notes and any Note Guarantees, to freely operate the Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Collateral, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

The value of the Collateral securing the 2022 Senior Secured Notes and the 2022 Senior Secured Indenture may not be sufficient to satisfy the Issuer’s obligations under the 2022 Senior Secured Notes and the Collateral securing the 2022 Senior Secured Notes and the 2022 Senior Secured Indenture may be reduced or diluted under certain circumstances, including the issuance of Additional 2022 Senior Secured Notes and the disposition of assets comprising the Collateral, subject to the terms of the 2022 Senior Secured Indenture. No appraisals of the Collateral have been prepared by or on behalf of the Issuer in connection with this offering. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the 2022 Senior Secured Indenture and the Security Documents, would be sufficient to satisfy amounts due on the 2022 Senior Secured Notes. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all. See “Risk Factors—Risks Relating to the Senior Secured Notes—The Senior Secured Collateral may not be sufficient to secure the obligations under the 2022 Senior Secured Notes.”

### ***The Intercreditor Agreement***

The 2022 Senior Secured Notes will be subject to the restrictions contained in the Intercreditor Agreement. The 2022 Senior Secured Indenture will be subject in all respects to the provisions of the Intercreditor Agreement and will provide that each holder, by accepting a Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement. For a description of the provisions of the Intercreditor Agreement, see “Description of Certain Indebtedness—Intercreditor Agreement.”

### ***Additional Intercreditor Agreements***

The 2022 Senior Secured Indenture will provide that, at the written request of the Issuer, without the consent of holders of the 2022 Senior Secured Notes, and at the time of, or prior to, the incurrence by the Issuer or its Restricted Subsidiaries of any (1) Senior Secured Debt permitted to be incurred pursuant to the covenant under the caption “—Certain Covenants—Incurrence of

Indebtedness and Issuance of Preferred Stock” or (2) any Indebtedness the proceeds of which are used, in whole or in part, to refinance the 2022 Senior Secured Notes or Senior Secured Debt, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent or any other relevant creditor representative or collateral agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) a new intercreditor agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an “Additional Intercreditor Agreement”) on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders of the 2022 Senior Secured Notes), including containing substantially the same terms with respect to release of Note Guarantees, if any, and priority and release of any Permitted Collateral Liens from time to time; provided, however, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent.

The 2022 Senior Secured Indenture also will provide that, at the written direction of the Issuer and without the consent of holders of the 2022 Senior Secured Notes, the Trustee and the Security Agent shall, from time to time, enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement of a minor, technical or administrative nature, (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 2022 Senior Secured Notes; *provided* that such amendment is consistent with the preceding paragraph), (3) add Restricted Subsidiaries to the Intercreditor Agreement or Additional Intercreditor Agreement, (4) implement any Permitted Collateral Liens, (5) amend the Intercreditor Agreement or Additional Intercreditor Agreement in accordance with the terms thereof or (6) make any other change to any such agreement that does not adversely affect the rights of Holders of the 2022 Senior Secured Notes in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement without the consent of the holders of the majority in aggregate principal amount of the 2022 Senior Secured Notes then outstanding, except as otherwise permitted below under “—Amendment, Supplement 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 adversely affect their respective rights, duties, liabilities or immunities under the 2022 Senior Secured Indenture or the Intercreditor Agreement or Additional Intercreditor Agreement.

The 2022 Senior Secured Indenture also will provide that each holder of the 2022 Senior Secured Notes, by accepting a 2022 Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement and any amendment, restatement or other modification referred to in the preceding paragraphs (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 and any other relevant creditor representative or collateral agent to enter into any such Intercreditor Agreement or Additional Intercreditor Agreement.

### **Optional Redemption**

At any time prior to April 15, 2019, the Issuer may redeem up to 45% of the aggregate principal amount of 2022 Senior Secured Notes issued under the 2022 Senior Secured Indenture at a redemption price of 103.500% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

- (1) at least 55% of the aggregate principal amount of 2022 Senior Secured Notes issued under the 2022 Senior Secured Indenture (excluding the 2022 Senior Secured Notes held by the Issuer and its Affiliates, but including any Additional 2022 Senior Secured Notes) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such sale of such Equity Offering.

At any time prior to April 15, 2019, the Issuer may also redeem all or a part of the 2022 Senior Secured Notes, upon not less than 10 nor more than 60 days’ prior notice mailed by first-class mail to each Holder’s registered address (with a copy to the Trustee and Paying Agent), at a redemption price equal to 100% of the principal amount of 2022 Senior Secured Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (the “Redemption Date”), subject to the rights of Holders of 2022 Senior Secured Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

At any time and from time to time prior to April 15, 2019, the Issuer may redeem during each twelve-month period commencing with the Issue Date up to 10% of the original aggregate principal amount of the 2022 Senior Secured Notes, at its option, upon not less than 10 nor more than 60 days’ prior notice mailed by first-class mail to each Holder’s registered address (with a copy to the Trustee and Paying Agent), at a redemption price equal to 103% of the principal amount of the 2022 Senior Secured Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of Holders of 2022 Senior Secured Notes on the relevant Record Date to receive interest due on the relevant interest payment date).

Except pursuant to the three preceding paragraphs and as set out below under “Redemption for Changes in Withholding Taxes,” the 2022 Senior Secured Notes will not be redeemable at the Issuer’s option prior to April 15, 2019.

On or after April 15, 2019, the Issuer may redeem all or a part of the 2022 Senior Secured Notes in amount of €100,000 or in integral multiples of €1,000 in excess thereof, upon not less than 10 nor more than 60 days’ notice mailed by first class mail to each Holder’s registered address (with a copy to the Trustee and Paying Agent), at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the 2022 Senior Secured Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on the dates indicated below, subject to the rights of Holders of 2022 Senior Secured Notes on the relevant Record Date to receive interest on the relevant interest payment date:

Year	Percentage
April 15, 2019 .....	101.750%
April 15, 2020 .....	100.875%
April 15 2021 and thereafter .....	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the 2022 Senior Secured Notes or portions thereof called for redemption on the applicable redemption date.

Any notice of redemption may, in the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent.

### ***Open Market Purchases***

The Issuer and the Restricted Subsidiaries may at any time acquire the 2022 Senior Secured Notes through open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws; provided, however, that in determining whether the Holders of the required principal amount of 2022 Senior Secured Notes have concurred in any direction, waiver or consent, 2022 Senior Secured Notes owned by the Issuer or by any Affiliate of the Issuer will be considered as though not outstanding.

### **Selection and Notice**

If less than all of the 2022 Senior Secured Notes are to be redeemed at any time, the Registrar will select 2022 Senior Secured Notes for redemption on a pro rata basis unless otherwise required by law, the applicable stock exchange requirements or clearing system procedures.

No 2022 Senior Secured Notes of €100,000 or less can be redeemed in part. Notices of redemption will be transmitted at least 10 but not more than 60 days before the redemption date to each Holder of 2022 Senior Secured Notes to be redeemed, except that redemption notices may be transmitted more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the 2022 Senior Secured Notes or a satisfaction and discharge of the 2022 Senior Secured Indenture. Any redemption and notice may, in the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent.

If any 2022 Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that 2022 Senior Secured Note will state the portion of the principal amount of that note that is to be redeemed. A new 2022 Senior Secured Note in principal amount equal to the unredeemed portion of the original 2022 Senior Secured Note will be issued in the name of the Holder of the original 2022 Senior Secured Note upon cancellation of the original note. 2022 Senior Secured Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest ceases to accrue on the 2022 Senior Secured Notes or portions of 2022 Senior Secured Notes called for redemption.

The Trustee and/or the Registrar shall not be liable for any selection made under this “Selection and Notice.”

### **Redemption for Changes in Withholding Taxes**

The Issuer may redeem the 2022 Senior Secured Notes, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days’ prior notice to the Holders with a copy to the Trustee and Paying Agent (which notice must be given in accordance with the procedures described in “—Selection and Notice”), at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a “Tax Redemption Date”) and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Holders on the relevant Record Date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the 2022 Senior Secured Notes or any Note Guarantee, the Issuer under or with respect to the 2022 Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or relevant Guarantor, as applicable, cannot avoid any such

payment obligation by taking reasonable measures available (including making payment through a Paying Agent located in another jurisdiction), as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations, or rulings promulgated thereunder) of the relevant Tax Jurisdiction (as defined below) affecting taxation which change or amendment is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the 2022 Senior Secured Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the 2022 Senior Secured Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the 2022 Senior Secured Indenture); or
- (2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment or introduction is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the 2022 Senior Secured Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the 2022 Senior Secured Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the 2022 Senior Secured Indenture) (each of the foregoing clauses (1) and (2), a “Change in Tax Law”).

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the 2022 Senior Secured Notes were then due. Notwithstanding the foregoing, the Issuer may not redeem the 2022 Senior Secured Notes under this provision if the relevant Tax Jurisdiction changes under the 2022 Senior Secured Indenture and the Issuer is obligated to pay any Additional Amounts solely as a result thereof. Prior to the publication or, where relevant, mailing of any notice of redemption of the 2022 Senior Secured Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (with a copy to the Paying Agent) (a) an officer’s certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it and (b) deliver the Trustee an opinion of counsel in form and substance satisfactory to the Trustee to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the 2022 Senior Secured Notes hereunder and the Issuer or the relevant Guarantor cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it. The Trustee will accept such opinion of counsel and officer’s certificate as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the 2022 Senior Secured Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the 2022 Senior Secured Indenture.

### **Additional Amounts**

All payments made by or on behalf of the Issuer under or with respect to the 2022 Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee, if any, (whether or not in the form of Definitive Registered Notes) will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment and any other charge of a similar nature, including penalties, interest and other liabilities related thereto (collectively, “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 any jurisdiction in which the Issuer (including any successor entity), is then incorporated or organized, engaged in business (directly or indirectly) or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a “Tax Jurisdiction”), will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the 2022 Senior Secured Notes, or any of the Guarantors with respect to any Note Guarantees, if any, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay (to the extent lawful) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received and retained in respect of such payments by each Holder (including Additional Amounts) after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts which would have been received and retained in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

- (1) any Taxes which would not have been imposed but for the Holder or the beneficial owner of the 2022 Senior Secured Notes being a citizen or resident or national of, incorporated or organized in, carrying on a business in, or having any other connection with, the relevant Tax Jurisdiction in which such Taxes are imposed other than by the mere acquisition or holding of such Senior Secured Note or Note Guarantee, if any, enforcement or exercise of rights thereunder or the receipt of payments in respect thereof;
- (2) any Taxes that are imposed or withheld as a result of the failure of the Holder of the 2022 Senior Secured Notes or beneficial owner of the 2022 Senior Secured Notes to comply with any written request, made to



that Holder in writing at least 30 days before any such withholding or deduction would be payable, by the Issuer to provide timely or accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirement (to the extent such Holder or beneficial owner is legally entitled to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from all or part of such Taxes;

- (3) any Taxes imposed or withheld as a result of any Senior Secured Note presented for payment (where 2022 Senior Secured 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 note been presented on the last day of such 30 day period);
- (4) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;
- (5) any Taxes imposed only by virtue of a Holder or beneficial owner of the 2022 Senior Secured Notes (or any financial institution through which the Holder or beneficial owner holds any 2022 Senior Secured Notes through which payment on such 2022 Senior Secured Notes are made) having failed to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code as in effect on the date of issuance of the 2022 Senior Secured Notes or any successor or amended version of these provisions;
- (6) any Taxes imposed or withheld as a result of any note presented for payment by or on behalf of a Holder of 2022 Senior Secured Notes who would have been able to avoid such withholding or deduction by presenting the relevant note to another Paying Agent in any European Union Member State;
- (7) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the 2022 Senior Secured Notes or any Note Guarantee;
- (8) any Taxes imposed on or with respect to any payment by the Issuer or any Guarantor, as the case may be, to the Holder if such Holder is a fiduciary of a beneficial owner or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such beneficial owner or partner (in the case of a partnership) been the Holder of such note; or
- (9) any combination of items (1) through (8) above.

In addition to the foregoing, the Issuer and the Guarantors, if any, will also pay and indemnify the Holder or beneficial owner of the 2022 Senior Secured Notes for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property taxes, charges or similar levies or Taxes which are levied by any Tax Jurisdiction on the issuance, execution, delivery, registration or enforcement of any of the 2022 Senior Secured Notes or any Note Guarantee, the 2022 Senior Secured Indenture, or any other document or instrument referred to therein, or the receipt of any payments with respect thereto.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the 2022 Senior Secured Notes or any Note Guarantee, the Issuer or the relevant Guarantor, if any, will deliver to the Trustee (with a copy to the Paying Agent) on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officers' certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The officers' certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee and Paying Agent will be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary. The Issuer will provide the Trustee with documentation in a form reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Issuer or the relevant Guarantor, if any, will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor, if any, will furnish to the Trustee (with a copy to the Paying Agent), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or the relevant Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity (reasonably satisfactory to the Trustee). The Issuer or the relevant Guarantor shall attach to each certified copy or other evidence, as applicable, a certificate stating (x) that the amount of Tax evidenced by the certified copy was paid in connection with payments under or with respect to the 2022 Senior Secured Notes then outstanding upon which such Taxes were due and (y) the amount of such withholding tax paid per €1,000 of principal amount of the 2022 Senior Secured Notes.

Whenever in the 2022 Senior Secured Indenture or in this “Description of the 2022 Senior Secured Notes” there is mentioned, in any context, the payment of amounts based upon the principal amount of the 2022 Senior Secured Notes or of principal, interest or of any other amount payable under, or with respect to, any of the 2022 Senior Secured Notes or Note Guarantees, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the 2022 Senior Secured Indenture, any transfer by a Holder or beneficial owner of its 2022 Senior Secured Notes and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated or organized, engaged in business or resident for tax purposes or any jurisdiction from or through which such Person makes any payment under or with respect to the 2022 Senior Secured Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

### **Mandatory Redemption**

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the 2022 Senior Secured Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the 2022 Senior Secured Notes as described under the captions “Repurchase at the Option of Holders—Change of Control” and “Repurchase at the Option of Holders—Asset Sales.”

### **Repurchase at the Option of Holders**

#### ***Change of Control Triggering Event***

If a Change of Control Triggering Event occurs, the Issuer shall offer to repurchase any and all of the Holder’s 2022 Senior Secured Notes pursuant to a Change of Control Offer on the terms set forth in the 2022 Senior Secured Indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of 2022 Senior Secured Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the 2022 Senior Secured Notes repurchased to the date of purchase, subject to the rights of Holders of 2022 Senior Secured Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

Unless the Issuer has unconditionally exercised its right to redeem all the 2022 Senior Secured Notes as described under “—Optional Redemption” or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control Triggering Event, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase 2022 Senior Secured Notes on the date (the “Change of Control Payment Date”) specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the 2022 Senior Secured Indenture and described in such notice. If the Change of Control has been publicly announced but has not occurred at the time the notice of the Change of Control Offer is mailed to Holders, the Change of Control Offer may be conditional on the consummation of such Change of Control occurring prior to or concurrent with the repurchase.

The Issuer will comply with the requirements of any applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the 2022 Senior Secured Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the 2022 Senior Secured Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the 2022 Senior Secured Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all 2022 Senior Secured Notes or portions of 2022 Senior Secured Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all 2022 Senior Secured Notes or portions of 2022 Senior Secured Notes properly tendered; and
- (3) deliver or cause to be delivered to the Paying Agent and the Registrar the 2022 Senior Secured Notes properly accepted together with an officers’ certificate (with a copy to the Trustee) stating the aggregate principal amount of 2022 Senior Secured Notes or portions of notes being purchased by the Issuer.

The Paying Agent will promptly mail to each Holder of 2022 Senior Secured Notes properly tendered the Change of Control Payment for such 2022 Senior Secured Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder new 2022 Senior Secured Notes equal in principal amount to any unpurchased portion of the 2022 Senior Secured Notes surrendered, if any; *provided* that such new 2022 Senior Secured Notes will be in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof. Unless the issuer defaults in making the Change of Control Payment, any 2022 Senior Secured Notes so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as reasonably practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the 2022 Senior Secured Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the 2022 Senior Secured Indenture does not contain provisions that permit the Holders of the 2022 Senior Secured Notes to require that the Issuer repurchase or redeem the 2022 Senior Secured Notes in the event of a takeover, recapitalization or similar transaction or any Change of Control that does not result in a Change of Control Triggering Event.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the 2022 Senior Secured Indenture applicable to a Change of Control Offer made by the Issuer and purchases all 2022 Senior Secured Notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given pursuant to the 2022 Senior Secured Indenture as described above under the caption “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of 2022 Senior Secured Notes to require the Issuer to repurchase its 2022 Senior Secured Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

If and for so long as the 2022 Senior Secured Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF, and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices as soon as practicable relating to the Change of Control Offer 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, posted on the official website of the Luxembourg Stock Exchange.

The provisions of the 2022 Senior Secured Indenture relating to the Issuer’s obligation to make an offer to repurchase the 2022 Senior Secured Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes.

The Revolving Credit Facility Agreement provides that the occurrence of a change of control would require the prepayment of all the outstanding Indebtedness under the Revolving Credit Facility Agreement. If the Issuer experiences a change of control that triggers a mandatory prepayment under the Revolving Credit Facility Agreement, the Issuer may seek the agreement of the relevant lenders thereunder to maintain the availability of the Revolving Credit Facility or seek to refinance the Revolving Credit Facility. Moreover, the exercise by the Holders of the 2022 Senior Secured Notes of their right to require the Issuer to repurchase the 2022 Senior Secured Notes could cause a default under, or require a repurchase of, other debt, even if a Change of Control Triggering Event does not, due to the financial effect of the repurchase of 2022 Senior Secured Notes on the Issuer. Finally, the Issuer’s ability to repurchase 2022 Senior Secured Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control Triggering Event 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 the required purchase of the 2022 Senior Secured Notes.

### ***Asset Sales***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets, rights or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Government Guaranteed Securities. For purposes of this provision, each of the following will be deemed to be cash:
  - (a) any liabilities, as shown on the Issuer’s most recent consolidated balance sheet, of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the 2022 Senior Secured Notes) that are assumed by the transferee of any such assets or are discharged pursuant to an agreement that releases the Issuer or such Restricted Subsidiary from any further liability in connection therewith or indemnifies them against such further liability;
  - (b) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are within 180 days, subject to ordinary settlement periods, converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion;

- (c) any share or assets of the kind referred to in clauses (1)(c), (1)(d) or (1)(e) of the next paragraph of this covenant;
- (d) any Designated Non-Cash Consideration;
- (e) Indebtedness of any Restricted Subsidiary of the Issuer that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from or indemnified against any guarantee of such Indebtedness in connection with such Asset Sale; and
- (e) Indebtedness of the Issuer or of any Restricted Subsidiary (other than Indebtedness that is by its terms subordinated to the 2022 Senior Secured Notes) received from Persons who are not the Issuer or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may:

- (1) apply such Net Proceeds, at its option:
  - (a) (i) to make an offer to purchase the 2022 Senior Secured Notes on a *pro rata* basis to all of the Holders of 2022 Senior Secured Notes at a purchase price equal to not less than 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase; or (ii) to make an offer pursuant to the preceding sub-clause (a)(i) and a substantially equivalent offer on a *pro rata* basis to holders of other Pari Passu Indebtedness;
  - (b) purchase or permanently prepay or redeem or repay (i) any Indebtedness that is only secured by Liens on assets or property that do not constitute Collateral and, if the Indebtedness prepaid, redeemed or repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; or (ii) with respect to the Net Proceeds from an Asset Sale made by a Restricted Subsidiary of the Issuer that is not a Guarantor, any Indebtedness of such Restricted Subsidiary (other than Indebtedness owed to the Issuer or another Restricted Subsidiary or any Affiliate thereof) and, if such Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;
  - (c) to acquire all or substantially all of the assets of, or any Capital Stock of a Person engaged in, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such Person is or becomes a Restricted Subsidiary of the Issuer or is merged with or into a Restricted Subsidiary of the Issuer;
  - (d) to make a capital expenditure; or
  - (e) to acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business;

provided, however, that, 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 (to the extent such assets were of a category of assets included in the Collateral as of the date of the Asset Sale) that were acquired with the Net Proceeds of an Asset Sale in accordance with this covenant to secure the 2022 Senior Secured Notes on a first-priority basis;

- (2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (b), (c), (d) or (e) of clause (1) above, *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period; or
- (3) any combination of the foregoing.

Pending the final application of any Net Proceeds, the Issuer or any applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the 2022 Senior Secured Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds the greater of €40.0 million and 1.5% of the Consolidated Total Assets of the Issuer (or the equivalent in another currency), within 30 days thereof, the Issuer will make an offer (an "Asset Sale Offer") to all Holders of 2022 Senior Secured Notes and (at the Issuer's election) to holders of Pari Passu Indebtedness containing provisions similar to those set forth in the 2022 Senior Secured Indenture with respect to offers to purchase, prepay, redeem or repay with the proceeds of sales of assets to purchase the maximum principal amount of

2022 Senior Secured Notes and such other Pari Passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer in respect of the 2022 Senior Secured Notes will not be less than 100% of the principal amount of the 2022 Senior Secured Notes and, in the case of Pari Passu Indebtedness, not greater than the principal amount thereof plus the offer premium offered with respect to the 2022 Senior Secured Notes in the Asset Sale Offer, plus, in each case, accrued and unpaid interest, and in the case of the 2022 Senior Secured Notes, Additional Amounts, if any, to the date of purchase in accordance with the 2022 Senior Secured Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in the case of the 2022 Senior Secured Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer or any Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the 2022 Senior Secured Indenture. If the aggregate principal amount of 2022 Senior Secured Notes and other Pari Passu Indebtedness tendered into (or to be redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Registrar will select the 2022 Senior Secured Notes and such other Pari Passu Indebtedness to be repaid on a *pro rata* basis based on the principal amount of 2022 Senior Secured Notes and such other Pari Passu Indebtedness presented for purchase. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer, insofar as it relates to the 2022 Senior Secured Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Sale Offer Period”). No later than five Business Days after the termination of the Asset Sale Offer period (the “Asset Sale Purchase Date”) the Issuer will purchase the principal amount of 2022 Senior Secured Notes and to the extent the Issuer elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant, or if less than the Asset Sale Offer Amount has been so validly tendered, all 2022 Senior Secured Notes and Pari Passu Indebtedness validly tendered in response to the Asset Sale Offer.

On and after the repurchase date, unless the Issuer defaults in payment of the purchase price, interest shall cease to accrue on the 2022 Senior Secured Notes or portions thereof purchased.

The Issuer will comply with the requirements of any relevant securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of 2022 Senior Secured Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the 2022 Senior Secured Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the 2022 Senior Secured Indenture by virtue of such compliance.

## **Certain Covenants**

### ***Changes in Covenants When 2022 Senior Secured Notes Rated Investment Grade***

If on any date following the date of the 2022 Senior Secured Indenture:

- (1) the 2022 Senior Secured Notes are rated Baa3 or better by Moody’s and BBB- or better by S&P (or, if either such entity ceases to rate the 2022 Senior Secured Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other “nationally recognized statistical rating organization” registered under Section 15E of the U.S. Exchange Act selected by the Issuer as a replacement agency); and
- (2) no Default or Event of Default shall have occurred and be continuing,

then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in this offering memorandum will be suspended:

- (1) “—Repurchase at the Option of the Holders—Asset Sales;”
- (2) “—Restricted Payments;”
- (3) “—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (4) “—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- (5) “—Designation of Restricted and Unrestricted Subsidiaries;”
- (6) “—Transactions with Affiliates;”
- (7) clause (4) of the covenant described below under the caption “—Merger, Consolidation or Sale of Assets;” and
- (8) “—Additional Note Guarantees.”

The Issuer will notify the Trustee in writing that the foregoing covenants have been suspended; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective; *provided, further*, that the Trustee shall be under no obligation to inform the Holders that the foregoing covenants have been suspended. During any period that the foregoing covenants have been suspended (such period the “Suspension Period”), the Issuer’s Board of Directors may not

designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below under the caption “—Designation of Restricted and Unrestricted Subsidiaries” or the second paragraph of the definition of “Unrestricted Subsidiary.”

Notwithstanding the foregoing, if on any subsequent date (the “Reinstatement Date”), the 2022 Senior Secured Notes cease to maintain ratings of at least Baa3 and BBB- from Moody’s and S&P, respectively, the foregoing covenants will be reinstituted as of and from the date of such rating decline; *provided* that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under “—Restricted Payments” had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of “—Incurrence of Indebtedness and Issuance of Preferred Stock;” (iii) any transactions with Affiliates entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (12) of the second paragraph of the covenant described under “—Transactions with Affiliates;” and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Subsidiaries” that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Subsidiaries.”

For the avoidance of doubt, the Issuer and any Restricted Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the 2022 Senior Secured Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period and to consummate the transactions contemplated thereby; provided, however, that (a) the Issuer and its Subsidiaries did not incur or otherwise enter into such contractual commitments or obligations in contemplation of the Suspension Period ending and (b) the Issuer reasonably believed that such incurrence or actions would not result in the of the Suspension Period ending. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief shall be as determined in good faith by a responsible accounting or financial officer of the Issuer.

Within 20 Business Days of the end of a Suspension Period, the Issuer will cause any of its Restricted Subsidiaries that is not a Guarantor and that guaranteed any Indebtedness of the Issuer or any Guarantor during such Suspension Period to execute and deliver a Note Guarantee, subject to the second, fourth, fifth and seventh paragraphs of the covenant described under “—Additional Note Guarantees.”

There can be no assurance that the 2022 Senior Secured Notes will ever achieve an investment grade rating or that any such rating will be maintained.

### ***Restricted Payments***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Issuer’s or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer’s or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer’s or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such on account of such Equity Interests (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer or in the form of Shareholder Subordinated Debt and other than dividends or distributions payable to the Issuer or a Restricted Subsidiary of the Issuer);
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) any Equity Interests of the Issuer or any direct or indirect parent of the Issuer (other than in exchange for Equity Interests of the Issuer (other than Disqualified Stock) or Shareholder Subordinated Debt);
- (3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations of the Issuer (excluding (i) any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries and (ii) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Obligations acquired in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of the purchase, repurchase, redemption, acquisition or retirement);
- (4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than non-cash interest payable in Equity Interests (other than Disqualified Stock) of the Issuer or any payment in the form of additional Subordinated Shareholder Debt); or
- (5) make any Restricted Investment,

(all such payments and other actions set forth in the foregoing clauses (1) through (5) being collectively referred to as “Restricted Payments”), unless, at the time of and after giving *pro forma* effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
- (2) the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock;” and
- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (11) and (13) of the next succeeding paragraph), is less than the sum, without duplication, of:
  - (a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the Issue Date to the end of the Issuer’s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*
  - (b) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities and other property received by the Issuer since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Issuer that have been converted into or exchanged for such Equity Interests or Subordinated Shareholder Debt (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Issuer); *plus*
  - (c) to the extent that any Restricted Investment that was (i) made after the Issue Date is sold or otherwise disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and of the Fair Market Value of the marketable securities and other property received or (ii) made in an entity that subsequently becomes a Restricted Subsidiary (or is merged or consolidated with or into the Issuer or a Restricted Subsidiary), 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated) or (iii) a guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person, upon the full and unconditional release of such Restricted Investment, an amount equal to the amount of such guarantee; *plus*
  - (d) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary after such date, or has been merged or consolidated with or into, or transfers or conveys its assets to, the Issuer or a Restricted Subsidiary of the Issuer, 100% of the Fair Market Value of the Issuer’s Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable); *plus*
  - (e) the amount by which Indebtedness of the Issuer or a Restricted Subsidiary is reduced on the Issuer’s consolidated balance sheet upon the conversion or exchange (other than by the Issuer or its Restricted Subsidiary) of such Indebtedness for Equity Interests (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt (less the amount of any cash, and the Fair Market Value of any other property, received or distributed by the Issuer or any Restricted Subsidiary on any such conversion or exchange); *plus*
  - (f) 100% of the Fair Market Value of any dividends, distributions or payments received by the Issuer or a Restricted Subsidiary of the Issuer after the Issue Date from an Unrestricted Subsidiary of the Issuer or from a Person in which the Issuer or a Restricted Subsidiary of the Issuer has a Restricted Investment to the extent that such dividends, distributions or payments were not otherwise included in the Consolidated Net Income of the Issuer for such period.

The preceding provisions will not prohibit:

- (1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may

be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of the 2022 Senior Secured Indenture;

- (2) the making of any Restricted Payment in exchange for (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 or scrip), or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of such proceeds to the common equity capital to the Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;
- (3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer that is contractually subordinated to the 2022 Senior Secured Notes in exchange for or with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;
- (4) the declaration or payment of any dividend or the making of any payment or distribution by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests other than the Issuer or another Restricted Subsidiary on a no more than *pro rata* basis;
- (5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary of the Issuer, or distribution to enable such repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Parent or Restricted Subsidiary of the Issuer, held directly or indirectly by any current or former officer, director, consultant or employee of the Issuer or any Parent or Restricted Subsidiary of the Issuer (or permitted transferees of such current or former officers, directors, consultants or employees); *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed the greater of €10.0 million and 0.4% of the Consolidated Total Assets of the Issuer in any calendar year, beginning in the year starting January 1, 2016, with the unused portion carried over to the next calendar year; *provided, further*, that such amount in any one-year period may be increased by an amount not to exceed the cash proceeds received by the Issuer or a Restricted Subsidiary during such period from the sale of Equity Interests of the Issuer or a Restricted Subsidiary in each case to members of management or directors or consultants of the Issuer or any Restricted Subsidiary or any Parent of the Issuer to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3)(b) of the preceding paragraph or clauses (2) or (8) of this paragraph;
- (6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;
- (7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary of the Issuer issued on or after the date of the 2022 Senior Secured Indenture in accordance with the Fixed Charge Coverage Ratio test set forth in the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (8) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering, the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the Capital Stock of the Issuer or any Parent, 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 Initial Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer and (b) an amount equal to the greater of (i) 6% of the Market Capitalization (provided that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0) and (ii) 6% of the IPO Market Capitalization (provided that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0);
- (9) the declaration and payment of cash dividends and any repurchase, redemption, retirement or cancellation of the Issuer’s Equity Interests not to exceed the greater of €20.0 million and 0.75% of the Consolidated Total Assets of the Issuer in any calendar year commencing on or after January 1, 2015, with the unused portion carried over to the next calendar year;
- (10) so long as no Default has occurred and is continuing or would be caused thereby, (A) other Restricted Payments in an aggregate amount not to exceed the greater of €115.0 million and 4.5% of the Consolidated Total Assets of the Issuer and (B) any Restricted Payments; *provided* that, in the case of clause (B) only, the Consolidated Leverage Ratio of the Issuer does not exceed 2.5 to 1.0 on a pro forma basis after giving effect to any such Restricted Payments;



- (11) any payments to minority shareholders as required by law or regulation pursuant to or in contemplation of a merger or consolidation involving the Issuer or any of its Restricted Subsidiaries that does not violate the provisions of the covenant described under “—Merger, Consolidation or Sale of Assets;”
- (12) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person; and
- (13) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Issuer or any of its Restricted Subsidiaries and any other Person with which the Issuer or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the 2022 Senior Secured Indenture; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer or such Restricted Subsidiaries would owe without taking into account such other Person; and *provided, further*, that such payments shall be paid over to the appropriate taxing authority within 30 days of receipt.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Issuer whose resolution with respect thereto will be delivered to the Trustee. For the avoidance of doubt, the Trustee shall have no obligation to determine the Fair Market Value of any assets or securities.

#### ***Incurrence of Indebtedness and Issuance of Preferred Stock***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “*incur*”) any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that:

- (a) the Issuer and any Guarantor may incur Indebtedness other than Senior Secured Debt (including Acquired Debt) or issue Disqualified Stock if the Fixed Charge Coverage Ratio for the Issuer’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period; and,
- (b) the Issuer and its Restricted Subsidiaries may incur Senior Secured Debt (including Acquired Debt and preferred stock issued by Restricted Subsidiaries) if, in addition to compliance with the ratio set forth in clause (a), the Consolidated Senior Secured Leverage Ratio for the Issuer’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Debt is incurred would have been less than 4.00 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if such additional Senior Secured Debt had been incurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, “Permitted Debt”):

- (1) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €1,400 million, plus, 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 (including fees and commissions paid as discounts) incurred in connection with such refinancing;
- (2) the incurrence by the Issuer and its Restricted Subsidiaries of the Existing Indebtedness (other than Indebtedness incurred under clause (1) or clause (3) of this paragraph);
- (3) the incurrence by the Issuer of Indebtedness represented by the Senior Subordinated Notes to be issued on the Issue Date;

- (4) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness or preferred stock, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of acquisition, design, development, construction, lease, installation, transportation or improvement of property (real or personal), plant or equipment that is used or useful in the business of the Issuer or any of its Restricted Subsidiaries (each, a “Productive Asset Financing”) (including Equity Interests of any Person owning such assets) (including any reasonable related fees or expenses incurred in connection therewith), in an aggregate principal amount at any one time outstanding not to exceed the greater of €70.0 million and 2.5% of the Consolidated Total Assets of the Issuer;
- (5) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the 2022 Senior Secured Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (5) or (14) of this paragraph;
- (6) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries; *provided, however*, that:
  - (a) except in respect of current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations, if the Issuer or a Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the 2022 Senior Secured Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and
  - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer,will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the issuance by any of the Issuer’s Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however*, that:
  - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and
  - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);
- (8) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;
- (9) the guarantee by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or any of its Restricted Subsidiaries so long as the incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary is permitted under the terms of the 2022 Senior Secured Indenture, *provided* that such guarantee is incurred in accordance with the covenant described under “—Additional Note Guarantees;”
- (10) guarantees by the Issuer or a Restricted Subsidiary of the Issuer of Indebtedness arising pursuant to terms requiring such Indebtedness to be guaranteed if the 2022 Senior Secured Notes are also guaranteed by the same Restricted Subsidiary on a senior or *pari passu* basis;
- (11) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers’ compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, statutory obligations, bankers’ acceptances, export, import, customs, VAT and other tax guarantees, performance and bid, reclamation, remediation, completion, surety, appeal or similar bonds or performance guarantees in the ordinary course of business or consistent with past practice;
- (12) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers’ acceptances or similar instruments or obligations issued in the ordinary course of business, *provided* that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within ten Business Days;

- (13) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within ten Business Days;
- (14) Indebtedness of any Person (a) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer 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 (b) 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, however*, with respect to this clause (14), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x)(i) the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to clause (a) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) or (ii) the Fixed Charge Coverage Ratio would be no less than it was immediately prior to the incurrence of such Indebtedness pursuant to this clause (14) and (y)(i) the Issuer and its Restricted Subsidiaries would have been able to incur €1.00 of additional Indebtedness pursuant to subclause (b) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) or (ii) the Consolidated Senior Secured Leverage Ratio would be no greater than it was prior to the incurrence of such Indebtedness pursuant to this clause (14);
- (15) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, earnouts, adjustments of purchase price, guarantees 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 Equity Interests of a Subsidiary in accordance with the terms of the 2022 Senior Secured Indenture, other than guarantees of Indebtedness incurred or assumed by any Person acquiring all or any portion of such business, assets or Equity Interests of a Subsidiary for the purpose of financing such acquisition;
- (16) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (17) the incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness or the issuance by any Restricted Subsidiary that is not a Guarantor of preferred stock in an aggregate principal amount (or accreted value, as applicable) or having an aggregate liquidation preference at any time outstanding incurred pursuant to this clause (17), not to exceed the greater of €85.0 million and 3.0% of the Consolidated Total Assets of the Issuer;
- (18) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;
- (19) Indebtedness of the Issuer in an aggregate outstanding principal amount (or accreted value, as applicable) at any time outstanding, not to exceed 100% of the Net Proceeds received by the Issuer from the issuance or sale (other than to a Subsidiary) of its Capital Stock (other than Disqualified Stock) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer or from the issuance or sale (other than to a Subsidiary) of Subordinated Shareholder Debt, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clause (2), the second proviso to clause (5) and clause (8) of the second paragraph of the covenant described under the caption “—Restricted Payments” to the extent the Issuer incurs 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 (19) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph or clause (2), the second proviso to clause (5) or clause (8) of the second paragraph of the covenant described under the caption “—Restricted Payments” in reliance thereon;
- (20) Indebtedness of the Issuer or any Restricted Subsidiary in respect of Management Advances; and
- (21) Indebtedness incurred by the Issuer or a Restricted Subsidiary in a Permitted Receivables Transaction.

For purposes of determining compliance with this “Incurrence of Indebtedness and Issuance of Preferred Stock” covenant, in the event that an item of proposed Indebtedness or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (21) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted, in its sole discretion, to classify such item of Indebtedness or preferred stock on the date of its incurrence and will only be required to include the amount and type of such Indebtedness or preferred stock in one of the above clauses, although the Issuer may, in its sole discretion, divide and classify an item of Indebtedness or

preferred stock in one or more of the types of Indebtedness or preferred stock and may later reclassify all or a portion of such item of Indebtedness or preferred stock in any manner that complies with this covenant; except that Indebtedness outstanding under the Revolving Credit Facility as of the Issue Date, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the 2022 Senior Secured Notes and the 2024 Senior Secured Notes issued on the Issue Date and any Permitted Refinancing Indebtedness thereof that constitutes Senior Secured Debt will be deemed to have been incurred under clause (1) of the definition of Permitted Debt and may not be reclassified. The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Issuer as accrued. Notwithstanding any other provision of this covenant (including pursuant to any Permitted Refinancing Indebtedness permitted pursuant to this covenant), the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will 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, in the case of Indebtedness incurred under a revolving credit facility; *provided* that (1) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the date of the 2022 Senior Secured Indenture will be calculated based on the relevant currency exchange rate in effect on the date of the 2022 Senior Secured Indenture; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and
- (3) in the case of Hedging Obligations, the net amount payable if such Hedging Obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off);
- (4) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
  - (a) the Fair Market Value of such assets at the date of determination; and
  - (b) the amount of the Indebtedness of the other Person; and
- (5) the principal amount of any Disqualified Stock of the Issuer 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.

### **Financial Calculations**

When calculating the availability under any basket or ratio under the 2022 Senior Secured Indenture, in each case in connection with any merger, acquisition or other Investment, in each case, whose consummation is not conditioned upon the availability of, or on obtaining, third party financing, where there is a time difference between commitment and closing or incurrence (including in respect of incurrence of Indebtedness, Restricted Payments and Permitted Investments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such merger, acquisition or other Investment are entered into (or, in case of an acquisition or other Investment in the form of a tender or exchange offer in connection with which no definitive agreement is entered into with the target company, the date of such tender or exchange offer) and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such merger, acquisition or other Investment and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated Cash Flow or the share price or share

value of any Person) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions; *provided*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement (or the time of such tender or exchange offer, as the case may be), any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered (or the date of such tender or exchange offer, as the case may be) and outstanding thereafter for purposes of calculating any baskets or ratios under the 2022 Senior Secured Indenture after the date of such agreement (or tender or exchange offer, as the case may be) and before the consummation of such transaction; *provided, further*, that the Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with such merger, acquisition or other Investment, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such merger, acquisition or Investment unless and until the closing of such merger, acquisition or Investment shall have actually occurred.

### ***No Layering of Debt***

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 such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the 2022 Senior Secured Notes and the applicable Note Guarantee on substantially identical terms. No such Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

### ***Additional Note Guarantees***

The Issuer will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any other Indebtedness of the Issuer (other than the 2022 Senior Secured Notes) or a Guarantor (other than a Guarantee of the 2022 Senior Secured Notes and other than Indebtedness incurred pursuant to clause (17) of the definition of Permitted Debt) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Note Guarantee of the payment of the 2022 Senior Secured Notes by such Restricted Subsidiary, which Note Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

- (1) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or
- (2) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Issuer.

On or before the date falling 60 days after receipt by the Trustee of each set of annual or quarterly financial statements required to be delivered pursuant to the covenant described under “—Reports,” the Issuer shall cause such Restricted Subsidiaries as are necessary to ensure that the aggregate of earnings before interest, tax, depreciation and amortization of the Issuer and any Guarantors (calculated on the same basis as Consolidated Cash Flow taking each entity on an unconsolidated basis and excluding all intra-group items) for the most recently ended four full fiscal quarters for which internal financial statements are available exceeds 55% of the Consolidated Cash Flow of the Issuer (the “Coverage Percentage”) over the same four full fiscal quarters (the “Coverage Test”) to:

- (i) execute and deliver to the Trustee a supplemental indenture in the form attached to the 2022 Senior Secured Indenture pursuant to which such Restricted Subsidiary will provide a Note Guarantee; and
- (ii) accede as a party to the Intercreditor Agreement or any Additional Intercreditor Agreement,

provided that, for the four full fiscal quarters ending March 31, 2018 and thereafter for which internal financial statements are available, the Coverage Percentage shall be increased to 65% of the Consolidated Cash Flow of the Issuer.

No Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of the Issuer or such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, “whitewash” or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary.

The Note Guarantee of a Guarantor will automatically and unconditionally be released:

- (1) in connection with any sale, disposition or transfer of all or substantially all of the assets of that Guarantor or a Parent of that Guarantor other than the Issuer (including by way of merger, amalgamation, combination or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the 2022 Senior Secured Indenture;
- (2) in connection with any sale, disposition or transfer of all of the Capital Stock of that Guarantor (or Capital Stock of a Parent of the relevant Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer or a direct or indirect Parent of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the 2022 Senior Secured Indenture;
- (3) if the Issuer designates any Restricted Subsidiary that is a Guarantor (or designates a Parent of such Guarantor) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the 2022 Senior Secured Indenture;
- (4) upon repayment in full of the 2022 Senior Secured Notes;
- (5) upon legal defeasance or satisfaction and discharge of the 2022 Senior Secured Indenture as provided below under the captions “—Legal Defeasance and Covenant Defeasance” and “—Satisfaction and Discharge;”
- (6) as described under “—Amendment, Supplement and Waiver;”
- (7) in the case of any Restricted Subsidiary that after the date of the 2022 Senior Secured Indenture is required to provide a Guarantee pursuant to the first paragraph of the covenant described under “—Certain covenants—Additional Note Guarantees,” upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to provide such Guarantee so long as no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would result in the requirement that such Guarantor provide a Guarantee pursuant to the covenant described under the caption “—Certain Covenants— Additional Note Guarantees;” or
- (8) in the case of a Note Guarantee given by a Guarantor pursuant to the third paragraph of this covenant, if, after giving pro forma effect to such release, the Coverage Test would continue to be satisfied for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the release.

Upon any release of a Note Guarantee contemplated under this “—Certain Covenants—Limitations on Guarantees of Indebtedness by Restricted Subsidiaries” section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

Each Note Guarantee provided pursuant to the provisions of this covenant will be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

The Issuer will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the 2022 Senior Secured Indenture that are not required at such time to become Guarantors pursuant to the first or third paragraph of this covenant (such Guarantors “Optional Guarantors”). The Issuer will be entitled to release any such Optional Guarantor from its Note Guarantee provided (x) no Default or Event of Default would be in existence following such a release; (y) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Permitted Stock” as at the date of such release if such Guarantor were not designated as a Guarantor as at that date and (z) such Optional Guarantor is not at

the time of the proposed release otherwise required to be a Guarantor pursuant to this covenant. Upon any release of a Note Guarantee contemplated under this “— Certain Covenants — Additional Note Guarantees” section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

### ***Limitation on Liens***

The Issuer will not and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer upon any of their property or assets, now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral (a) Permitted Liens, or (b) if such Lien (the “Initial Lien”) is not a Permitted Lien, to the extent that all payments due under the 2022 Senior Secured Indenture, the 2022 Senior Secured Notes and the Note Guarantees, as the case may be, are secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the 2022 Senior Secured Notes or any Note Guarantees (as the case may be), prior or senior thereto with the same relative priority as the 2022 Senior Secured Notes or such Note Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, incur any Indebtedness that is secured by a Lien upon any of the Principals’ or their Related Parties’ respective Equity Interests in the Issuer, now owned or hereafter acquired, except for Liens securing the 2022 Senior Secured Notes on a first-priority basis and (if the 2022 Senior Secured Notes are so secured) other Permitted Collateral Liens.

Any Lien created for the benefit of the Holders of 2022 Senior Secured Notes shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (or where not automatically released and discharged, the Person having granted such security will be entitled to seek such Liens’ unconditional release and discharge) under any one or more of the following circumstances:

- (1) the release and discharge of the Initial Lien to which it relates;
- (2) upon the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Issuer or a Restricted Subsidiary of the Issuer, if such sale, disposition or transfer does not violate the provisions set forth under “—Repurchase at the Option of Holders—Asset Sales;”
- (3) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Issuer and (ii) the sale, disposition or transfer does not violate the provisions set forth under “—Repurchase at the Option of Holders—Asset Sales;”
- (4) upon the defeasance or discharge of the 2022 Senior Secured Notes as provided in “—Legal Defeasance and Covenant Defeasance” or “—Satisfaction and Discharge,” in each case, in accordance with the terms of the 2022 Senior Secured Indenture;
- (5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the 2022 Senior Secured Indenture (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);
- (6) upon full and final repayment of the 2022 Senior Secured Notes; and
- (7) in accordance with the caption below entitled “—Certain Covenants—Amendment, Supplement and Waiver.”

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the Holders pursuant to the third paragraph, as specified above, the Security Agent, subject to receipt of an officer’s certificate certifying that the event or circumstance in question has occurred, will execute any documents reasonably required in order to evidence or effect such release and discharge in respect of such Lien.

### ***Dividend and Other Payment Restrictions Affecting Subsidiaries***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, 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 of its Restricted Subsidiaries;
- (2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or
- (3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries,

*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 period to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness, Capital Leases and Credit Facilities as in effect on the date of the 2022 Senior Secured Indenture and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date or would not, in the good faith determination of the Issuer, materially impair the ability to (a) make payments of amounts due in respect of the 2022 Senior Secured Notes or (b) comply with the respective obligations of the Issuer under the 2022 Senior Secured Notes or the 2022 Senior Secured Indenture (as, in each case, determined in good faith by a responsible accounting or financial officer of the Issuer);
- (2) the 2022 Senior Secured Notes, the 2024 Senior Secured Notes, the Senior Subordinated Notes, the Existing Notes, and, in each case, the related indenture and Security Documents, as applicable;
- (3) applicable law, rule, regulation, order, approval, license, authorization, permit or concession or any similar restriction or other control by any government or governmental authority;
- (4) any instrument or agreement governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred or issued in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the 2022 Senior Secured Indenture to be incurred;
- (5) customary non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business;
- (6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described above in clause (3) of the preceding paragraph;
- (7) any agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending closing of the sale or other disposition;
- (8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (9) Liens permitted to be incurred under the provisions of the covenant described above under the caption “— Limitation on Liens” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) customary provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, limited liability company organizational documents, asset sale agreements, sale-leaseback agreements, stock sale agreements, minority shares arrangements and other similar agreements entered into (A) in the ordinary course of business, consistent with past practice or (B) with the approval of the Issuer’s Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;



- (11) restrictions on cash, Cash Equivalents, Government Guaranteed Securities or other deposits or net worth imposed by customers, suppliers or lessors or required by insurance, surety or bonding companies under contracts or leases entered into in the ordinary course of business;
- (12) any agreement or instrument relating to Indebtedness permitted to be incurred after the date of the 2022 Senior Secured Indenture under the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock”; *provided, however*, that such encumbrance or restriction is not materially more disadvantageous to the Holders of the 2022 Senior Secured Notes than is customary in comparable financings (as determined in good faith by a responsible accounting or financial officer of the Issuer) and either (x) a responsible accounting or financial officer of the Issuer determines that such encumbrance or restriction will not materially affect the Issuer’s ability to make principal or interest payments on the 2022 Senior Secured Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;
- (13) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Issuer and its Restricted Subsidiaries;
- (14) encumbrances on property that exist at the time the property was acquired by the Issuer or a Restricted Subsidiary of the Issuer provided such encumbrance was not created in anticipation of such acquisition;
- (15) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (14) above; *provided* that such amendments or refinancings are not materially more restrictive, taken as a whole, than such encumbrances and restrictions prior to such amendment or refinancing (as determined in good faith by a responsible accounting or financial officer of the Issuer); and
- (16) encumbrances or restrictions with respect to any Permitted Receivables Transaction; *provided that* such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Transaction in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof; *provided that* such Permitted Receivables Transaction was permitted to be incurred under the terms of the 2022 Senior Secured Indenture.

### ***Merger, Consolidation or Sale of Assets***

#### ***The Issuer***

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

- (1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of any European Union Member State, Switzerland, Norway, Canada or the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the 2022 Senior Secured Notes, the 2022 Senior Secured Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;
- (3) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default will have occurred and be continuing;
- (4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock” or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and
- (5) the Issuer shall have delivered to the Trustee an officers’ certificate and an opinion of counsel, each to the effect that such consolidation, merger or transfer and, in the event of a successor to the Issuer, supplemental

indenture and other customary agreements (if any) comply with the 2022 Senior Secured Indenture and an opinion of counsel to the effect that such supplemental indenture and other customary agreements (if any) have been duly authorized, executed and delivered and are the legal, valid and binding agreements enforceable against the successor to the Issuer (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 officers' certificate as to any matters of fact.

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 circumstance there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

This "Merger, Consolidation or Sale of Assets" covenant will not apply to:

- (1) a merger of the Issuer with an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction or changing the legal form of the Issuer; or
- (2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

#### *The Guarantors*

A Guarantor may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Issuer or another Guarantor, unless:

- (1) immediately after giving effect to that transaction or series of related transactions, no Default or Event of Default exists; and
- (2) (i) either (x) such Guarantor is the surviving entity or (y) the Person formed by or surviving any such consolidation or merger or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made is either the Issuer or a Restricted Subsidiary of the Issuer that assumes all the obligations of such Guarantor under the 2022 Senior Secured Indenture by supplemental indenture executed and delivered to the Trustee and under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable, by customary agreements; or (ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by and conducted in compliance with the provisions of the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales," *provided* that the Note Guarantee will be permitted to be released pursuant to clause (2) of the fifth paragraph of the covenant described under the caption "Additional Note Guarantees" in connection with such a transaction; and
- (3) the Issuer shall have delivered to the Trustee an officer's certificate and an opinion of counsel, each stating that such merger or consolidation and such supplemental indenture and each such amendment comply with this covenant.

The paragraph above will not apply to:

- (1) a merger of the Guarantor with an Affiliate solely for the purpose of reincorporating the Guarantor in another jurisdiction; or
- (2) the merger, consolidation with, liquidation into or transfer of all or substantially all of the properties and assets of any Guarantor to the Issuer or another Guarantor.

#### *Transactions with Affiliates*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend, in any material respect, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "Affiliate Transaction"), involving aggregate consideration in any single Affiliate Transaction or series of related Affiliate Transactions in excess of €2.0 million unless:

- (1) the Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction on an arms-length basis by the Issuer or such Restricted Subsidiary with an unrelated Person;

- (2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €15.0 million, the Issuer delivers to the Trustee a resolution of the Board of Directors of the Issuer set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant;
- (3) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million, the Issuer delivers to the Trustee a resolution of a majority of the Disinterested Members (or, if there is only one Disinterested Member, such Disinterested Member) set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant; and
- (4) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million in which there is no such Disinterested Member, a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view taking into account all relevant circumstances or (ii) on terms not materially less favorable, taken as a whole, than 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.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any employment agreement, collective bargaining agreement, employee benefit plan, officer or director indemnification agreement, including any stock option, stock appreciation rights, stock incentive or similar plans, or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments or other transactions pursuant thereto;
- (2) transactions (including a merger) between or among the Issuer and/or any of its Restricted Subsidiaries;
- (3) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- (4) payment of reasonable fees to and reimbursements of expenses and indemnity provided on behalf of officers, directors, employees or consultants;
- (5) any transaction between or among the Issuer and/or its Restricted Subsidiaries and any joint venture (a) pursuant to the terms of the respective joint venture agreement, (b) in the ordinary course of business or (c) which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the Restricted Subsidiary, as applicable, or are on terms no less favorable (taking into account the costs and benefits of associated with such transactions) than those that could reasonably have been obtained at such time from an unaffiliated Person;
- (6) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer or to any director, officer, employee or consultant of the Issuer or receipt of cash capital contributions from Affiliates of the Issuer in exchange for Equity Interests of the Issuer (other than Disqualified Stock) and the incurrence of Shareholder Subordinated Debt;
- (7) Restricted Payments that do not violate the provisions of the 2022 Senior Secured Indenture described above under the caption "—Restricted Payments" and Permitted Investments (other than Permitted Investments described in clauses (3), (13), (15) or (16) of the definition thereof);
- (8) transactions with customers, clients, lenders, suppliers or purchasers or sellers or other providers of goods or services or providers of employees or other labor, or lessors or lessees of property, in each case in the ordinary course of business and otherwise in compliance with the terms of the 2022 Senior Secured Indenture that are fair to the Issuer or the Restricted Subsidiaries, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person in each case, as determined by a responsible accounting or financial officer of the Issuer or the senior management thereof;
- (9) Management Advances;

- (10) (a) pledges of Equity Interests or Indebtedness of Unrestricted Subsidiaries and joint ventures for the benefit of lenders thereto; (b) guarantees of performance by the Issuer and its Restricted Subsidiaries of the Issuer's Unrestricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible accounting officer of the Issuer), except for guarantees of Indebtedness in respect of borrowed money, and (c) to the extent constituting Affiliate Transactions, transactions with charities and charitable foundations or with or that form part of community or social or environmental projects or initiatives;
- (11) if such Affiliate Transaction, following an Initial Public Offering, is with a Person in its capacity as a holder of Capital Stock of the Issuer or any Restricted Subsidiary where such Person is treated no more favorably than the holders of Capital Stock of the Issuer or any Restricted Subsidiary;
- (12) transactions effected pursuant to or contemplated by agreements or arrangements in effect or entered into on the date of the 2022 Senior Secured Indenture and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the 2022 Senior Secured Notes, taken as a whole, than the original agreements or arrangements as in effect on or entered into on the date of the 2022 Senior Secured Indenture) (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (13) transactions effected pursuant to or contemplated by agreements or arrangements between any Person and an Affiliate of such Person existing at the time such Person is acquired by, merged into or amalgamated, arranged or consolidated with the Issuer or any of its Restricted Subsidiaries; *provided* that such agreements or arrangements were not entered into in contemplation of such acquisition, merger, amalgamation, arrangement or consolidation, and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the 2022 Senior Secured Notes, taken as a whole, than the original agreements or arrangements as in effect on the date of such acquisition, merger, amalgamation, arrangement or consolidation) (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (14) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Issuer and the Restricted Subsidiaries and the unwinding of any Hedging Obligations;
- (15) execution, delivery and performance of any consolidated group arrangements for tax or accounting purposes, *provided* that any payments to be made pursuant to such arrangements are made in compliance with the covenant as set forth in "—Restricted Payments;" and
- (16) any transaction effected as part of a Permitted Receivables Transaction.

### ***Impairment of Security Interest***

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing any Security Interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair Security Interests with respect to the Collateral) for the benefit of the Security Agent on behalf of the Trustee and the Holders of 2022 Senior Secured Notes and the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent on behalf of the Trustee and the Holders of 2022 Senior Secured Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Collateral; *provided* that:

- (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the 2022 Senior Secured Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, and
- (b) the Issuer and its Restricted Subsidiaries may incur Permitted Collateral Liens,

*provided further*, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Issuer delivers to the Trustee and the Security Agent one of the following:

- (1) a solvency opinion from an internationally recognized investment bank or accounting firm confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related

to such amendment, extension, restatement, renewal, supplement, modification, replacement or release and retaking;

- (2) a certificate from the board of directors of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release and retaking; or
- (3) an opinion of counsel (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the 2022 Senior Secured Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the written direction of the Issuer and without the consent of the Holders of 2022 Senior Secured Notes (subject to compliance with the first paragraph of this covenant), the Security Agent may from time to time enter into one or more amendments to the Security Documents or enter into additional or supplemental Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Permitted Collateral Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the Holders of 2022 Senior Secured Notes in any material respect. In the event that the Issuer complies with this covenant, the Trustee and/or the Security Agent, as applicable, shall (subject to customary protections and indemnifications) take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Holders.

#### ***Further Assurances***

The Issuer will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting any Security Interests intended to be afforded or created by such Security Documents; and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. The Issuer will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

#### ***Business Activities***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

#### ***Designation of Restricted and Unrestricted Subsidiaries***

The Board of Directors of the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption “—Restricted Payments” or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Restricted Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a 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 preceding conditions and was permitted by the covenant described above under the caption “—Restricted Payments.” If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the 2022 Senior Secured Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” the Issuer will be in default of such covenant. The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption “—Incurrence of

Indebtedness and Issuance of Preferred Stock,” calculated on a *pro forma* basis taking into account such designation as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

### **Listing of the 2022 Senior Secured Notes**

The Issuer will use its commercially reasonable efforts to list and maintain the listing of the 2022 Senior Secured Notes on the Luxembourg Stock Exchange and to admit the 2022 Senior Secured Notes to trading on the Euro MTF market of the Luxembourg Stock Exchange provided, however, that if the Issuer is unable to list the 2022 Senior Secured Notes on the Luxembourg Stock Exchange or if maintenance of such listing becomes unduly onerous, it will use its commercially reasonable efforts to maintain a listing of such 2022 Senior Secured Notes on another “recognized stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

### **Reports**

So long as any 2022 Senior Secured Notes are outstanding, the Issuer will furnish to the Trustee and make available to the Holders of 2022 Senior Secured Notes and potential investors:

- (1) commencing with the fiscal year ending December 31, 2017, within 120 days after each fiscal year of the Issuer: (a) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital sources and a discussion of material commitments and contingencies and critical accounting policies, (b) a description of the business, management and shareholders of the Issuer, all material affiliate transactions, indebtedness and material financing arrangements and a description of all material contractual arrangements, (c) material risk factors and material recent developments; (d) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (2) or (3) below or is available only at unreasonable expense; and (e) audited consolidated statements of income and statements of cash flow of the Issuer (or any predecessor company of the Issuer) as of and for the most recent three fiscal years and balance sheets as of the two most recent fiscal years, including appropriate footnotes to such financial statements, for and as of the end of such fiscal year, and the report of the independent auditors on such financial statements;
- (2) commencing with the fiscal quarter ending March 31, 2017, within 60 days following the end of the first and third fiscal quarters in each fiscal year of the Issuer and within 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, information including: (a) an unaudited condensed consolidated balance sheet as of 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 year periods, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (1) or (3) of this covenant or is available only at unreasonable expense; (c) an operating and financial review of the unaudited financial statements, including a discussion of material commitments and contingencies; (d) material recent developments and (e) a presentation of EBITDA; and
- (3) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management changes, change in auditors, the entering into of an agreement that will result in a Change of Control or any other material event that the Issuer or any Restricted Subsidiary announces publicly, in each case, a report containing a description of such event.

If the Issuer has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the discussion 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.

The Issuer will also make available copies of all reports required by clauses (1) through (3) above on the Issuer’s website (and maintain for a period of at least three years after posting) and (ii) at the offices of the listing agent in Luxembourg.

In addition, so long as any 2022 Senior Secured Notes are “restricted securities” (as defined in Rule 144 under the U.S. Securities Act) during any period during which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will, upon their request, furnish to the holders and to

securities analysts and prospective purchasers of the 2022 Senior Secured Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

Furthermore, within 20 Business Days subsequent to the date of the publication of the reports described in (1) and (2) above, the Issuer shall hold a conference call for current and prospective Holders of the 2022 Senior Secured Notes in which at least one member of the senior management of the Issuer shall participate. Notice of such conference calls shall be deemed a report required by clause (3) above and will state the date, time and dial-in number and shall be published at least one Business Day in advance of such conference call.

All reports made pursuant to this covenant shall be made in, or translated to, the English language.

## Events of Default and Remedies

Each of the following is an “Event of Default”:

- (1) default for 30 days in the payment when due of interest on, or Additional Amounts, if any, with respect to, the 2022 Senior Secured Notes;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the 2022 Senior Secured Notes;
- (3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets;”
- (4) failure by the Issuer or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the Trustee or Holders of at least 25% in aggregate principal amount of the 2022 Senior Secured Notes then outstanding voting as a single class to comply with any of the other agreements in the 2022 Senior Secured Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of such default (but excluding Indebtedness owed to the Issuer or a Restricted Subsidiary), if that default:
  - (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such Indebtedness (a “*Payment Default*”); or
  - (b) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, either (i) the principal amount of any such Indebtedness that is due and has not been paid or which has been accelerated, 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 €20.0 million or more or (ii) to the extent such Indebtedness is incurred pursuant to clause (1) of the second paragraph of the covenant captioned “—Incurrence of Indebtedness and Issuance of Preferred Stock” and is designated as a Senior Lender Liability under the Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement, the requisite majority of holders of such Indebtedness has instructed the Security Agent to commence enforcement of their separate security;

- (6) failure by the Issuer or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of €20.0 million (net of any amounts which are covered by insurance or bonded), which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;
- (7) certain events of bankruptcy or insolvency described in the 2022 Senior Secured Indenture with respect to the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary;
- (8) any Note Guarantee, if any, is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the 2022 Senior Secured Indenture and any such Note Guarantee; or
- (9) (i) any security interest created by any Security Document shall, at any time, cease to be in full force and effect (except as permitted by the terms of the 2022 Senior Secured Indenture, the Intercreditor Agreement,

any Additional Intercreditor Agreement or the Security Documents) with respect to Collateral having a Fair Market Value in excess of €5.0 million for any reason other than the satisfaction in full of all obligations under the 2022 Senior Secured Indenture or the release of any such security interest in accordance with the terms of the 2022 Senior Secured Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents, or an assertion by the Issuer or any of its Restricted Subsidiaries that any Collateral having a Fair Market Value in excess of €5.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the 2022 Senior Secured Indenture or Security Documents); (ii) the repudiation by the Issuer or any of its Restricted Subsidiaries of any of its material obligations under any Security Document.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding 2022 Senior Secured Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding 2022 Senior Secured Notes may declare all the 2022 Senior Secured Notes to be due and payable immediately.

Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes may direct the Trustee in its exercise of any trust or power. The Trustee may refuse to follow any direction that conflicts with law or the 2022 Senior Secured Indenture, or that may involve the Trustee in personal liability. Furthermore, the Trustee may withhold from Holders of the 2022 Senior Secured Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium or Additional Amounts, if any.

Subject to the provisions of the 2022 Senior Secured Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the 2022 Senior Secured Indenture at the request or direction of any Holders of 2022 Senior Secured Notes unless such Holders have offered to the Trustee indemnity and/or security, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel). Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder of a Senior Secured Note may pursue any remedy with respect to the 2022 Senior Secured Indenture or the 2022 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 aggregate principal amount of the then outstanding 2022 Senior Secured Notes have requested the Trustee to pursue the remedy;
- (3) such Holders have offered the Trustee security, and/or indemnity, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel);
- (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) Holders of a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The Holders of a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes by written notice to the Trustee may, on behalf of the Holders of all of the 2022 Senior Secured Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the 2022 Senior Secured Indenture except a continuing Default or Event of Default in the payment of interest or premium or Additional Amounts, if any, on, or the principal of, the 2022 Senior Secured Notes (including in connection with an offer to purchase). Upon any such rescission or waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the 2022 Senior Secured Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the 2022 Senior Secured Indenture. Within 20 business days after becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

#### **No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Issuer, as such, will have any liability for any obligations of the Issuer under the 2022 Senior Secured Notes, the 2022 Senior Secured Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of 2022 Senior Secured Notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the 2022 Senior Secured Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.



## Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers' certificate, elect to have all of its obligations discharged with respect to the outstanding 2022 Senior Secured Notes ("Legal Defeasance") except for:

- (1) the rights of Holders of outstanding 2022 Senior Secured Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such 2022 Senior Secured Notes when such payments are due from the trust referred to below;
- (2) the Issuer's obligations with respect to the 2022 Senior Secured Notes concerning issuing temporary 2022 Senior Secured Notes, registration of 2022 Senior Secured Notes, mutilated, destroyed, lost or stolen 2022 Senior Secured Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties, indemnifications, fees and immunities of the Trustee, and the Issuer's obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the 2022 Senior Secured Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers and the cross-acceleration provision and judgment default provisions described under "—Events of Default and Remedies")) that are described in the 2022 Senior Secured Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the 2022 Senior Secured Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the 2022 Senior Secured Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose), for the benefit of the Holders of the 2022 Senior Secured Notes, cash in euro and euro-denominated, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium and Additional Amounts, if any, on, the outstanding 2022 Senior Secured Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the 2022 Senior Secured Notes are being defeased to such stated date for payment or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee: (i) an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the date of the 2022 Senior Secured Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding 2022 Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and (ii) an opinion of counsel in the jurisdiction of incorporation of the Issuer to the effect that the Holders will not recognize income, gain or loss for the income tax purposes of such jurisdiction as a result of such deposit and defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee: (i) an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that the Holders of the outstanding 2022 Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and (ii) an opinion of counsel in the jurisdiction of incorporation of the Issuer to the effect that the Holders will not recognize income, gain or loss for income tax purposes of such jurisdiction as a result of such deposit and defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the

deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound;

- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the 2022 Senior Secured Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
- (6) the Issuer must deliver to the Trustee an officers' certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of 2022 Senior Secured Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and
- (7) the Issuer must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

### **Amendment, Supplement and Waiver**

Except as provided in the next two succeeding paragraphs and without limiting the Issuer's ability to effect modifications or amendments that are expressly permitted under "—Certain Covenants—Impairment of Security Interest" or "—Security—Additional Intercreditor Agreements," the 2022 Senior Secured Indenture or the 2022 Senior Secured Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the 2022 Senior Secured Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, 2022 Senior Secured Notes), and, subject to certain exemptions, any existing Default or Event of Default or compliance with any provision of the 2022 Senior Secured Indenture or the 2022 Senior Secured Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, 2022 Senior Secured Notes).

Without the consent of Holders holding at least 90% of the then outstanding principal amount of 2022 Senior Secured Notes affected thereby, an amendment, supplement or waiver may not (with respect to any 2022 Senior Secured Notes held by a non-consenting Holder):

- (1) reduce the principal amount of 2022 Senior Secured Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption of the 2022 Senior Secured Notes (other than provisions described above under the caption "—Repurchase at the Option of Holders");
- (3) reduce the rate of or change the time for payment of interest, including default interest, on any note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Amounts, if any, on, the 2022 Senior Secured Notes (except a rescission of acceleration of the 2022 Senior Secured Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any Senior Secured Note payable in money other than that stated in the 2022 Senior Secured Notes;
- (6) make any change in the provisions of the 2022 Senior Secured Indenture relating to waivers of past Defaults or the rights of Holders of 2022 Senior Secured Notes to receive payments of principal of, or interest or premium or Additional Amounts, if any, on, the 2022 Senior Secured Notes;
- (7) waive a redemption payment with respect to any note (other than a payment required by the provisions described above under the caption "—Repurchase at the Option of Holders" and "Asset Sales");
- (8) release Collateral from any Lien created in favor of the Security Agent pursuant to the Security Documents except as otherwise permitted by the terms of the 2022 Senior Secured Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (9) release any Guarantor from its Note Guarantee created pursuant to the 2022 Senior Secured Indenture or any supplemental indenture thereto except as otherwise permitted by the terms of the 2022 Senior Secured Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- (10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of 2022 Senior Secured Notes, the Issuer and the Trustee may amend or supplement the 2022 Senior Secured Indenture or the 2022 Senior Secured Notes:

- (1) to cure any ambiguity, mistake, omission, defect or inconsistency;
- (2) to provide for uncertificated 2022 Senior Secured Notes in addition to or in place of certificated 2022 Senior Secured Notes;
- (3) to provide for the assumption of by successor Person of the obligations of the Issuer under any of the documents referenced above in the case of a merger or consolidation or sale of all or substantially all of the Issuer's assets;
- (4) to make any change that would provide any additional rights or benefits to the Holders of 2022 Senior Secured Notes or that does not adversely affect the legal rights under the 2022 Senior Secured Indenture of any such Holder in any material respect;
- (5) to conform the text of the 2022 Senior Secured Indenture or the 2022 Senior Secured Notes to any provision of this Description of 2022 Senior Secured Notes to the extent that such provision in this Description of the 2022 Senior Secured Notes was intended to be a verbatim recitation of a provision of the 2022 Senior Secured Indenture or the 2022 Senior Secured Notes;
- (6) to provide for the issuance of additional notes in accordance with the limitations set forth in the 2022 Senior Secured Indenture as of the date of the 2022 Senior Secured Indenture;
- (7) to allow any Guarantor to execute a supplemental 2022 Senior Secured Indenture and/or a Guarantee with respect to the 2022 Senior Secured Notes;
- (8) to evidence and provide the acceptance of the appointment of a successor Trustee under the 2022 Senior Secured Indenture; or
- (9) to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders of the 2022 Senior Secured Notes as security for the payment and performance of the Issuer's or any Guarantor's obligations under the 2022 Senior Secured Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent pursuant to the 2022 Senior Secured Indenture or otherwise (any such additional security shall be deemed to be Collateral for all purposes under the 2022 Senior Secured Indenture).

The consent of the Holders of 2022 Senior Secured Notes is not necessary under the 2022 Senior Secured Indenture to approve the particular form of any proposed amendment, waiver or consent; it is sufficient if such consent approves the substance of the proposed amendment, waiver or consent.

The Trustee shall be entitled to rely on such evidence as it deems appropriate, including officers' certificates and opinions of counsel.

The Intercreditor Agreement may be amended pursuant to its terms, as described in this Description of 2022 Senior Secured Notes under the caption "Additional Intercreditor Agreements" or in "Description of Certain Indebtedness—Intercreditor Agreement."

### **Acts by Holders**

In determining whether the Holders of the required principal amount of the 2022 Senior Secured Notes have concurred in any direction, waiver or consent, the 2022 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.

### **Satisfaction and Discharge**

The 2022 Senior Secured Indenture will be discharged and will cease to be of further effect as to all 2022 Senior Secured Notes issued thereunder, when:

- (1) either:
  - (a) all 2022 Senior Secured Notes that have been authenticated, except lost, stolen or destroyed 2022 Senior Secured Notes that have been replaced or paid and 2022 Senior Secured Notes for whose payment money has been deposited and thereafter repaid to the Issuer, have been delivered to the Paying Agent for cancellation; or

- (b) all 2022 Senior Secured Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) for the benefit of the Holders, cash in euro, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the 2022 Senior Secured Notes not delivered to the Paying Agent for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;
- (2) the Issuer has paid or caused to be paid all sums payable by it under the 2022 Senior Secured Indenture; and
- (3) the Issuer has delivered irrevocable instructions to the Trustee and Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) under the 2022 Senior Secured Indenture to apply the deposited money toward the payment of the 2022 Senior Secured Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any officers' certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

### **Judgment Currency**

The sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the 2022 Senior Secured Indenture is the euro. Any payment on account of an amount that is payable in euros (the "*Required Currency*") which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer, shall constitute a discharge of the Issuer's obligation under the 2022 Senior Secured Indenture or the 2022 Senior Secured Notes, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, as the case may be, and the Issuer shall indemnify and hold harmless the Holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the 2022 Senior Secured Indenture, the 2022 Senior Secured Notes, and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

### **Prescription**

There is no express term in the 2022 Senior Secured Indenture as to any time limit on the validity of claims of the Holders to interest and repayment of principal, but any such claims will be subject to any statutory limitation period prescribed under the laws of the State of New York.

### **Notices**

All notices to the Holders (while any 2022 Senior Secured Notes are represented by one or more Global Notes) shall be delivered to Euroclear and Clearstream, as applicable, for communication to entitled account Holders or, alternatively, will be valid if disseminated through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency) or published in a leading English language daily newspaper published in the City of London or, if such publication is not reasonably practicable, in such other English language daily newspaper with general circulation in Europe. It is expected that any such publication will normally be made in the *Financial Times*. So long as the 2022 Senior Secured Notes are listed on the Luxembourg Stock Exchange and its rules so require, all notices to Holders will also be published in a newspaper having a general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, or on the official website of the Luxembourg Stock Exchange. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to Holders by first-class mail at their respective addresses as they appear on the records of the Registrar.

Notices given by publication, including without limitation through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency), will be deemed given on the first date on which publication is made. Notices

delivered to Euroclear and Clearstream will be deemed given on the date when delivered. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

So long as any 2022 Senior Secured Notes are admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, the Issuer will provide a copy of all notices to the Luxembourg Stock Exchange.

### **Concerning the Trustee**

Wilmington Trust, National Association is to be appointed as Trustee under the 2022 Senior Secured Indenture.

The Holders of a majority in aggregate principal amount of the then outstanding 2022 Senior Secured Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The 2022 Senior Secured Indenture will provide that in case an Event of Default occurs, of which a responsible officer of the Trustee has received written notice, and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the 2022 Senior Secured Indenture will not be construed as an obligation or duty. The Trustee will be under no obligation to exercise any of its rights or powers under the 2022 Senior Secured Indenture at the request of any Holder of 2022 Senior Secured Notes, unless such Holder has offered to the Trustee security and/or indemnity, including by way of pre-funding, satisfactory to it against any loss, liability or expense (which includes the cost of the Trustee's legal counsel).

The 2022 Senior Secured 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 2022 Senior Secured Notes, or may resign at any time by giving 30 days' 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 of 2022 Senior Secured Notes who has been a *bona fide* Holder of 2022 Senior Secured Notes 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 2022 Senior Secured Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and 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 2022 Senior Secured Indenture.

### **Consent to Jurisdiction and Service of Process**

The Issuer will irrevocably submit to the jurisdiction of any New York state or U.S. federal court located in The Borough of Manhattan, City of New York, State of New York in relation to any legal action or proceeding (i) arising out of, related to or in connection with the 2022 Senior Secured Indenture, the 2022 Senior Secured Notes and any related documents and (ii) arising under any U.S. federal or U.S. state securities laws. The Issuer will appoint CT Corporation as its agent for service of process in any such action or proceeding.

### **Additional Information**

Anyone who receives this offering memorandum may obtain a copy of the 2022 Senior Secured Indenture without charge by writing to the Issuer, 89, avenue de la Grande Armée, 75219 Paris Cedex 16, France, Attention: Director of Finance and Administration.

So long as any 2022 Senior Secured Notes are admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, copies of the Issuer's annual audited consolidated and unconsolidated financial statements, the Issuer's unaudited consolidated interim quarterly financial statements, the 2022 Senior Secured Indenture (including the form of 2022 Senior Secured Notes), the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents, the articles of incorporation of the Issuer, the offering memorandum and any documents furnished to the Trustee under the covenant described under the heading "—Certain Covenants—Reports" may be obtained, free of charge, during normal business hours at the offices of the listing agent in Luxembourg.

### **Governing Law**

The 2022 Senior Secured Indenture and the 2022 Senior Secured Notes will be governed by and construed in accordance with the laws of the State of New York.

## Certain Definitions

Set forth below are certain defined terms used in the 2022 Senior Secured Indenture. Reference is made to the 2022 Senior Secured Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“2014 Notes” means, collectively, the 2014 Senior Secured Notes and the 2014 Senior Subordinated Notes.

“2014 Senior Secured Notes” means the €410 million Senior Secured Notes due 2021 issued on July 23, 2014.

“2014 Senior Subordinated Notes” means the €250 million Senior Subordinated Notes due 2022 issued on July 23, 2014.

“2016 Senior Secured Notes” means the €250 million Senior Secured Notes due 2023 issued on May 3, 2016.

“2022 Senior Secured Notes” means the €300 million Senior Secured Notes due 2022 issued on April 4, 2017.

“2024 Senior Secured Notes” means the €300 million Senior Secured Notes due 2024 issued on April 4, 2017.

“Acquired Debt” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Applicable Premium” means, with respect to any note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of the note; or
- (2) the excess of:
  - (a) the present value at such redemption date of (i) the redemption price of the note at April 15, 2019 (such redemption price being set forth in the table appearing above under the caption “—Optional Redemption”) plus (ii) all required interest payments due on the note through April 15, 2019 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over
  - (b) the outstanding principal amount of the note, if greater,

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 the Applicable Premium shall not be a duty or obligation of the Trustee or Paying Agent.

“Asset Sale” means:

- (1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the 2022 Senior Secured Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control Triggering Event” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions of the Asset Sale covenant; and
- (2) the issuance or sale of Equity Interests in any of the Issuer’s Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets or rights having a Fair Market Value of less than the greater of: (a) €20.0 million; and (b) 0.5% of Consolidated Total Assets of the Issuer;
- (2) a transfer of assets, rights or Equity Interests, between or among the Issuer and its Restricted Subsidiaries;

- (3) an issuance of Equity Interests by a Restricted Subsidiary of the Issuer to the Issuer or to a Restricted Subsidiary of the Issuer;
- (4) the sale or lease of equipment, products or accounts receivable (including discounting thereof) in the ordinary course of business and any sale or other disposition of obsolete or permanently retired equipment and facilities and equipment and facilities that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;
- (5) the sale or other disposition of cash, Cash Equivalents or Government Guaranteed Securities;
- (6) a Restricted Payment that does not violate the covenant described above under the caption “—Certain Covenants—Restricted Payments,” a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;
- (7) licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business;
- (8) the unwinding of Hedging Obligations;
- (9) the disposition 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;
- (10) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business (including Capital Stock of an entity that either is and remains or becomes a Restricted Subsidiary immediately after giving effect to such exchange) of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;
- (11) the sale, lease, assignment, exchange or other transfer of inventory, products, services, raw materials, receivables or other assets in the ordinary course of business;
- (12) any sale or other disposition of damaged, worn-out, obsolete or excess assets or properties or other assets that are no longer used or useful in or necessary for the proper conduct of the business of the Issuer and its Restricted Subsidiaries;
- (13) any sale of assets received by the Issuer or any of its Restricted Subsidiaries upon the foreclosure on a Lien;
- (14) the foreclosure, condemnation or any similar action with respect to any property or other assets, or the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;
- (15) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (16) dispositions to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding agreements;
- (17) the granting of Liens not otherwise prohibited by the 2022 Senior Secured Indenture; and
- (18) any disposition of Receivables Assets in a Permitted Receivables Transaction.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficial Ownership,” “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof;

- (4) with respect to the Issuer, for so long as it has no board of directors, the Issuer's president in relation to actions to be taken under "—Designation of Restricted and Unrestricted Subsidiaries," "—Legal Defeasance and Covenant Defeasance" and all other determinations and valuations to be made under the 2022 Senior Secured Indenture, among others; *provided, however*, that for the purposes of clause (3) and (4) of the first paragraph of "—Certain Covenants—Transactions with Affiliates" and the definition of "Disinterested Members" "Board of Directors" shall mean the Issuer's Strategic Committee; and
- (5) with respect to any other Person, the board or committee of such Person serving a similar function.

"Bund Rate" means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (a) "Comparable German Bund Issue" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to April 15, 2019 and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the 2022 Senior Secured Notes and of a maturity most nearly equal to April 15, 2019, *provided, however*, that, if the period from such redemption date to April 15, 2019 is less than one year, a fixed maturity of one year shall be used;
- (b) "Comparable German Bund Price" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (c) "Reference German Bund Dealer" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and
- (d) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, German time on the third Business Day preceding the relevant date.

"Business Day" means any day on which commercial banking institutions are open for business and carrying out transactions in euro in France and in the country in which the Paying Agent has its specified office or in which 2022 Senior Secured Notes may be presented for payment in accordance with the terms of the agency agreement and is a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System ("TARGET") is operating.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS in effect as of the Issue Date, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity that is not a corporation, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Cash Equivalents" means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a European Union Member State, Switzerland or the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant European Union Member State, Switzerland



or the United States of America, as the case may be, and which are not callable or redeemable at the Issuer's option; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company *provided* that (A)(i) such bank or trust company is organized under, or authorized to operate as a bank or trust company under, the laws of a European Union Member State, Switzerland or the United States of America or any state thereof and has capital, surplus and undivided profits aggregating in excess of €250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose rating is "P-2" or higher by Moody's or "A-2" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment and (ii) such country under which such bank or trust company is organized or authorized to operate has a long-term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment; or (B) such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250.0 million (on the foreign currency equivalent thereof as of the date of such investment) and whose rating is "P-1" or higher by Moody's or "A-1" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;
- (3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;
- (4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;
- (5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition; and
- (6) investments made for non-speculative cash management purposes in the ordinary course of business not exceeding €28.0 million at any one time outstanding.

"Change of Control" means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the Exchange Act) other than a Principal or a Related Party of a Principal;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any "person" (as defined above), other than the Principals and their Related Parties becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer, measured by voting power rather than number of shares; *provided* that so long as the Issuer is a Subsidiary of a parent Person, no "person" shall be deemed to be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such "person" shall be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of such parent Person.

"Change of Control Offer" has the meaning assigned to that term in the 2022 Senior Secured Indenture governing the 2022 Senior Secured Notes.

"Change of Control Rating Decline" means the occurrence at any time during the period commencing on the date of the first public notice of the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control and ending on the date that is 90 days following the occurrence of such event (which period shall be extended so long as during such period the rating of the 2022 Senior Secured Notes is under publicly announced consideration by S&P) of any of the following events:

- (1) S&P shall issue, confirm or maintain a corporate rating of the Issuer which rating is below B+; or
- (2) S&P shall withdraw or will have previously withdrawn its corporate rating of the Issuer.

If S&P does not announce an action with regard to its rating of the 2022 Senior Secured Notes as soon as reasonably practicable after the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control, the Issuer shall request S&P to confirm its rating of the 2022 Senior Secured Notes before the end of such 90-day period.

“Change of Control Triggering Event” means the occurrence of both (a) a Change of Control and (b) a Change of Control Rating Decline.

“Consolidated Cash Flow” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

- (1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*
- (2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*
- (3) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*
- (5) acquisition costs and any fees, expenses, charges or other costs related to equity or debt financings, investments, restructurings, dispositions or acquisitions, establishing a joint venture, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” (or the refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to an incurrence of Indebtedness and (ii) any amendment or other modification of any incurrence; *minus*
- (6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business and other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

“Consolidated Leverage” means, with respect to any Person, the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries (excluding Subordinated Shareholder Debt), the aggregate outstanding amount of Disqualified Stock issued by the Issuer and the aggregate liquidation preference of any preferred equity issued by a Restricted Subsidiary, less cash and Cash Equivalents, in each case, as of the relevant date of calculation.

“Consolidated Leverage Ratio” means, as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock 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 and may include anticipated expense and cost reduction synergies) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance 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.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are 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 Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

- (2) the Consolidated Cash Flow 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;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) 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.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; *provided that*:

- (1) any gain (loss), together with any related provision for taxes on such gain (loss) realized in connection with: (a) any Asset Sale by any such Person or its Restricted Subsidiaries or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or (c) the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries will be excluded;
- (2) any extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, together with any related provision for taxes on such extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, will be excluded;
- (3) the net income (loss) of any Person that is not a Restricted Subsidiary (including an Unrestricted Subsidiary or a joint venture that is not a Restricted Subsidiary) or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;
- (4) solely for purposes of determining the amount available for Restricted Payments under clause 3(a) following the definition of Restricted Payments, the net income (loss) of any Restricted Subsidiary that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders (other than (a) restrictions with respect to the payment of dividends or similar distributions that have been legally waived or released or (b) restrictions listed under clauses (1) through (4), (12), (15) and (16) of the second paragraph of “—Dividend and Other Payment Restrictions Affecting Subsidiaries”);
- (5) the cumulative effect of a change in accounting principles will be excluded; and
- (6) any increase in amortization or depreciation resulting from purchase accounting in relation to any acquisition of another Person or business will be excluded.

“Consolidated Senior Secured Leverage Ratio” means, as of any date of determination, the ratio of (a) the Senior Secured Debt of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred; *provided, however*, that, for the purposes of clause (b) of the first paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and clause (14)(y)(i) and (14)(y)(ii) of the second paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” the calculation of the Consolidated Senior Secured Leverage Ratio shall be made assuming that the maximum amount of Indebtedness permitted to be incurred under clause (1) of the second paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” has been incurred and is outstanding in the form of Senior Secured Debt. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Senior Secured Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Secured Leverage Ratio is made (the “Calculation Date”), then the Consolidated Senior Secured Leverage Ratio will be calculated giving *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) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance 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 the Consolidated Senior Secured Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the

definition of Permitted Debt, the incurrence of which itself requires the calculation of the Consolidated Senior Secured Leverage Ratio); or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness incurred at the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are 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 Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) 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.

“Consolidated Total Assets” means, with respect to any specified Person at any time, the total assets of such Person and its Subsidiaries which are Restricted Subsidiaries, in each case as shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with IFRS.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security thereof;
- (2) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such obligation against loss in respect thereof.

“Credit Facilities” means any credit agreement, indentures or other agreements (including, without limitation, the Revolving Credit Facility Agreement, the 2022 Senior Secured Indenture and the 2024 Senior Secured Indenture) between the Issuer or one or more Restricted Subsidiaries and a financial institution or institutions providing for the making of loans, on a term or revolving basis, the issuance of letters of credit, commercial paper facilities, notes (including, without limitation, the 2022 Senior Secured Notes offered hereby, the 2024 Senior Secured Notes offered hereby and other debt securities), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or equipment financing facilities (including, without limitation, finance leases, asset-based lending, sale-and-leaseback transactions and similar arrangements), in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of a sale of debt securities) in whole or in part from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Designated Non-Cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or any Restricted Subsidiary in connection with an Asset Sale that is designated as such on the closing date of such Asset Sale pursuant to an officers’ certificate, setting forth the basis of such valuation. The aggregate Fair Market Value of the Designated Non-Cash Consideration at the time of receipt, taken together with the Fair Market Value (measured on the date of receipt) of all

other Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary since the date of the 2022 Senior Secured Indenture that is outstanding, may not exceed the greater of €35.0 million and 1.5% of Consolidated Total Assets in the aggregate.

“Disinterested Members” means, with respect to any transaction or series of related transactions, one or more members of the Board of Directors of the Issuer who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Issuer shall not be deemed to have such a financial interest by reason of such member’s holding Capital Stock of the Issuer or any Affiliate thereof, any Capital Stock or other debt or equity debt or equity securities of any entity formed for the purpose of investing in Capital Stock of the Issuer or any options, warrants or other rights in respect of any of the foregoing or being an officer, director, consultant or employee of any such entities.

“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, on or prior to the date that is 91 days after the date on which the 2022 Senior Secured Notes mature. 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 to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the 2022 Senior Secured Indenture will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private offering of the Capital Stock (other than Disqualified Stock) of the Issuer or a Parent of the Issuer, *provided* that (x) any such offering shall exclude Capital Stock issued to an Affiliate of the Issuer or pursuant to a stock option or employment compensation program and (y) in the case of any such offering by a Parent of the Issuer, the Net Proceeds thereof are contributed to the equity of the Issuer (other than through the issuance of Disqualified Stock) or loaned to the Issuer as Shareholder Subordinated Debt.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in the Financial Times in the “Currency Rates” section (or, if the Financial Times is no longer published, or if such information is no longer available in the Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination.

“European Union Member State” shall mean any country that was a member of the European Union as of January 1, 2004.

“Existing Indebtedness” means Indebtedness of the Issuer and its Restricted Subsidiaries (other than the 2016 Senior Secured Notes, the 2014 Senior Secured Notes and any Indebtedness outstanding under the Revolving Credit Facility as of the Issue Date) in existence on the date of the 2022 Senior Secured Indenture, after giving effect to the net proceeds of the issuance of the Notes, until such amounts are repaid (including, without limitation, the 2014 Senior Subordinated Notes).

“Existing Notes” means, collectively the 2014 Senior Secured Notes, the 2014 Senior Subordinated Notes and the 2016 Senior Secured Notes.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the chief executive officer, chief financial officer or responsible accounting or financial officer of the Issuer (unless otherwise provided in the 2022 Senior Secured Indenture). For the avoidance of doubt the Trustee shall have no obligation to determine the Fair Market Value.

“Fixed Charge Coverage Ratio” means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital or capital expenditure borrowings) or issues, repurchases or redeems 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 to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such

issuance, repurchase or redemption of 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 the Fixed Charge Coverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the definition of Permitted Debt, the incurrence of which itself requires the calculation of the Fixed Charge Coverage Ratio) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (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 (including any Unrestricted Subsidiary that has been redesignated as 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; and
- (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 Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition or other Investment and the amount of income or earnings relating thereto, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated expense and cost reductions, operating improvements and synergies). In addition, for purposes of this definition, in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date.

“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 and its Restricted Subsidiaries on their Indebtedness for such period, net of consolidated interest income, whether paid or accrued, including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates (excluding non-cash interest expense on Subordinated Shareholder Debt); *plus*
- (2) the consolidated interest expense of such Person and its Restricted Subsidiaries on their Indebtedness that was capitalized during such period; *plus*
- (3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

- (4) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests or Subordinated Shareholder Debt of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer; *plus*
- (5) 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 Restricted Subsidiary following the Calculation Date.

“Government Guaranteed Securities” means:

- (1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;
- (2) corresponding instruments by any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan and in each case with maturities not exceeding two years from the date of acquisition; and
- (3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold immaterial amounts of cash pending investment and/or distribution.

“Guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (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).

“Guarantor” means any Subsidiary of the Issuer that executes a Note Guarantee in accordance with the provisions of the 2022 Senior Secured Indenture, and its respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the 2022 Senior Secured Indenture.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates.

“Holder” means each Person in whose name the 2022 Senior Secured Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

“IFRS” means the International Financial Reporting Standards (formerly, International Accounting Standards) as endorsed from time to time by the European Union; provided that at any date after the Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election. The Issuer shall give notice of any such election to the Trustee. Notwithstanding the foregoing, the impact of IFRS 16 Leases and any successor standard thereto shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the 2022 Senior Secured Indenture and (without limitation) any lease, concession or license of property that would be considered an operating lease under IFRS as of the Issue Date and any guarantee given by the Issuer or any Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or any Restricted Subsidiary under any such operating lease shall be accounted for in accordance with IFRS as in the effect on the Issue Date.

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

- (3) in respect of banker's acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" shall not include any:

- (A) Contingent Obligations incurred in the ordinary course of business;
- (B) 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 90 days thereafter;
- (C) any contingent 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;
- (D) Subordinated Shareholder Debt;
- (E) anything accounted for as an operating lease under IFRS in effect as of the Issue Date; or
- (F) any deposits or prepayments received by the Issuer or a Restricted Subsidiary for services or products to be provided or delivered.

No Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

"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 such 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 that certain intercreditor agreement dated July 23, 2014, as subsequently amended and restated on December 29, 2016 between the Issuer, Wilmington Trust, National Association, as Trustee, Wilmington Trust (London) Limited as security agent for the 2014 Senior Secured Notes, Natixis S.A. as senior agent and security agent for the lenders and the financial institutions listed therein as the lenders under the Revolving Credit Facility and as acceded to by the Trustee on or about April 4, 2017, as amended, restated or otherwise modified or varied from time to time.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to directors, officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary that were not sold or disposed of. Except as otherwise provided in the 2022 Senior Secured Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. 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; *provided*, that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant described under "—Certain Covenants—Restricted Payments" is so reduced by any portion of any such



amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant described under “—Certain Covenants—Restricted Payments.”

“IPO Market Capitalization” means an amount equal to (a) 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 (b) 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 April 4, 2017.

“Lavendon” means Lavendon Group PLC (including any successor entity re-registered as a private limited company).

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Management Advances” means, loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Restricted Subsidiary:

- (1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;
- (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)) in the ordinary course of business or consistent with past practice not to exceed €5.0 million in the aggregate at any one time outstanding.

“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 or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Proceeds” means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS.

“Non-Recourse Debt” means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender

“Note Guarantee” means the Guarantee by each Guarantor of the Issuer’s obligations under the 2022 Senior Secured Indenture and the 2022 Senior Secured Notes, executed pursuant to the provisions of the 2022 Senior Secured Indenture.

“Notes” means, collectively, the 2022 Senior Secured Notes, 2024 Senior Secured Notes and the Senior Subordinated Notes.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“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 the Principals or any Related Party for purposes of holding its investment in any Parent.

“Pari Passu Indebtedness” means any Indebtedness of the Issuer or any Guarantor (other than Indebtedness that is a Guarantee of the Indebtedness of another Person and other than Indebtedness owed to the Issuer or a Restricted Subsidiary or an Affiliate of the Issuer) that is secured by a Lien on the Collateral that is *pari passu* (or deemed under the Intercreditor Agreement to be *pari passu*) with the Lien on the Collateral securing the 2022 Senior Secured Notes and that is not subordinated in right of payment to the 2022 Senior Secured Notes or any Note Guarantee. For the avoidance of doubt, Pari Passu Indebtedness includes the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and the 2024 Senior Secured Notes.

“Permitted Business” means any business in which the Issuer and its Subsidiaries were engaged on the date of the 2022 Senior Secured Indenture, and any business incidental, reasonably related, complementary or ancillary thereto, or which is a reasonable extension thereof.

“Permitted Collateral Liens” means:

- (1) Liens on the Collateral to secure the 2014 Senior Secured Notes (or any guarantee thereof, as the case may be), the 2016 Senior Secured Notes (or any guarantee thereof, as the case may be) the 2022 Senior Secured Notes (and any Note Guarantees, as the case may be) and the 2024 Senior Secured Notes (or any guarantee thereof, as the case may be) (but, in each case, not any additional notes (or any Note Guarantee thereof, as the case may be)) and any Permitted Refinancing Indebtedness in respect thereof; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Permitted Refinancing Indebtedness also secure the 2014 Senior Secured Notes (or the note guarantee thereunder, as the case may be), the 2016 Senior Secured Notes (or the note guarantee thereunder, as the case may be), the 2024 Senior Secured Notes (or the note guarantee thereunder) the 2022 Senior Secured Notes and the Note Guarantees on a senior or *pari passu* basis;
- (2) Liens on the Collateral to secure:
  - (i) Indebtedness of the Issuer or a Guarantor that is permitted to be incurred by clause (1) of the definition of Permitted Debt; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secure the 2022 Senior Secured Notes and the Note Guarantees on a *pari passu* or senior basis;
  - (ii) Senior Secured Debt of the Issuer or a Guarantor that is permitted to be incurred by the first paragraph of the covenant “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” or Indebtedness of the Issuer or a Guarantor that is permitted to be incurred by clause (4) (other than in respect of Capital Lease Obligations), sub-clause (y) of clause (14), clause (17) or clause (19) of the definition of Permitted Debt and Permitted Refinancing Indebtedness in respect thereof; *provided* that each of the parties to such Indebtedness or Permitted Refinancing Indebtedness or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Senior Secured Debt or Permitted Refinancing Indebtedness also secure the 2022 Senior Secured Notes and the Note Guarantees on a senior or *pari passu* basis;
- (3) Liens on the Collateral to secure Hedging Obligations of the Issuer or a Guarantor permitted to be incurred by clause (8) of the definition of Permitted Debt to the extent relating to (i) the 2022 Senior Secured Notes, (ii) Indebtedness that is permitted to be secured on the Collateral pursuant to clause (2) above and is secured on the Collateral on the same first-priority basis as the 2014 Senior Secured Notes, 2016 Senior Secured Notes, 2024 Senior Secured Notes and that ranks *pari passu* in right of payment with the 2022 Senior Secured Notes or any Note Guarantee; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secure the 2022 Senior Secured Notes and any Note Guarantees on a *pari passu* or senior basis;
- (4) Liens on the Collateral to secure on a second-priority basis Subordinated Obligations of the Issuer or a Guarantor that are permitted to be incurred under the covenant “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” and that are permitted to be so secured by the Intercreditor Agreement or any Additional Intercreditor Agreement; *provided* that such Liens rank junior to the Permitted Collateral Liens securing the 2022 Senior Secured Notes and the Note Guarantees; *provided further* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (5) Liens on the Collateral that are described in one or more of clauses (5), (8), (9), (10), (14), (15), (16), (17), (18), (19) and (20) of the definition of “Permitted Liens.”

“Permitted Investments” means:

- (1) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;
- (2) any Investment in cash, Cash Equivalents or Government Guaranteed Securities;

- (3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:
  - (a) such Person becomes a Restricted Subsidiary of the Issuer; or
  - (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales;”
- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Issuer;
- (6) any Investments received: (i) in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes with Persons who are not Affiliates; or (ii) as a result of foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer or title with respect to any secured Investment in default;
- (7) lease, utility and workers’ compensation, performance and other similar deposits made in the ordinary course of business;
- (8) Investments represented by Hedging Obligations;
- (9) Management Advances;
- (10) repurchases of the 2022 Senior Secured Notes, including any Additional 2022 Senior Secured Notes issued pursuant to the 2022 Senior Secured Indenture, the 2024 Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Notes;
- (11) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (12) Investments acquired after the date of the 2022 Senior Secured Indenture as a result of the acquisition by the Issuer or any Restricted Subsidiary 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 “—Merger, Consolidation or Sale of Assets” 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;
- (13) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding not to exceed the greater of (i) 4.0% of Consolidated Total Assets of the Issuer or (ii) €110.0 million; *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 merged into or with the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause;
- (14) any Investment existing on, or made pursuant to written agreements existing on, the date of the 2022 Senior Secured Indenture and any Investment that replaces, refinances or refunds an existing Investment (or an Investment made pursuant to binding written commitments in existence on the date of the 2022 Senior Secured Indenture); *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the date of the 2022 Senior Secured Indenture or (b) as otherwise permitted under the 2022 Senior Secured Indenture;
- (15) Investments by the Issuer or a Restricted Subsidiary in an amount at any time outstanding not to exceed the greater of €170.0 million and 6.0% of Consolidated Total Assets of the Issuer in one or more joint ventures engaged in a Permitted Business; *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

merged with or into a Restricted Subsidiary of the Issuer or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause and *provided* that, to the extent any such Investment is in Equity Interests of such joint venture, the amount of the Investment deemed outstanding for the purposes of this clause (15) shall be equal to the proportionate share held by the Issuer or such Restricted Subsidiary, as the case may be, in the Fair Market Value of the net assets of such joint venture at the time of the Investment; and

- (16) guarantees of Indebtedness permitted to be incurred by the Issuer or its Restricted Subsidiaries by the covenant described under “—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock” and keepwells and similar arrangements not prohibited by the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”

*provided, however,* that with respect to any Investment, the Issuer may in its sole discretion, allocate all or any portion of any Investment to one or more of the above clauses (1) through (16) so that the entire Investment would be a Permitted Investment.

“Permitted Liens” means:

- (1) Liens on commercial receivables of the Issuer and its Restricted Subsidiaries securing the Revolving Credit Facility or other Indebtedness that is incurred pursuant to clause (1) of the second paragraph of the covenant captioned “—Incurrence of Indebtedness and Issuance of Preferred Stock” and is designated as a Senior Lender Liability under the Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement;
- (2) Liens in favor of the Issuer or any Restricted Subsidiary of the Issuer;
- (3) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Issuer or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary of the Issuer; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary of the Issuer or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or the Subsidiary (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);
- (4) Liens on property or assets (including Capital Stock) existing at the time of acquisition of the property or assets by the Issuer or any Subsidiary of the Issuer (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); *provided* that such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens or deposits to secure the performance of tenders, bids, statutory or regulatory obligations, surety, appeal, indemnity or performance bonds, letters of credit, banker’s acceptances, warranty, contractual, netting or set-off requirements or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);
- (6) Liens to secure Productive Asset Financings permitted by clause (4) of the second paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and Liens to secure Productive Asset Financings, to the extent limited to tangible fixed assets, otherwise permitted to be incurred pursuant to the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock”, in each case, covering only the assets acquired with or financed by such Productive Asset Financings;
- (7) Liens existing on the date of the 2022 Senior Secured Indenture or provided for under written arrangements existing on the date of the 2022 Senior Secured Indenture;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Restricted Subsidiaries; *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;
- (9) Liens imposed by law, such as carriers’, warehousemen’s, landlord’s, lessors’, suppliers’, banks’, repairmen’s and mechanics’ Liens and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, in each case, incurred in the ordinary course of business;

- (10) survey exceptions, easements or reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights) of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or title defects that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Issuer and its Subsidiaries) or materially impair their use in the operation of the business of the Issuer and its Subsidiaries;
- (11) Liens created for the benefit of (or to secure) the 2022 Senior Secured Notes and any Note Guarantee;
- (12) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the 2022 Senior Secured Indenture; *provided, however*, that:
  - (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and
  - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
- (14) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (15) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (16) leases, licenses, subleases and sublicenses of assets or property (including intellectual property) in the ordinary course of business;
- (17) Liens arising out of conditional sale, title retention, extended title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (19) 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;
- (20) 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;
- (21) Liens incurred in the ordinary course of business (other than for borrowing purposes) of the Issuer or any Restricted Subsidiary of the Issuer with respect to obligations that do not exceed the greater of €55.0 million and 2.0% of Consolidated Total Assets of the Issuer at any one time outstanding;
- (22) Liens on (i) escrowed proceeds for the benefit of related holders of debt securities or other Indebtedness (or the underwriter or arrangers thereof), (ii) 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 account or similar arrangement to be applied for such purpose, or (iii) on any guarantee or backstop commitment relating to any escrow shortfall;
- (23) Liens on assets or property of any direct or indirect Restricted Subsidiary of the Issuer that is not a Guarantor securing Indebtedness of any direct or indirect Restricted Subsidiary of the Issuer that is not a

Guarantor permitted by the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”

- (24) Liens on Receivables Assets incurred in connection with a Permitted Receivables Transaction; and
- (25) any amendment, modification, extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (24).

“Permitted Receivables Transaction” means any financing pursuant to which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person (including a Receivables Subsidiary) or grant a security interest in, any Receivables Assets in an aggregate principal amount equivalent to the Fair Market Value of all such Receivables Assets of the Issuer or any Restricted Subsidiary; *provided* that (a) any covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Issuer) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer’s chief financial officer) at the time such financing is entered into and (c) such financing shall be non-recourse to the Issuer or any Restricted Subsidiary except to a limited extent customary for such transactions.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness) (including any other Permitted Refinancing Indebtedness); *provided* that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, renewed, refunded, refinanced, replaced, defeased or discharged (which, for the avoidance of doubt, may include Indebtedness under one or more separate agreements or instruments that will be refinanced with a single agreement or instrument, as well as Indebtedness under a single agreement or instrument that will be refinanced with multiple separate agreements or instruments) (plus any accrued interest and any premium required to be paid on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness (a) has a final maturity date (i) later than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) after the final maturity date of the 2022 Senior Secured Notes and (b) has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or, alternatively, a final maturity date that is later than the final Stated Maturity of the 2022 Senior Secured Notes;
- (3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the 2022 Senior Secured Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the 2022 Senior Secured Notes on terms at least as favorable to the Holders of 2022 Senior Secured Notes as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and
- (4) such Indebtedness is incurred by the Issuer if the Issuer is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged.

Permitted Refinancing Indebtedness in respect of any Credit Facility may be incurred from time to time at or after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Principals” means Mr. Gérard Déprez and his estate, spouse, siblings, ancestors, heirs and lineal descendants, and spouses of any such Persons, the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are the principal beneficiaries or the grantors or any other Person that is controlled by any of the foregoing.

“Public Market” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) at least 20% of the total issued and outstanding shares of common equity interests of the IPO Entity has been distributed to investors (other than the Permitted Holders).

“Receivables Assets” means any accounts receivable and related contract rights (including any related letters of credit) customarily transferred in a receivables securitization or otherwise used to raise financing by the creditor of such receivables or revenue streams from sales of inventory subject to a Permitted Receivables Transaction.

“Related Party” means:

- (1) any controlling stockholder, Subsidiary, or immediate family member (in the case of an individual) of any Principal; or
- (2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

“Revolving Credit Facility” means the senior secured revolving credit facility made available under the Revolving Credit Facility Agreement.

“Revolving Credit Facility Agreement” means the senior secured revolving credit facility agreement entered into on February 28, 2017, as amended, restated or otherwise modified or varied from time to time, entered into by among others, the Issuer, Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale.

“S&P” means Standard & Poor’s Ratings Group.

“Security Agent” means Wilmington Trust (London) Limited, until a successor replaces it in accordance with the applicable provisions of the 2022 Senior Secured Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and thereafter means the successor thereof.

“Security Documents” means the trademark and share pledges under French law, the Lien granted over the Capital Stock of Lavendon under English law and any other instrument and document executed and delivered pursuant to the 2022 Senior Secured Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Agent for the benefit of the Holders of the 2022 Senior Secured Notes or in its capacity as a parallel debt creditor (as applicable) or notice of such pledge, assignment or grant is given.

“Senior Secured Debt” means all secured Indebtedness of the Issuer or a Guarantor (including, without limitation, the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, 2024 Senior Secured Notes and the 2022 Senior Secured Notes) and any Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted to be incurred under the terms of the 2022 Senior Secured Indenture (excluding Permitted Debt incurred under clauses (6), (7), (8), (9), (11), (12) and (13) thereof).

Notwithstanding anything to the contrary in the preceding, Senior Secured Debt will not include:

- (1) any liability for federal, state, local or other taxes owed or owing by the Issuer or any of its Restricted Subsidiaries;
- (2) any trade payables;
- (3) Indebtedness which is classified as non-recourse in accordance with IFRS or any unsecured claim arising in respect thereof by reason of the application of any relevant bankruptcy or insolvency law, rule or regulation;
- (4) the 2014 Senior Subordinated Notes; and
- (5) the Senior Subordinated Notes.

“Senior Subordinated Notes” means the €250 million Senior Subordinated Notes due 2025 issued on April 4, 2017.

“Significant Subsidiary” means any Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Issuer or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the 2022 Senior Secured Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligations” means any Indebtedness (whether outstanding on the date of the 2022 Senior Secured Indenture or thereafter incurred) that is subordinated or junior in right of payment to the 2022 Senior Secured Notes).

“Subordinated Shareholder Debt” means, collectively, any funds provided to the Issuer by an Affiliate of the Parent or the Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however*, that such Subordinated Shareholder Debt:

- (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the 2022 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);
- (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the 2022 Senior Secured Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the 2022 Senior Secured Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Issuer;
- (5) pursuant to its terms, is subordinated in right of payment to the prior payment in full in cash of the 2022 Senior Secured Notes and the Note Guarantees in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Issuer;
- (6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the 2022 Senior Secured Notes or the Note Guarantees or compliance by the Issuer with its obligations under the 2022 Senior Secured Indenture;
- (7) does not (including upon the happening of an event) constitute Voting Stock; and
- (8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder thereof; in whole or in part, prior to the date on which the 2022 Senior Secured Notes mature, other than into or for Capital Stock (other than Disqualified Stock) of the Issuer.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business 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 and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“Unrestricted Subsidiary” means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) except as permitted by the covenant described above under the caption “—Certain Covenants—Transactions with Affiliates,” is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary of the Issuer unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;
- (3) is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and



- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries.

except (i) that the Issuer or any Restricted Subsidiaries may pledge Equity Interests or Indebtedness of an Unrestricted Subsidiary on a non-recourse basis as long as the pledge has no claim whatsoever against the Issuer, Guarantor or any Restricted Subsidiary other than to obtain such pledged property and (ii) to the extent that Indebtedness of the Issuer or any Restricted Subsidiary was permitted to be incurred under the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock.”

“U.S. Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” means the U.S. Securities Act of 1933, as amended.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

## DESCRIPTION OF THE 2024 SENIOR SECURED NOTES

The Issuer has issued €300,000,000 aggregate principal amount of 4.250% senior secured notes due April 15, 2024 (the “2024 Senior Secured Notes”) under an indenture (the “2024 Senior Secured Indenture”), dated as of April 4, 2017, among itself and Wilmington Trust, National Association, as Trustee (the “Trustee”), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. See “Notice to Investors” and “Transfer Restrictions.” The terms of the 2024 Senior Secured Notes include those stated in the 2024 Senior Secured Indenture and will not incorporate provisions by reference to, and will not be subject to the provisions of, or qualified under, the U.S. Trust Indenture Act of 1939. The following description is a summary of the material provisions of the 2024 Senior Secured Indenture, including the 2024 Senior Secured Notes. It does not restate the 2024 Senior Secured Indenture in its entirety. We urge you to read the 2024 Senior Secured Indenture because it, and not this description, defines your rights as holders of the 2024 Senior Secured Notes.

Certain defined terms used in this description but not defined below under “—Certain Definitions” have the meanings assigned to them in the 2024 Senior Secured Indenture. You can find the definitions of certain terms used in this description under the subheading “—Certain Definitions.”

The Issuer has made an application to list the 2024 Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and to admit the 2024 Senior Secured Notes to trading on the Euro MTF Market. The Issuer can provide no assurance that the 2024 Senior Secured Notes will be so listed or admitted to trading.

The registered holder of a 2024 Senior Secured Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the 2024 Senior Secured Indenture.

### Brief Description of the 2024 Senior Secured Notes

#### *The 2024 Senior Secured Notes*

The 2024 Senior Secured Notes:

- will be general senior secured obligations of the Issuer;
- will be secured as set forth under “—Security;”
- will 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 2024 Senior Secured Notes, including Indebtedness incurred under the Revolving Credit Facility, the 2022 Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes;
- will not be guaranteed on the Issue Date and as a result will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of the Issuer’s Subsidiaries; and
- will be effectively subordinated to any existing or future Indebtedness of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the 2024 Senior Secured Notes, to the extent of the value of the property and assets securing such Indebtedness, including the Revolving Credit Facility, which will be secured over commercial receivables that are not pledged for the benefit of the holders of 2024 Senior Secured Notes and over the bank account on which such pledged receivables are payable, and additional indebtedness permitted under the 2024 Senior Secured Indenture to be incurred and secured by assets other than the Collateral.

On an as adjusted basis, assuming this offering of Notes and the use of the gross proceeds thereof had been completed as of December 31, 2016, the Issuer would have had approximately €2,136.5 million of indebtedness outstanding, of which €410 million would have been secured indebtedness represented by the 2014 Senior Secured Notes, €250 million would have been secured indebtedness represented by the 2016 Senior Secured Notes, €600 million would have been secured indebtedness represented by the 2024 Senior Secured Notes and 2022 Senior Secured Notes, €244.7 million would have been unsecured indebtedness represented by the bilateral credit facilities extended to the Issuer, €149.4 million would have been indebtedness represented by financial leases, €250 million would have been unsecured indebtedness represented by the 2014 Senior Subordinated Notes and €250 million would have been unsecured indebtedness represented by the Senior Subordinated Notes, see “Capitalization.” In addition, the Issuer has €75.0 million of undrawn but committed financing available under the Revolving Credit Facility. See “Summary Consolidated Financial Information—Pro forma financial information” and “Capitalization.” The 2024 Senior Secured Indenture will permit the Issuer and its Subsidiaries to incur additional indebtedness, including the incurrence by the Issuer of additional Senior Secured Debt subject to certain limitations.

The operations of the Issuer are conducted in part through its Subsidiaries and, therefore, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the 2024 Senior Secured Notes. None of the Issuer’s Subsidiaries will guarantee the 2024 Senior Secured Notes on the date of the 2024 Senior Secured Indenture, although one or more of the Issuer’s Subsidiaries may be required to guarantee the 2024 Senior Secured Notes in certain future circumstances. The 2024 Senior Secured Notes will be structurally subordinated in right of payment to all Indebtedness and other commitments, trade payables and other liabilities of the Issuer’s Subsidiaries that do not guarantee the 2024 Senior Secured Notes. Any right of the Issuer to receive assets of any of its Subsidiaries that do not guarantee the 2024 Senior Secured Notes upon that Subsidiary’s

liquidation or reorganization (and the consequent right of the holders of the 2024 Senior Secured Notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary, in which case the claims of the Issuer would still be subordinate in right of payment to any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary senior to that held by the Issuer. As of December 31, 2016, on an as adjusted basis after giving effect to the Acquisitions and the offering of the Notes and the use of the gross proceeds thereof (see "Capitalization"), the Issuer's Subsidiaries would have had approximately €57.8 million of other third-party indebtedness. See "Risk Factors—Risks Related to the Notes and Our Capital Structure—Our level of indebtedness could adversely affect our ability to react to changes in our business, and we may be limited in our ability to fulfill our obligations with respect to the Senior Secured Notes, and to use debt to fund future capital needs."

As of the date of the 2024 Senior Secured Indenture, all of our Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate, subject to certain exceptions, Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Senior Secured Indentures.

### **Principal, Maturity and Interest**

The Issuer has issued €300,000,000 in aggregate principal amount of 2024 Senior Secured Notes in this offering. The 2024 Senior Secured Indenture governing the 2024 Senior Secured Notes will provide for the issuance of additional 2024 Senior Secured Notes having terms and conditions identical in all respects to the 2024 Senior Secured Notes offered in this offering (the "Additional 2024 Senior Secured Notes"). Any issuance of Additional 2024 Senior Secured Notes is subject to all of the covenants in the 2024 Senior Secured Indenture, including the covenants described below under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Limitation on Liens." The 2024 Senior Secured Notes and any Additional 2024 Senior Secured Notes subsequently issued under the 2024 Senior Secured Indenture will be treated as a single class for all purposes under the 2024 Senior Secured Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided* that if the Additional 2024 Senior Secured Notes are not fungible with the 2024 Senior Secured Notes for U.S. federal income tax purposes, the Additional 2024 Senior Secured Notes will be issued with one or more separate identification codes from the 2024 Senior Secured Notes. The Issuer has issued Notes in denominations of €100,000 and integral multiples of €1,000 above €100,000. The 2024 Senior Secured Notes will mature on April 15, 2024. Unless the context otherwise requires, in this "Description of the 2024 Senior Secured Notes" references to the 2024 Senior Secured Notes include the 2024 Senior Secured Notes and any Additional 2024 Senior Secured Notes that are issued from time to time.

Interest on the 2024 Senior Secured Notes will accrue at the rate of 4.250% per annum and will be payable semi-annually in arrears on January 15 and July 15, commencing on July 15, 2017. Interest on overdue principal and interest and Additional Amounts, if any, will, to the extent lawful, accrue at a rate that is 1% higher than the then applicable interest rate on the 2024 Senior Secured Notes. The Issuer will make each interest payment to the holders of record on the immediately preceding January 1 and July 1 (each, a "Record Date").

Interest on the 2024 Senior Secured Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

### **Methods of Receiving Payments on the 2024 Senior Secured Notes**

Principal, interest, premium and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable in euros at the specified office or agency of one or more paying agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of a nominee of the common depositary of Clearstream and/or Euroclear will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, interest, premium and Additional Amounts, if any, on the Definitive Registered Notes (as defined below) will be payable at the specified office or agency of one or more paying agents in London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes.

### **Paying Agent and Registrar for the 2024 Senior Secured Notes**

The Issuer will maintain one or more paying agents for the 2024 Senior Secured Notes (each, a "Paying Agent"). The initial Paying Agent will be Deutsche Bank AG, London Branch, in London.

The Issuer will also maintain one or more registrars (each, a "Registrar") and a transfer agent in a member state of the European Union. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial transfer agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes, if any, outstanding from time to time.

Upon written notice to the Trustee, the Issuer may change or add any Paying Agent, Registrar or transfer agent. For so long as the 2024 Senior Secured Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will publish a 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 post such notice on the official website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) in accordance with the provisions set forth under “—Notices.”

## **Transfer and Exchange**

2024 Senior Secured Notes sold within the United States to qualified institutional buyers pursuant to 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 (collectively, the “144A Global Notes”). 2024 Senior Secured Notes sold outside the United States pursuant to 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 (collectively, the “Reg S Global Notes”). The 144A Global Notes and the Reg S Global Notes are collectively referred to herein as the “Global Notes.”

The Global Notes will be deposited with a common depository for Euroclear and Clearstream or its nominee. The Global Notes may be transferred only to Euroclear and/or Clearstream or a nominee of them, to a successor of Euroclear and/or Clearstream and/or to a nominee of such successor.

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 form of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “Book-Entry, Delivery and Form—Transfers.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or 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 a 144A Global Note (the “144A Book-Entry Interests”) may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Reg S Global Note (“Reg S Book-Entry Interests”) only upon delivery by the transferor to the transfer agent of a written certification (in the form provided in the 2024 Senior Secured Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act or otherwise in accordance with the applicable restrictions set out in the 2024 Senior Secured Indenture and any applicable securities laws of any state of the United States or any other jurisdiction. Subject to the foregoing, Reg 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 to the transfer agent of a written certification (in the form provided in the 2024 Senior Secured 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 applicable transfer restrictions set out in the 2024 Senior Secured Indenture and any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest that is transferred 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 is 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 2024 Senior Secured Notes in definitive registered form (“Definitive Registered Notes”) are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the 2024 Senior Secured 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, if any, will, except as set forth in the 2024 Senior Secured 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 “Notice to Investors.”

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the 2024 Senior Secured Indenture and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the 2024 Senior Secured Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such 2024 Senior Secured Notes.

Subject to the restrictions on transfer referred to above, the 2024 Senior Secured Notes issued as Definitive Registered Notes, if any, may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the 2024 Senior Secured 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, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer (or, as applicable, any Registrar or transfer agent) is not required to register the transfer of any Definitive Registered Notes:

- for a period of 15 calendar days prior to any date fixed for the redemption of the 2024 Senior Secured Notes;
- for a period of 15 calendar days immediately prior to the date fixed for selection of 2024 Senior Secured Notes to be redeemed in part;
- for a period of 15 calendar days prior to the Record Date with respect to any interest payment date; or
- which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

## Note Guarantees

The 2024 Senior Secured Notes will not be guaranteed on the Issue Date. However, under the covenant described under “—Certain Covenants—Additional Note Guarantees,” certain Restricted Subsidiaries may be required or elect to provide a Note Guarantee in the future. The Note Guarantees will be joint and several obligations of each Guarantor.

Each of the Note Guarantees and the amounts recoverable thereunder will be contractually limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance, fraudulent transfer, maintenance of share capital, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance and the liability of directors and officers. By virtue of these limitations, a Guarantor’s obligations under its Note Guarantee could be significantly less than amounts payable in respect of the 2024 Senior Secured Notes.

The Note Guarantee of each Guarantor, if any, will:

- be a general senior secured obligation of that Guarantor;
- rank *pari passu* in right of payment with all existing and future obligations of such Guarantor that are not expressly subordinated in right of payment to such Note Guarantee; and
- be effectively subordinated to any existing and future obligations of the relevant Guarantor that are secured by property or assets that do not secure its Note Guarantee, to the extent of the value of the property and assets securing such obligations.

## Security

### General

On the Issue Date, the 2024 Senior Secured Notes will be secured by security interests granted on a first-priority basis by virtue of the Intercreditor Agreement over the “Loxam” trademark and over the issued and outstanding share capital of Loxam Module S.A.S. and Loxam Power S.A.S. (the “French Collateral”), two direct subsidiaries of the Issuer organized under French law and security interests granted over all of the Capital Stock the Issuer holds in Lavendon (the “Lavendon Collateral” and, together with the French Collateral, the “Collateral”). Any additional assets or property over which security interests may in the future be created to secure the 2024 Senior Secured Notes would also constitute Collateral.

The French Collateral was pledged on July 23, 2014 on a first-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2014 Senior Secured Notes and was pledged on May 3, 2016 on a second-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2016 Senior Secured Notes. A third- and fourth-ranking security interest in the French Collateral was granted to secure a €795 million interim facility agreement that was entered into for purposes of financing Lavendon Acquisition. This interim facility agreement was replaced by the Bridge Facility Agreement, upon which it was cancelled and the third- and fourth- ranking security interests were released. A fifth-ranking security interest has been granted to secure the Bridge Facility Agreement and will be released following its cancellation after repayment with the proceeds of the Notes.

The Intercreditor Agreement provides that the 2022 Senior Secured Notes, 2024 Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Senior Secured Notes will be deemed and treated for the purpose of the Intercreditor Agreement (including, *inter alia*, its provisions relating to the application of proceeds following the enforcement of the Collateral) as secured on a *pari passu* basis.

Under the 2024 Senior Secured Indenture, the Issuer and the Restricted Subsidiaries will be permitted to incur certain additional Indebtedness in the future that may share in the Collateral, including additional Permitted Collateral Liens securing Indebtedness and other related liabilities on a *pari passu* basis with the 2024 Senior Secured Notes. The amount of additional

Indebtedness secured by such Permitted Collateral Liens will be limited by the covenants described under the captions “—Certain Covenants—Limitation on Liens” and “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock.” Under certain circumstances, the amount of such additional Indebtedness secured by Permitted Collateral Liens could be significant.

Under the Security Documents, the Collateral will be pledged or security interests granted to the Security Agent on behalf of the Holders of the 2024 Senior Secured Notes by the Issuer to secure the payment when due of the Issuer’s and any Guarantor’s, as applicable, payment obligations under the 2024 Senior Secured Notes, any Note Guarantees and the 2024 Senior Secured Indenture. The Security Documents will be entered into by, *inter alios*, the Security Agent or its nominee(s).

Due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Security Documents in France will provide for the creation of “parallel debt” obligations in favor of the Security Agent, and the security interests will secure the parallel debt (and not the Indebtedness under the 2024 Senior Secured Notes or other secured obligations). The parallel debt construct has not been fully tested under law in France. See “Risk Factors—Risks Relating to the Notes and Our Capital Structure—The security over the Senior Secured Collateral will not be granted directly to the holders of the senior secured notes.”

Each Holder, by accepting a 2024 Senior Secured Note, shall be deemed (1) to have authorized the Trustee to accede to the Intercreditor Agreement and the Security Agent to enter into the Security Documents and accede to the Intercreditor Agreement and (2) to be bound thereby. Each Holder, by accepting a 2024 Senior Secured Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Security Documents and the Intercreditor Agreement, and authorizes it to act as such.

The Holders are not a party to the Security Documents, and therefore Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law). The Security Agent will agree to any release of the security interest created by the Security Documents that is in accordance with the 2024 Senior Secured Indenture and the Intercreditor Agreement without requiring any consent of such Holder. The Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the 2024 Senior Secured Indenture and the Security Documents. See “Description of Certain Indebtedness—Intercreditor Agreement.”

Subject to the terms of the Security Documents and prior to enforcement of any Collateral or (upon the occurrence of certain triggering events specified in the Security Documents) to there being taken certain pre-enforcement steps to protect the Holders’ rights, the Issuer and the Guarantors, as the case may be, will have the right to remain in possession and retain exclusive control of the Collateral securing the 2024 Senior Secured Notes and any Note Guarantees, to freely operate the Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Collateral, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

The value of the Collateral securing the 2024 Senior Secured Notes and the 2024 Senior Secured Indenture may not be sufficient to satisfy the Issuer’s obligations under the 2024 Senior Secured Notes and the Collateral securing the 2024 Senior Secured Notes and the 2024 Senior Secured Indenture may be reduced or diluted under certain circumstances, including the issuance of Additional 2024 Senior Secured Notes and the disposition of assets comprising the Collateral, subject to the terms of the 2024 Senior Secured Indenture. No appraisals of the Collateral have been prepared by or on behalf of the Issuer in connection with this offering. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the 2024 Senior Secured Indenture and the Security Documents, would be sufficient to satisfy amounts due on the 2024 Senior Secured Notes. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all. See “Risk Factors—Risks Relating to the Senior Secured Notes—The Senior Secured Collateral may not be sufficient to secure the obligations under the 2024 Senior Secured Notes.”

### ***The Intercreditor Agreement***

The 2024 Senior Secured Notes will be subject to the restrictions contained in the Intercreditor Agreement. The 2024 Senior Secured Indenture will be subject in all respects to the provisions of the Intercreditor Agreement and will provide that each holder, by accepting a Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement. For a description of the provisions of the Intercreditor Agreement, see “Description of Certain Indebtedness—Intercreditor Agreement.”

### ***Additional Intercreditor Agreements***

The 2024 Senior Secured Indenture will provide that, at the written request of the Issuer, without the consent of holders of the 2024 Senior Secured Notes, and at the time of, or prior to, the incurrence by the Issuer or its Restricted Subsidiaries of any (1) Senior Secured Debt permitted to be incurred pursuant to the covenant under the caption “—Certain Covenants—Incurrence of

Indebtedness and Issuance of Preferred Stock” or (2) any Indebtedness the proceeds of which are used, in whole or in part, to refinance the 2024 Senior Secured Notes or Senior Secured Debt, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent or any other relevant creditor representative or collateral agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) a new intercreditor agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an “Additional Intercreditor Agreement”) on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders of the 2024 Senior Secured Notes), including containing substantially the same terms with respect to release of Note Guarantees, if any, and priority and release of any Permitted Collateral Liens from time to time; provided, however, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent.

The 2024 Senior Secured Indenture also will provide that, at the written direction of the Issuer and without the consent of holders of the 2024 Senior Secured Notes, the Trustee and the Security Agent shall, from time to time, enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement of a minor, technical or administrative nature, (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 2024 Senior Secured Notes; *provided* that such amendment is consistent with the preceding paragraph), (3) add Restricted Subsidiaries to the Intercreditor Agreement or Additional Intercreditor Agreement, (4) implement any Permitted Collateral Liens, (5) amend the Intercreditor Agreement or Additional Intercreditor Agreement in accordance with the terms thereof or (6) make any other change to any such agreement that does not adversely affect the rights of Holders of the 2024 Senior Secured Notes in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement without the consent of the holders of the majority in aggregate principal amount of the 2024 Senior Secured Notes then outstanding, except as otherwise permitted below under “—Amendment, Supplement 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 adversely affect their respective rights, duties, liabilities or immunities under the 2024 Senior Secured Indenture or the Intercreditor Agreement or Additional Intercreditor Agreement.

The 2024 Senior Secured Indenture also will provide that each holder of the 2024 Senior Secured Notes, by accepting a 2024 Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement and any amendment, restatement or other modification referred to in the preceding paragraphs (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 and any other relevant creditor representative or collateral agent to enter into any such Intercreditor Agreement or Additional Intercreditor Agreement.

### **Optional Redemption**

At any time prior to April 15, 2020, the Issuer may redeem up to 45% of the aggregate principal amount of 2024 Senior Secured Notes issued under the 2024 Senior Secured Indenture at a redemption price of 104.250% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

- (1) at least 55% of the aggregate principal amount of 2024 Senior Secured Notes issued under the 2024 Senior Secured Indenture (excluding the 2024 Senior Secured Notes held by the Issuer and its Affiliates, but including any Additional 2024 Senior Secured Notes) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such sale of such Equity Offering.

At any time prior to April 15, 2020, the Issuer may also redeem all or a part of the 2024 Senior Secured Notes, upon not less than 10 nor more than 60 days’ prior notice mailed by first-class mail to each Holder’s registered address (with a copy to the Trustee and Paying Agent), at a redemption price equal to 100% of the principal amount of 2024 Senior Secured Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (the “Redemption Date”), subject to the rights of Holders of 2024 Senior Secured Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

At any time and from time to time prior to April 15, 2020, the Issuer may redeem during each twelve-month period commencing with the Issue Date up to 10% of the original aggregate principal amount of the 2024 Senior Secured Notes, at its option, upon not less than 10 nor more than 60 days’ prior notice mailed by first-class mail to each Holder’s registered address (with a copy to the Trustee and Paying Agent), at a redemption price equal to 103% of the principal amount of the 2024 Senior Secured Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of Holders of 2024 Senior Secured Notes on the relevant Record Date to receive interest due on the relevant interest payment date).

Except pursuant to the three preceding paragraphs and as set out below under “Redemption for Changes in Withholding Taxes,” the 2024 Senior Secured Notes will not be redeemable at the Issuer’s option prior to April 15, 2020.

On or after April 15, 2020, the Issuer may redeem all or a part of the 2024 Senior Secured Notes in amount of €100,000 or in integral multiples of €1,000 in excess thereof, upon not less than 10 nor more than 60 days’ notice mailed by first class mail to each Holder’s registered address (with a copy to the Trustee and Paying Agent), at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the 2024 Senior Secured Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on the dates indicated below, subject to the rights of Holders of 2024 Senior Secured Notes on the relevant Record Date to receive interest on the relevant interest payment date:

Year	Percentage
April 15, 2020 .....	102.125%
April 15, 2021 .....	101.063%
April 15 2022 and thereafter .....	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the 2024 Senior Secured Notes or portions thereof called for redemption on the applicable redemption date.

Any notice of redemption may, in the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent.

### ***Open Market Purchases***

The Issuer and the Restricted Subsidiaries may at any time acquire the 2024 Senior Secured Notes through open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws; provided, however, that in determining whether the Holders of the required principal amount of 2024 Senior Secured Notes have concurred in any direction, waiver or consent, 2024 Senior Secured Notes owned by the Issuer or by any Affiliate of the Issuer will be considered as though not outstanding.

### **Selection and Notice**

If less than all of the 2024 Senior Secured Notes are to be redeemed at any time, the Registrar will select 2024 Senior Secured Notes for redemption on a pro rata basis unless otherwise required by law, the applicable stock exchange requirements or clearing system procedures.

No 2024 Senior Secured Notes of €100,000 or less can be redeemed in part. Notices of redemption will be transmitted at least 10 but not more than 60 days before the redemption date to each Holder of 2024 Senior Secured Notes to be redeemed, except that redemption notices may be transmitted more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the 2024 Senior Secured Notes or a satisfaction and discharge of the 2024 Senior Secured Indenture. Any redemption and notice may, in the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent.

If any 2024 Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that 2024 Senior Secured Note will state the portion of the principal amount of that note that is to be redeemed. A new 2024 Senior Secured Note in principal amount equal to the unredeemed portion of the original 2024 Senior Secured Note will be issued in the name of the Holder of the original 2024 Senior Secured Note upon cancellation of the original note. 2024 Senior Secured Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest ceases to accrue on the 2024 Senior Secured Notes or portions of 2024 Senior Secured Notes called for redemption.

The Trustee and/or the Registrar shall not be liable for any selection made under this “Selection and Notice.”

### **Redemption for Changes in Withholding Taxes**

The Issuer may redeem the 2024 Senior Secured Notes, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days’ prior notice to the Holders with a copy to the Trustee and Paying Agent (which notice must be given in accordance with the procedures described in “—Selection and Notice”), at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a “Tax Redemption Date”) and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Holders on the relevant Record Date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the 2024 Senior Secured Notes or any Note Guarantee, the Issuer under or with respect to the 2024 Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or relevant Guarantor, as applicable, cannot avoid any such



payment obligation by taking reasonable measures available (including making payment through a Paying Agent located in another jurisdiction), as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations, or rulings promulgated thereunder) of the relevant Tax Jurisdiction (as defined below) affecting taxation which change or amendment is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the 2024 Senior Secured Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the 2024 Senior Secured Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the 2024 Senior Secured Indenture); or
- (2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment or introduction is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the 2024 Senior Secured Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the 2024 Senior Secured Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the 2024 Senior Secured Indenture) (each of the foregoing clauses (1) and (2), a “Change in Tax Law”).

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the 2024 Senior Secured Notes were then due. Notwithstanding the foregoing, the Issuer may not redeem the 2024 Senior Secured Notes under this provision if the relevant Tax Jurisdiction changes under the 2024 Senior Secured Indenture and the Issuer is obligated to pay any Additional Amounts solely as a result thereof. Prior to the publication or, where relevant, mailing of any notice of redemption of the 2024 Senior Secured Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (with a copy to the Paying Agent) (a) an officer’s certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it and (b) deliver the Trustee an opinion of counsel in form and substance satisfactory to the Trustee to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the 2024 Senior Secured Notes hereunder and the Issuer or the relevant Guarantor cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it. The Trustee will accept such opinion of counsel and officer’s certificate as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the 2024 Senior Secured Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the 2024 Senior Secured Indenture.

### **Additional Amounts**

All payments made by or on behalf of the Issuer under or with respect to the 2024 Senior Secured Notes or any of the Guarantors with respect to any Note Guarantee, if any, (whether or not in the form of Definitive Registered Notes) will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment and any other charge of a similar nature, including penalties, interest and other liabilities related thereto (collectively, “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 any jurisdiction in which the Issuer (including any successor entity), is then incorporated or organized, engaged in business (directly or indirectly) or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a “Tax Jurisdiction”), will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the 2024 Senior Secured Notes, or any of the Guarantors with respect to any Note Guarantees, if any, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay (to the extent lawful) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received and retained in respect of such payments by each Holder (including Additional Amounts) after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts which would have been received and retained in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

- (1) any Taxes which would not have been imposed but for the Holder or the beneficial owner of the 2024 Senior Secured Notes being a citizen or resident or national of, incorporated or organized in, carrying on a business in, or having any other connection with, the relevant Tax Jurisdiction in which such Taxes are imposed other than by the mere acquisition or holding of such Senior Secured Note or Note Guarantee, if any, enforcement or exercise of rights thereunder or the receipt of payments in respect thereof;
- (2) any Taxes that are imposed or withheld as a result of the failure of the Holder of the 2024 Senior Secured Notes or beneficial owner of the 2024 Senior Secured Notes to comply with any written request, made to

that Holder in writing at least 30 days before any such withholding or deduction would be payable, by the Issuer to provide timely or accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirement (to the extent such Holder or beneficial owner is legally entitled to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from all or part of such Taxes;

- (3) any Taxes imposed or withheld as a result of any Senior Secured Note presented for payment (where 2024 Senior Secured 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 note been presented on the last day of such 30 day period);
- (4) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;
- (5) any Taxes imposed only by virtue of a Holder or beneficial owner of the 2024 Senior Secured Notes (or any financial institution through which the Holder or beneficial owner holds any 2024 Senior Secured Notes through which payment on such 2024 Senior Secured Notes are made) having failed to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code as in effect on the date of issuance of the 2024 Senior Secured Notes or any successor or amended version of these provisions;
- (6) any Taxes imposed or withheld as a result of any note presented for payment by or on behalf of a Holder of 2024 Senior Secured Notes who would have been able to avoid such withholding or deduction by presenting the relevant note to another Paying Agent in any European Union Member State;
- (7) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the 2024 Senior Secured Notes or any Note Guarantee;
- (8) any Taxes imposed on or with respect to any payment by the Issuer or any Guarantor, as the case may be, to the Holder if such Holder is a fiduciary of a beneficial owner or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such beneficial owner or partner (in the case of a partnership) been the Holder of such note; or
- (9) any combination of items (1) through (8) above.

In addition to the foregoing, the Issuer and the Guarantors, if any, will also pay and indemnify the Holder or beneficial owner of the 2024 Senior Secured Notes for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property taxes, charges or similar levies or Taxes which are levied by any Tax Jurisdiction on the issuance, execution, delivery, registration or enforcement of any of the 2024 Senior Secured Notes or any Note Guarantee, the 2024 Senior Secured Indenture, or any other document or instrument referred to therein, or the receipt of any payments with respect thereto.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the 2024 Senior Secured Notes or any Note Guarantee, the Issuer or the relevant Guarantor, if any, will deliver to the Trustee (with a copy to the Paying Agent) on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officers' certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The officers' certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee and Paying Agent will be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary. The Issuer will provide the Trustee with documentation in a form reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Issuer or the relevant Guarantor, if any, will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor, if any, will furnish to the Trustee (with a copy to the Paying Agent), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or the relevant Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity (reasonably satisfactory to the Trustee). The Issuer or the relevant Guarantor shall attach to each certified copy or other evidence, as applicable, a certificate stating (x) that the amount of Tax evidenced by the certified copy was paid in connection with payments under or with respect to the 2024 Senior Secured Notes then outstanding upon which such Taxes were due and (y) the amount of such withholding tax paid per €1,000 of principal amount of the 2024 Senior Secured Notes.

Whenever in the 2024 Senior Secured Indenture or in this “Description of the 2024 Senior Secured Notes” there is mentioned, in any context, the payment of amounts based upon the principal amount of the 2024 Senior Secured Notes or of principal, interest or of any other amount payable under, or with respect to, any of the 2024 Senior Secured Notes or Note Guarantees, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the 2024 Senior Secured Indenture, any transfer by a Holder or beneficial owner of its 2024 Senior Secured Notes and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated or organized, engaged in business or resident for tax purposes or any jurisdiction from or through which such Person makes any payment under or with respect to the 2024 Senior Secured Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

### **Mandatory Redemption**

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the 2024 Senior Secured Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the 2024 Senior Secured Notes as described under the captions “Repurchase at the Option of Holders—Change of Control” and “Repurchase at the Option of Holders—Asset Sales.”

### **Repurchase at the Option of Holders**

#### ***Change of Control Triggering Event***

If a Change of Control Triggering Event occurs, the Issuer shall offer to repurchase any and all of the Holder’s 2024 Senior Secured Notes pursuant to a Change of Control Offer on the terms set forth in the 2024 Senior Secured Indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of 2024 Senior Secured Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the 2024 Senior Secured Notes repurchased to the date of purchase, subject to the rights of Holders of 2024 Senior Secured Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

Unless the Issuer has unconditionally exercised its right to redeem all the 2024 Senior Secured Notes as described under “—Optional Redemption” or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control Triggering Event, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase 2024 Senior Secured Notes on the date (the “Change of Control Payment Date”) specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the 2024 Senior Secured Indenture and described in such notice. If the Change of Control has been publicly announced but has not occurred at the time the notice of the Change of Control Offer is mailed to Holders, the Change of Control Offer may be conditional on the consummation of such Change of Control occurring prior to or concurrent with the repurchase.

The Issuer will comply with the requirements of any applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the 2024 Senior Secured Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the 2024 Senior Secured Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the 2024 Senior Secured Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all 2024 Senior Secured Notes or portions of 2024 Senior Secured Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all 2024 Senior Secured Notes or portions of 2024 Senior Secured Notes properly tendered; and
- (3) deliver or cause to be delivered to the Paying Agent and the Registrar the 2024 Senior Secured Notes properly accepted together with an officers’ certificate (with a copy to the Trustee) stating the aggregate principal amount of 2024 Senior Secured Notes or portions of notes being purchased by the Issuer.

The Paying Agent will promptly mail to each Holder of 2024 Senior Secured Notes properly tendered the Change of Control Payment for such 2024 Senior Secured Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder new 2024 Senior Secured Notes equal in principal amount to any unpurchased portion of the 2024 Senior Secured Notes surrendered, if any; *provided* that such new 2024 Senior Secured Notes will be in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof. Unless the issuer defaults in making the Change of Control Payment, any 2024 Senior Secured Notes so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as reasonably practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the 2024 Senior Secured Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the 2024 Senior Secured Indenture does not contain provisions that permit the Holders of the 2024 Senior Secured Notes to require that the Issuer repurchase or redeem the 2024 Senior Secured Notes in the event of a takeover, recapitalization or similar transaction or any Change of Control that does not result in a Change of Control Triggering Event.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the 2024 Senior Secured Indenture applicable to a Change of Control Offer made by the Issuer and purchases all 2024 Senior Secured Notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given pursuant to the 2024 Senior Secured Indenture as described above under the caption “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of 2024 Senior Secured Notes to require the Issuer to repurchase its 2024 Senior Secured Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

If and for so long as the 2024 Senior Secured Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF, and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices as soon as practicable relating to the Change of Control Offer 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, posted on the official website of the Luxembourg Stock Exchange.

The provisions of the 2024 Senior Secured Indenture relating to the Issuer’s obligation to make an offer to repurchase the 2024 Senior Secured Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes.

The Revolving Credit Facility Agreement provides that the occurrence of a change of control would require the prepayment of all the outstanding Indebtedness under the Revolving Credit Facility Agreement. If the Issuer experiences a change of control that triggers a mandatory prepayment under the Revolving Credit Facility Agreement, the Issuer may seek the agreement of the relevant lenders thereunder to maintain the availability of the Revolving Credit Facility or seek to refinance the Revolving Credit Facility. Moreover, the exercise by the Holders of the 2024 Senior Secured Notes of their right to require the Issuer to repurchase the 2024 Senior Secured Notes could cause a default under, or require a repurchase of, other debt, even if a Change of Control Triggering Event does not, due to the financial effect of the repurchase of 2024 Senior Secured Notes on the Issuer. Finally, the Issuer’s ability to repurchase 2024 Senior Secured Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control Triggering Event 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 the required purchase of the 2024 Senior Secured Notes.

### ***Asset Sales***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets, rights or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Government Guaranteed Securities. For purposes of this provision, each of the following will be deemed to be cash:
  - (a) any liabilities, as shown on the Issuer’s most recent consolidated balance sheet, of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the 2024 Senior Secured Notes) that are assumed by the transferee of any such assets or are discharged pursuant to an agreement that releases the Issuer or such Restricted Subsidiary from any further liability in connection therewith or indemnifies them against such further liability;
  - (b) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are within 180 days, subject to ordinary settlement periods, converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion;

- (c) any share or assets of the kind referred to in clauses (1)(c), (1)(d) or (1)(e) of the next paragraph of this covenant;
- (d) any Designated Non-Cash Consideration;
- (e) Indebtedness of any Restricted Subsidiary of the Issuer that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from or indemnified against any guarantee of such Indebtedness in connection with such Asset Sale; and
- (e) Indebtedness of the Issuer or of any Restricted Subsidiary (other than Indebtedness that is by its terms subordinated to the 2024 Senior Secured Notes) received from Persons who are not the Issuer or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may:

- (1) apply such Net Proceeds, at its option:
  - (a) (i) to make an offer to purchase the 2024 Senior Secured Notes on a *pro rata* basis to all of the Holders of 2024 Senior Secured Notes at a purchase price equal to not less than 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase; or (ii) to make an offer pursuant to the preceding sub-clause (a)(i) and a substantially equivalent offer on a *pro rata* basis to holders of other Pari Passu Indebtedness;
  - (b) purchase or permanently prepay or redeem or repay (i) any Indebtedness that is only secured by Liens on assets or property that do not constitute Collateral and, if the Indebtedness prepaid, redeemed or repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; or (ii) with respect to the Net Proceeds from an Asset Sale made by a Restricted Subsidiary of the Issuer that is not a Guarantor, any Indebtedness of such Restricted Subsidiary (other than Indebtedness owed to the Issuer or another Restricted Subsidiary or any Affiliate thereof) and, if such Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;
  - (c) to acquire all or substantially all of the assets of, or any Capital Stock of a Person engaged in, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such Person is or becomes a Restricted Subsidiary of the Issuer or is merged with or into a Restricted Subsidiary of the Issuer;
  - (d) to make a capital expenditure; or
  - (e) to acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business;

provided, however, that, 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 (to the extent such assets were of a category of assets included in the Collateral as of the date of the Asset Sale) that were acquired with the Net Proceeds of an Asset Sale in accordance with this covenant to secure the 2024 Senior Secured Notes on a first-priority basis;

- (2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (b), (c), (d) or (e) of clause (1) above, *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period; or
- (3) any combination of the foregoing.

Pending the final application of any Net Proceeds, the Issuer or any applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the 2024 Senior Secured Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute “Excess Proceeds.” When the aggregate amount of Excess Proceeds exceeds the greater of €40.0 million and 1.5% of the Consolidated Total Assets of the Issuer (or the equivalent in another currency), within 30 days thereof, the Issuer will make an offer (an “Asset Sale Offer”) to all Holders of 2024 Senior Secured Notes and (at the Issuer’s election) to holders of Pari Passu Indebtedness containing provisions similar to those set forth in the 2024 Senior Secured Indenture with respect to offers to purchase, prepay, redeem or repay with the proceeds of sales of assets to purchase the maximum principal amount of

2024 Senior Secured Notes and such other Pari Passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer in respect of the 2024 Senior Secured Notes will not be less than 100% of the principal amount of the 2024 Senior Secured Notes and, in the case of Pari Passu Indebtedness, not greater than the principal amount thereof plus the offer premium offered with respect to the 2024 Senior Secured Notes in the Asset Sale Offer, plus, in each case, accrued and unpaid interest, and in the case of the 2024 Senior Secured Notes, Additional Amounts, if any, to the date of purchase in accordance with the 2024 Senior Secured Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in the case of the 2024 Senior Secured Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer or any Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the 2024 Senior Secured Indenture. If the aggregate principal amount of 2024 Senior Secured Notes and other Pari Passu Indebtedness tendered into (or to be redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Registrar will select the 2024 Senior Secured Notes and such other Pari Passu Indebtedness to be repaid on a *pro rata* basis based on the principal amount of 2024 Senior Secured Notes and such other Pari Passu Indebtedness presented for purchase. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer, insofar as it relates to the 2024 Senior Secured Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Sale Offer Period”). No later than five Business Days after the termination of the Asset Sale Offer period (the “Asset Sale Purchase Date”) the Issuer will purchase the principal amount of 2024 Senior Secured Notes and to the extent the Issuer elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant, or if less than the Asset Sale Offer Amount has been so validly tendered, all 2024 Senior Secured Notes and Pari Passu Indebtedness validly tendered in response to the Asset Sale Offer.

On and after the repurchase date, unless the Issuer defaults in payment of the purchase price, interest shall cease to accrue on the 2024 Senior Secured Notes or portions thereof purchased.

The Issuer will comply with the requirements of any relevant securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of 2024 Senior Secured Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the 2024 Senior Secured Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the 2024 Senior Secured Indenture by virtue of such compliance.

## Certain Covenants

### *Changes in Covenants When 2024 Senior Secured Notes Rated Investment Grade*

If on any date following the date of the 2024 Senior Secured Indenture:

- (1) the 2024 Senior Secured Notes are rated Baa3 or better by Moody’s and BBB- or better by S&P (or, if either such entity ceases to rate the 2024 Senior Secured Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other “nationally recognized statistical rating organization” registered under Section 15E of the U.S. Exchange Act selected by the Issuer as a replacement agency); and
- (2) no Default or Event of Default shall have occurred and be continuing,

then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in this offering memorandum will be suspended:

- (1) “—Repurchase at the Option of the Holders—Asset Sales;”
- (2) “—Restricted Payments;”
- (3) “—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (4) “—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- (5) “—Designation of Restricted and Unrestricted Subsidiaries;”
- (6) “—Transactions with Affiliates;”
- (7) clause (4) of the covenant described below under the caption “—Merger, Consolidation or Sale of Assets;” and
- (8) “—Additional Note Guarantees.”

The Issuer will notify the Trustee in writing that the foregoing covenants have been suspended; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective; *provided, further*, that the Trustee shall be under no obligation to inform the Holders that the foregoing covenants have been suspended. During any period that the foregoing covenants have been suspended (such period the “Suspension Period”), the Issuer’s Board of Directors may not

designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below under the caption “—Designation of Restricted and Unrestricted Subsidiaries” or the second paragraph of the definition of “Unrestricted Subsidiary.”

Notwithstanding the foregoing, if on any subsequent date (the “Reinstatement Date”), the 2024 Senior Secured Notes cease to maintain ratings of at least Baa3 and BBB- from Moody’s and S&P, respectively, the foregoing covenants will be reinstituted as of and from the date of such rating decline; *provided* that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under “—Restricted Payments” had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of “—Incurrence of Indebtedness and Issuance of Preferred Stock;” (iii) any transactions with Affiliates entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (12) of the second paragraph of the covenant described under “—Transactions with Affiliates;” and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Subsidiaries” that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Subsidiaries.”

For the avoidance of doubt, the Issuer and any Restricted Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the 2024 Senior Secured Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period and to consummate the transactions contemplated thereby; provided, however, that (a) the Issuer and its Subsidiaries did not incur or otherwise enter into such contractual commitments or obligations in contemplation of the Suspension Period ending and (b) the Issuer reasonably believed that such incurrence or actions would not result in the of the Suspension Period ending. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief shall be as determined in good faith by a responsible accounting or financial officer of the Issuer.

Within 20 Business Days of the end of a Suspension Period, the Issuer will cause any of its Restricted Subsidiaries that is not a Guarantor and that guaranteed any Indebtedness of the Issuer or any Guarantor during such Suspension Period to execute and deliver a Note Guarantee, subject to the second, fourth, fifth and seventh paragraphs of the covenant described under “—Additional Note Guarantees.”

There can be no assurance that the 2024 Senior Secured Notes will ever achieve an investment grade rating or that any such rating will be maintained.

### ***Restricted Payments***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Issuer’s or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer’s or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer’s or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such on account of such Equity Interests (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer or in the form of Shareholder Subordinated Debt and other than dividends or distributions payable to the Issuer or a Restricted Subsidiary of the Issuer);
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) any Equity Interests of the Issuer or any direct or indirect parent of the Issuer (other than in exchange for Equity Interests of the Issuer (other than Disqualified Stock) or Shareholder Subordinated Debt);
- (3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations of the Issuer (excluding (i) any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries and (ii) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Obligations acquired in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of the purchase, repurchase, redemption, acquisition or retirement);
- (4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than non-cash interest payable in Equity Interests (other than Disqualified Stock) of the Issuer or any payment in the form of additional Subordinated Shareholder Debt); or
- (5) make any Restricted Investment,

(all such payments and other actions set forth in the foregoing clauses (1) through (5) being collectively referred to as “Restricted Payments”), unless, at the time of and after giving *pro forma* effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
- (2) the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock;” and
- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (11) and (13) of the next succeeding paragraph), is less than the sum, without duplication, of:
  - (a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the Issue Date to the end of the Issuer’s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*
  - (b) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities and other property received by the Issuer since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Issuer that have been converted into or exchanged for such Equity Interests or Subordinated Shareholder Debt (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Issuer); *plus*
  - (c) to the extent that any Restricted Investment that was (i) made after the Issue Date is sold or otherwise disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and of the Fair Market Value of the marketable securities and other property received or (ii) made in an entity that subsequently becomes a Restricted Subsidiary (or is merged or consolidated with or into the Issuer or a Restricted Subsidiary), 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated) or (iii) a guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person, upon the full and unconditional release of such Restricted Investment, an amount equal to the amount of such guarantee; *plus*
  - (d) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary after such date, or has been merged or consolidated with or into, or transfers or conveys its assets to, the Issuer or a Restricted Subsidiary of the Issuer, 100% of the Fair Market Value of the Issuer’s Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable); *plus*
  - (e) the amount by which Indebtedness of the Issuer or a Restricted Subsidiary is reduced on the Issuer’s consolidated balance sheet upon the conversion or exchange (other than by the Issuer or its Restricted Subsidiary) of such Indebtedness for Equity Interests (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt (less the amount of any cash, and the Fair Market Value of any other property, received or distributed by the Issuer or any Restricted Subsidiary on any such conversion or exchange); *plus*
  - (f) 100% of the Fair Market Value of any dividends, distributions or payments received by the Issuer or a Restricted Subsidiary of the Issuer after the Issue Date from an Unrestricted Subsidiary of the Issuer or from a Person in which the Issuer or a Restricted Subsidiary of the Issuer has a Restricted Investment to the extent that such dividends, distributions or payments were not otherwise included in the Consolidated Net Income of the Issuer for such period.

The preceding provisions will not prohibit:

- (1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may



be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of the 2024 Senior Secured Indenture;

- (2) the making of any Restricted Payment in exchange for (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 or scrip), or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of such proceeds to the common equity capital to the Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;
- (3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer that is contractually subordinated to the 2024 Senior Secured Notes in exchange for or with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;
- (4) the declaration or payment of any dividend or the making of any payment or distribution by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests other than the Issuer or another Restricted Subsidiary on a no more than *pro rata* basis;
- (5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary of the Issuer, or distribution to enable such repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Parent or Restricted Subsidiary of the Issuer, held directly or indirectly by any current or former officer, director, consultant or employee of the Issuer or any Parent or Restricted Subsidiary of the Issuer (or permitted transferees of such current or former officers, directors, consultants or employees); *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed the greater of €10.0 million and 0.4% of the Consolidated Total Assets of the Issuer in any calendar year, beginning in the year starting January 1, 2016, with the unused portion carried over to the next calendar year; *provided, further*, that such amount in any one-year period may be increased by an amount not to exceed the cash proceeds received by the Issuer or a Restricted Subsidiary during such period from the sale of Equity Interests of the Issuer or a Restricted Subsidiary in each case to members of management or directors or consultants of the Issuer or any Restricted Subsidiary or any Parent of the Issuer to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3)(b) of the preceding paragraph or clauses (2) or (8) of this paragraph;
- (6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;
- (7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary of the Issuer issued on or after the date of the 2024 Senior Secured Indenture in accordance with the Fixed Charge Coverage Ratio test set forth in the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (8) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering, the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the Capital Stock of the Issuer or any Parent, 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 Initial Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer and (b) an amount equal to the greater of (i) 6% of the Market Capitalization (provided that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0) and (ii) 6% of the IPO Market Capitalization (provided that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0);
- (9) the declaration and payment of cash dividends and any repurchase, redemption, retirement or cancellation of the Issuer’s Equity Interests not to exceed the greater of €20.0 million and 0.75% of the Consolidated Total Assets of the Issuer in any calendar year commencing on or after January 1, 2015, with the unused portion carried over to the next calendar year;
- (10) so long as no Default has occurred and is continuing or would be caused thereby, (A) other Restricted Payments in an aggregate amount not to exceed the greater of €115.0 million and 4.5% of the Consolidated Total Assets of the Issuer and (B) any Restricted Payments; *provided* that, in the case of clause (B) only, the Consolidated Leverage Ratio of the Issuer does not exceed 2.5 to 1.0 on a *pro forma* basis after giving effect to any such Restricted Payments;

- (11) any payments to minority shareholders as required by law or regulation pursuant to or in contemplation of a merger or consolidation involving the Issuer or any of its Restricted Subsidiaries that does not violate the provisions of the covenant described under “—Merger, Consolidation or Sale of Assets;”
- (12) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person; and
- (13) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Issuer or any of its Restricted Subsidiaries and any other Person with which the Issuer or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the 2024 Senior Secured Indenture; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer or such Restricted Subsidiaries would owe without taking into account such other Person; and *provided, further*, that such payments shall be paid over to the appropriate taxing authority within 30 days of receipt.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Issuer whose resolution with respect thereto will be delivered to the Trustee. For the avoidance of doubt, the Trustee shall have no obligation to determine the Fair Market Value of any assets or securities.

#### ***Incurrence of Indebtedness and Issuance of Preferred Stock***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “*incur*”) any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that:

- (a) the Issuer and any Guarantor may incur Indebtedness other than Senior Secured Debt (including Acquired Debt) or issue Disqualified Stock if the Fixed Charge Coverage Ratio for the Issuer’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period; and,
- (b) the Issuer and its Restricted Subsidiaries may incur Senior Secured Debt (including Acquired Debt and preferred stock issued by Restricted Subsidiaries) if, in addition to compliance with the ratio set forth in clause (a), the Consolidated Senior Secured Leverage Ratio for the Issuer’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Debt is incurred would have been less than 4.00 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if such additional Senior Secured Debt had been incurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, “Permitted Debt”):

- (1) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €1,400 million, plus, 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 (including fees and commissions paid as discounts) incurred in connection with such refinancing;
- (2) the incurrence by the Issuer and its Restricted Subsidiaries of the Existing Indebtedness (other than Indebtedness incurred under clause (1) or clause (3) of this paragraph);
- (3) the incurrence by the Issuer of Indebtedness represented by the Senior Subordinated Notes to be issued on the Issue Date;

- (4) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness or preferred stock, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of acquisition, design, development, construction, lease, installation, transportation or improvement of property (real or personal), plant or equipment that is used or useful in the business of the Issuer or any of its Restricted Subsidiaries (each, a “Productive Asset Financing”) (including Equity Interests of any Person owning such assets) (including any reasonable related fees or expenses incurred in connection therewith), in an aggregate principal amount at any one time outstanding not to exceed the greater of €70.0 million and 2.5% of the Consolidated Total Assets of the Issuer;
- (5) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the 2024 Senior Secured Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (5) or (14) of this paragraph;
- (6) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries; *provided, however*, that:
  - (a) except in respect of current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations, if the Issuer or a Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the 2024 Senior Secured Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and
  - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer,will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the issuance by any of the Issuer’s Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however*, that:
  - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and
  - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);
- (8) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;
- (9) the guarantee by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or any of its Restricted Subsidiaries so long as the incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary is permitted under the terms of the 2024 Senior Secured Indenture, *provided* that such guarantee is incurred in accordance with the covenant described under “—Additional Note Guarantees;”
- (10) guarantees by the Issuer or a Restricted Subsidiary of the Issuer of Indebtedness arising pursuant to terms requiring such Indebtedness to be guaranteed if the 2024 Senior Secured Notes are also guaranteed by the same Restricted Subsidiary on a senior or *pari passu* basis;
- (11) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers’ compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, statutory obligations, bankers’ acceptances, export, import, customs, VAT and other tax guarantees, performance and bid, reclamation, remediation, completion, surety, appeal or similar bonds or performance guarantees in the ordinary course of business or consistent with past practice;
- (12) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers’ acceptances or similar instruments or obligations issued in the ordinary course of business, *provided* that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within ten Business Days;

- (13) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within ten Business Days;
- (14) Indebtedness of any Person (a) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer 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 (b) 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, however*, with respect to this clause (14), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x)(i) the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to clause (a) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) or (ii) the Fixed Charge Coverage Ratio would be no less than it was immediately prior to the incurrence of such Indebtedness pursuant to this clause (14) and (y)(i) the Issuer and its Restricted Subsidiaries would have been able to incur €1.00 of additional Indebtedness pursuant to subclause (b) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) or (ii) the Consolidated Senior Secured Leverage Ratio would be no greater than it was prior to the incurrence of such Indebtedness pursuant to this clause (14);
- (15) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, earnouts, adjustments of purchase price, guarantees 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 Equity Interests of a Subsidiary in accordance with the terms of the 2024 Senior Secured Indenture, other than guarantees of Indebtedness incurred or assumed by any Person acquiring all or any portion of such business, assets or Equity Interests of a Subsidiary for the purpose of financing such acquisition;
- (16) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (17) the incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness or the issuance by any Restricted Subsidiary that is not a Guarantor of preferred stock in an aggregate principal amount (or accreted value, as applicable) or having an aggregate liquidation preference at any time outstanding incurred pursuant to this clause (17), not to exceed the greater of €85.0 million and 3.0% of the Consolidated Total Assets of the Issuer;
- (18) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;
- (19) Indebtedness of the Issuer in an aggregate outstanding principal amount (or accreted value, as applicable) at any time outstanding, not to exceed 100% of the Net Proceeds received by the Issuer from the issuance or sale (other than to a Subsidiary) of its Capital Stock (other than Disqualified Stock) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer or from the issuance or sale (other than to a Subsidiary) of Subordinated Shareholder Debt, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clause (2), the second proviso to clause (5) and clause (8) of the second paragraph of the covenant described under the caption “—Restricted Payments” to the extent the Issuer incurs 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 (19) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph or clause (2), the second proviso to clause (5) or clause (8) of the second paragraph of the covenant described under the caption “—Restricted Payments” in reliance thereon;
- (20) Indebtedness of the Issuer or any Restricted Subsidiary in respect of Management Advances; and
- (21) Indebtedness incurred by the Issuer or a Restricted Subsidiary in a Permitted Receivables Transaction.

For purposes of determining compliance with this “Incurrence of Indebtedness and Issuance of Preferred Stock” covenant, in the event that an item of proposed Indebtedness or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (21) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted, in its sole discretion, to classify such item of Indebtedness or preferred stock on the date of its incurrence and will only be required to include the amount and type of such Indebtedness or preferred stock in one of the above clauses, although the Issuer may, in its sole discretion, divide and classify an item of Indebtedness or

preferred stock in one or more of the types of Indebtedness or preferred stock and may later reclassify all or a portion of such item of Indebtedness or preferred stock in any manner that complies with this covenant; except that Indebtedness outstanding under the Revolving Credit Facility as of the Issue Date, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the 2024 Senior Secured Notes and the 2022 Senior Secured Notes issued on the Issue Date and any Permitted Refinancing Indebtedness thereof that constitutes Senior Secured Debt will be deemed to have been incurred under clause (1) of the definition of Permitted Debt and may not be reclassified. The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Issuer as accrued. Notwithstanding any other provision of this covenant (including pursuant to any Permitted Refinancing Indebtedness permitted pursuant to this covenant), the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will 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, in the case of Indebtedness incurred under a revolving credit facility; *provided* that (1) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the date of the 2024 Senior Secured Indenture will be calculated based on the relevant currency exchange rate in effect on the date of the 2024 Senior Secured Indenture; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and
- (3) in the case of Hedging Obligations, the net amount payable if such Hedging Obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off);
- (4) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
  - (a) the Fair Market Value of such assets at the date of determination; and
  - (b) the amount of the Indebtedness of the other Person; and
- (5) the principal amount of any Disqualified Stock of the Issuer 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.

### **Financial Calculations**

When calculating the availability under any basket or ratio under the 2024 Senior Secured Indenture, in each case in connection with any merger, acquisition or other Investment, in each case, whose consummation is not conditioned upon the availability of, or on obtaining, third party financing, where there is a time difference between commitment and closing or incurrence (including in respect of incurrence of Indebtedness, Restricted Payments and Permitted Investments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such merger, acquisition or other Investment are entered into (or, in case of an acquisition or other Investment in the form of a tender or exchange offer in connection with which no definitive agreement is entered into with the target company, the date of such tender or exchange offer) and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such merger, acquisition or other Investment and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated Cash Flow or the share price or share

value of any Person) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions; *provided*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement (or the time of such tender or exchange offer, as the case may be), any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered (or the date of such tender or exchange offer, as the case may be) and outstanding thereafter for purposes of calculating any baskets or ratios under the 2024 Senior Secured Indenture after the date of such agreement (or tender or exchange offer, as the case may be) and before the consummation of such transaction; *provided, further*, that the Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with such merger, acquisition or other Investment, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such merger, acquisition or Investment unless and until the closing of such merger, acquisition or Investment shall have actually occurred.

### ***No Layering of Debt***

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 such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the 2024 Senior Secured Notes and the applicable Note Guarantee on substantially identical terms. No such Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

### ***Additional Note Guarantees***

The Issuer will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any other Indebtedness of the Issuer (other than the 2024 Senior Secured Notes) or a Guarantor (other than a Guarantee of the 2024 Senior Secured Notes and other than Indebtedness incurred pursuant to clause (17) of the definition of Permitted Debt) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Note Guarantee of the payment of the 2024 Senior Secured Notes by such Restricted Subsidiary, which Note Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

- (1) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or
- (2) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Issuer.

On or before the date falling 60 days after receipt by the Trustee of each set of annual or quarterly financial statements required to be delivered pursuant to the covenant described under “—Reports,” the Issuer shall cause such Restricted Subsidiaries as are necessary to ensure that the aggregate of earnings before interest, tax, depreciation and amortization of the Issuer and any Guarantors (calculated on the same basis as Consolidated Cash Flow taking each entity on an unconsolidated basis and excluding all intra-group items) for the most recently ended four full fiscal quarters for which internal financial statements are available exceeds 55% of the Consolidated Cash Flow of the Issuer (the “Coverage Percentage”) over the same four full fiscal quarters (the “Coverage Test”) to:

- (i) execute and deliver to the Trustee a supplemental indenture in the form attached to the 2024 Senior Secured Indenture pursuant to which such Restricted Subsidiary will provide a Note Guarantee; and
- (ii) accede as a party to the Intercreditor Agreement or any Additional Intercreditor Agreement,

provided that, for the four full fiscal quarters ending March 31, 2018 and thereafter for which internal financial statements are available, the Coverage Percentage shall be increased to 65% of the Consolidated Cash Flow of the Issuer.

No Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of the Issuer or such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, “whitewash” or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary.

The Note Guarantee of a Guarantor will automatically and unconditionally be released:

- (1) in connection with any sale, disposition or transfer of all or substantially all of the assets of that Guarantor or a Parent of that Guarantor other than the Issuer (including by way of merger, amalgamation, combination or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the 2024 Senior Secured Indenture;
- (2) in connection with any sale, disposition or transfer of all of the Capital Stock of that Guarantor (or Capital Stock of a Parent of the relevant Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer or a direct or indirect Parent of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the 2024 Senior Secured Indenture;
- (3) if the Issuer designates any Restricted Subsidiary that is a Guarantor (or designates a Parent of such Guarantor) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the 2024 Senior Secured Indenture;
- (4) upon repayment in full of the 2024 Senior Secured Notes;
- (5) upon legal defeasance or satisfaction and discharge of the 2024 Senior Secured Indenture as provided below under the captions “—Legal Defeasance and Covenant Defeasance” and “—Satisfaction and Discharge;”
- (6) as described under “—Amendment, Supplement and Waiver;”
- (7) in the case of any Restricted Subsidiary that after the date of the 2024 Senior Secured Indenture is required to provide a Guarantee pursuant to the first paragraph of the covenant described under “—Certain covenants—Additional Note Guarantees,” upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to provide such Guarantee so long as no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would result in the requirement that such Guarantor provide a Guarantee pursuant to the covenant described under the caption “—Certain Covenants— Additional Note Guarantees;” or
- (8) in the case of a Note Guarantee given by a Guarantor pursuant to the third paragraph of this covenant, if, after giving pro forma effect to such release, the Coverage Test would continue to be satisfied for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the release.

Upon any release of a Note Guarantee contemplated under this “—Certain Covenants—Limitations on Guarantees of Indebtedness by Restricted Subsidiaries” section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

Each Note Guarantee provided pursuant to the provisions of this covenant will be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

The Issuer will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the 2024 Senior Secured Indenture that are not required at such time to become Guarantors pursuant to the first or third paragraph of this covenant (such Guarantors “Optional Guarantors”). The Issuer will be entitled to release any such Optional Guarantor from its Note Guarantee provided (x) no Default or Event of Default would be in existence following such a release; (y) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Permitted Stock” as at the date of such release if such Guarantor were not designated as a Guarantor as at that date and (z) such Optional Guarantor is not at

the time of the proposed release otherwise required to be a Guarantor pursuant to this covenant. Upon any release of a Note Guarantee contemplated under this “— Certain Covenants — Additional Note Guarantees” section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

### ***Limitation on Liens***

The Issuer will not and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer upon any of their property or assets, now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral (a) Permitted Liens, or (b) if such Lien (the “Initial Lien”) is not a Permitted Lien, to the extent that all payments due under the 2024 Senior Secured Indenture, the 2024 Senior Secured Notes and the Note Guarantees, as the case may be, are secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the 2024 Senior Secured Notes or any Note Guarantees (as the case may be), prior or senior thereto with the same relative priority as the 2024 Senior Secured Notes or such Note Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, incur any Indebtedness that is secured by a Lien upon any of the Principals’ or their Related Parties’ respective Equity Interests in the Issuer, now owned or hereafter acquired, except for Liens securing the 2024 Senior Secured Notes on a first-priority basis and (if the 2024 Senior Secured Notes are so secured) other Permitted Collateral Liens.

Any Lien created for the benefit of the Holders of 2024 Senior Secured Notes shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (or where not automatically released and discharged, the Person having granted such security will be entitled to seek such Liens’ unconditional release and discharge) under any one or more of the following circumstances:

- (1) the release and discharge of the Initial Lien to which it relates;
- (2) upon the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Issuer or a Restricted Subsidiary of the Issuer, if such sale, disposition or transfer does not violate the provisions set forth under “—Repurchase at the Option of Holders—Asset Sales;”
- (3) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Issuer and (ii) the sale, disposition or transfer does not violate the provisions set forth under “—Repurchase at the Option of Holders—Asset Sales;”
- (4) upon the defeasance or discharge of the 2024 Senior Secured Notes as provided in “—Legal Defeasance and Covenant Defeasance” or “—Satisfaction and Discharge,” in each case, in accordance with the terms of the 2024 Senior Secured Indenture;
- (5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the 2024 Senior Secured Indenture (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);
- (6) upon full and final repayment of the 2024 Senior Secured Notes; and
- (7) in accordance with the caption below entitled “—Certain Covenants—Amendment, Supplement and Waiver.”

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the Holders pursuant to the third paragraph, as specified above, the Security Agent, subject to receipt of an officer’s certificate certifying that the event or circumstance in question has occurred, will execute any documents reasonably required in order to evidence or effect such release and discharge in respect of such Lien.

### ***Dividend and Other Payment Restrictions Affecting Subsidiaries***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:



- (1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, 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 of its Restricted Subsidiaries;
- (2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or
- (3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries,

*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 period to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness, Capital Leases and Credit Facilities as in effect on the date of the 2024 Senior Secured Indenture and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date or would not, in the good faith determination of the Issuer, materially impair the ability to (a) make payments of amounts due in respect of the 2024 Senior Secured Notes or (b) comply with the respective obligations of the Issuer under the 2024 Senior Secured Notes or the 2024 Senior Secured Indenture (as, in each case, determined in good faith by a responsible accounting or financial officer of the Issuer);
- (2) the 2022 Senior Secured Notes, the 2024 Senior Secured Notes, the Senior Subordinated Notes, the Existing Notes, and, in each case, the related indenture and Security Documents, as applicable;
- (3) applicable law, rule, regulation, order, approval, license, authorization, permit or concession or any similar restriction or other control by any government or governmental authority;
- (4) any instrument or agreement governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred or issued in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the 2024 Senior Secured Indenture to be incurred;
- (5) customary non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business;
- (6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described above in clause (3) of the preceding paragraph;
- (7) any agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending closing of the sale or other disposition;
- (8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (9) Liens permitted to be incurred under the provisions of the covenant described above under the caption “— Limitation on Liens” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) customary provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, limited liability company organizational documents, asset sale agreements, sale-leaseback agreements, stock sale agreements, minority shares arrangements and other similar agreements entered into (A) in the ordinary course of business, consistent with past practice or (B) with the approval of the Issuer’s Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;

- (11) restrictions on cash, Cash Equivalents, Government Guaranteed Securities or other deposits or net worth imposed by customers, suppliers or lessors or required by insurance, surety or bonding companies under contracts or leases entered into in the ordinary course of business;
- (12) any agreement or instrument relating to Indebtedness permitted to be incurred after the date of the 2024 Senior Secured Indenture under the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock”; *provided, however*, that such encumbrance or restriction is not materially more disadvantageous to the Holders of the 2024 Senior Secured Notes than is customary in comparable financings (as determined in good faith by a responsible accounting or financial officer of the Issuer) and either (x) a responsible accounting or financial officer of the Issuer determines that such encumbrance or restriction will not materially affect the Issuer’s ability to make principal or interest payments on the 2024 Senior Secured Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;
- (13) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Issuer and its Restricted Subsidiaries;
- (14) encumbrances on property that exist at the time the property was acquired by the Issuer or a Restricted Subsidiary of the Issuer provided such encumbrance was not created in anticipation of such acquisition;
- (15) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (14) above; *provided* that such amendments or refinancings are not materially more restrictive, taken as a whole, than such encumbrances and restrictions prior to such amendment or refinancing (as determined in good faith by a responsible accounting or financial officer of the Issuer); and
- (16) encumbrances or restrictions with respect to any Permitted Receivables Transaction; *provided that* such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Transaction in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof; *provided that* such Permitted Receivables Transaction was permitted to be incurred under the terms of the 2024 Senior Secured Indenture.

### ***Merger, Consolidation or Sale of Assets***

#### ***The Issuer***

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

- (1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of any European Union Member State, Switzerland, Norway, Canada or the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the 2024 Senior Secured Notes, the 2024 Senior Secured Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;
- (3) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default will have occurred and be continuing;
- (4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock” or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and
- (5) the Issuer shall have delivered to the Trustee an officers’ certificate and an opinion of counsel, each to the effect that such consolidation, merger or transfer and, in the event of a successor to the Issuer, supplemental

indenture and other customary agreements (if any) comply with the 2024 Senior Secured Indenture and an opinion of counsel to the effect that such supplemental indenture and other customary agreements (if any) have been duly authorized, executed and delivered and are the legal, valid and binding agreements enforceable against the successor to the Issuer (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 officers' certificate as to any matters of fact.

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 circumstance there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

This "Merger, Consolidation or Sale of Assets" covenant will not apply to:

- (1) a merger of the Issuer with an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction or changing the legal form of the Issuer; or
- (2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

#### *The Guarantors*

A Guarantor may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Issuer or another Guarantor, unless:

- (1) immediately after giving effect to that transaction or series of related transactions, no Default or Event of Default exists; and
- (2) (i) either (x) such Guarantor is the surviving entity or (y) the Person formed by or surviving any such consolidation or merger or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made is either the Issuer or a Restricted Subsidiary of the Issuer that assumes all the obligations of such Guarantor under the 2024 Senior Secured Indenture by supplemental indenture executed and delivered to the Trustee and under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable, by customary agreements; or (ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by and conducted in compliance with the provisions of the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales," *provided* that the Note Guarantee will be permitted to be released pursuant to clause (2) of the fifth paragraph of the covenant described under the caption "Additional Note Guarantees" in connection with such a transaction; and
- (3) the Issuer shall have delivered to the Trustee an officer's certificate and an opinion of counsel, each stating that such merger or consolidation and such supplemental indenture and each such amendment comply with this covenant.

The paragraph above will not apply to:

- (1) a merger of the Guarantor with an Affiliate solely for the purpose of reincorporating the Guarantor in another jurisdiction; or
- (2) the merger, consolidation with, liquidation into or transfer of all or substantially all of the properties and assets of any Guarantor to the Issuer or another Guarantor.

#### *Transactions with Affiliates*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend, in any material respect, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "Affiliate Transaction"), involving aggregate consideration in any single Affiliate Transaction or series of related Affiliate Transactions in excess of €2.0 million unless:

- (1) the Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction on an arms-length basis by the Issuer or such Restricted Subsidiary with an unrelated Person;

- (2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €15.0 million, the Issuer delivers to the Trustee a resolution of the Board of Directors of the Issuer set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant;
- (3) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million, the Issuer delivers to the Trustee a resolution of a majority of the Disinterested Members (or, if there is only one Disinterested Member, such Disinterested Member) set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant; and
- (4) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million in which there is no such Disinterested Member, a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view taking into account all relevant circumstances or (ii) on terms not materially less favorable, taken as a whole, than 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.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any employment agreement, collective bargaining agreement, employee benefit plan, officer or director indemnification agreement, including any stock option, stock appreciation rights, stock incentive or similar plans, or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments or other transactions pursuant thereto;
- (2) transactions (including a merger) between or among the Issuer and/or any of its Restricted Subsidiaries;
- (3) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- (4) payment of reasonable fees to and reimbursements of expenses and indemnity provided on behalf of officers, directors, employees or consultants;
- (5) any transaction between or among the Issuer and/or its Restricted Subsidiaries and any joint venture (a) pursuant to the terms of the respective joint venture agreement, (b) in the ordinary course of business or (c) which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the Restricted Subsidiary, as applicable, or are on terms no less favorable (taking into account the costs and benefits of associated with such transactions) than those that could reasonably have been obtained at such time from an unaffiliated Person;
- (6) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer or to any director, officer, employee or consultant of the Issuer or receipt of cash capital contributions from Affiliates of the Issuer in exchange for Equity Interests of the Issuer (other than Disqualified Stock) and the incurrence of Shareholder Subordinated Debt;
- (7) Restricted Payments that do not violate the provisions of the 2024 Senior Secured Indenture described above under the caption "—Restricted Payments" and Permitted Investments (other than Permitted Investments described in clauses (3), (13), (15) or (16) of the definition thereof);
- (8) transactions with customers, clients, lenders, suppliers or purchasers or sellers or other providers of goods or services or providers of employees or other labor, or lessors or lessees of property, in each case in the ordinary course of business and otherwise in compliance with the terms of the 2024 Senior Secured Indenture that are fair to the Issuer or the Restricted Subsidiaries, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person in each case, as determined by a responsible accounting or financial officer of the Issuer or the senior management thereof;
- (9) Management Advances;

- (10) (a) pledges of Equity Interests or Indebtedness of Unrestricted Subsidiaries and joint ventures for the benefit of lenders thereto; (b) guarantees of performance by the Issuer and its Restricted Subsidiaries of the Issuer's Unrestricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible accounting officer of the Issuer), except for guarantees of Indebtedness in respect of borrowed money, and (c) to the extent constituting Affiliate Transactions, transactions with charities and charitable foundations or with or that form part of community or social or environmental projects or initiatives;
- (11) if such Affiliate Transaction, following an Initial Public Offering, is with a Person in its capacity as a holder of Capital Stock of the Issuer or any Restricted Subsidiary where such Person is treated no more favorably than the holders of Capital Stock of the Issuer or any Restricted Subsidiary;
- (12) transactions effected pursuant to or contemplated by agreements or arrangements in effect or entered into on the date of the 2024 Senior Secured Indenture and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the 2024 Senior Secured Notes, taken as a whole, than the original agreements or arrangements as in effect on or entered into on the date of the 2024 Senior Secured Indenture) (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (13) transactions effected pursuant to or contemplated by agreements or arrangements between any Person and an Affiliate of such Person existing at the time such Person is acquired by, merged into or amalgamated, arranged or consolidated with the Issuer or any of its Restricted Subsidiaries; *provided* that such agreements or arrangements were not entered into in contemplation of such acquisition, merger, amalgamation, arrangement or consolidation, and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the 2024 Senior Secured Notes, taken as a whole, than the original agreements or arrangements as in effect on the date of such acquisition, merger, amalgamation, arrangement or consolidation) (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (14) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Issuer and the Restricted Subsidiaries and the unwinding of any Hedging Obligations;
- (15) execution, delivery and performance of any consolidated group arrangements for tax or accounting purposes, *provided* that any payments to be made pursuant to such arrangements are made in compliance with the covenant as set forth in "—Restricted Payments;" and
- (16) any transaction effected as part of a Permitted Receivables Transaction.

### ***Impairment of Security Interest***

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing any Security Interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair Security Interests with respect to the Collateral) for the benefit of the Security Agent on behalf of the Trustee and the Holders of 2024 Senior Secured Notes and the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent on behalf of the Trustee and the Holders of 2024 Senior Secured Notes and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Collateral; *provided* that:

- (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the 2024 Senior Secured Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, and
- (b) the Issuer and its Restricted Subsidiaries may incur Permitted Collateral Liens,

*provided further*, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Issuer delivers to the Trustee and the Security Agent one of the following:

- (1) a solvency opinion from an internationally recognized investment bank or accounting firm confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related

to such amendment, extension, restatement, renewal, supplement, modification, replacement or release and retaking;

- (2) a certificate from the board of directors of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release and retaking; or
- (3) an opinion of counsel (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the 2024 Senior Secured Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the written direction of the Issuer and without the consent of the Holders of 2024 Senior Secured Notes (subject to compliance with the first paragraph of this covenant), the Security Agent may from time to time enter into one or more amendments to the Security Documents or enter into additional or supplemental Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Permitted Collateral Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the Holders of 2024 Senior Secured Notes in any material respect. In the event that the Issuer complies with this covenant, the Trustee and/or the Security Agent, as applicable, shall (subject to customary protections and indemnifications) take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Holders.

#### ***Further Assurances***

The Issuer will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting any Security Interests intended to be afforded or created by such Security Documents; and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. The Issuer will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

#### ***Business Activities***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

#### ***Designation of Restricted and Unrestricted Subsidiaries***

The Board of Directors of the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption “—Restricted Payments” or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Restricted Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a 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 preceding conditions and was permitted by the covenant described above under the caption “—Restricted Payments.” If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the 2024 Senior Secured Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” the Issuer will be in default of such covenant. The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption “—Incurrence of

Indebtedness and Issuance of Preferred Stock,” calculated on a *pro forma* basis taking into account such designation as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

### **Listing of the 2024 Senior Secured Notes**

The Issuer will use its commercially reasonable efforts to list and maintain the listing of the 2024 Senior Secured Notes on the Luxembourg Stock Exchange and to admit the 2024 Senior Secured Notes to trading on the Euro MTF market of the Luxembourg Stock Exchange provided, however, that if the Issuer is unable to list the 2024 Senior Secured Notes on the Luxembourg Stock Exchange or if maintenance of such listing becomes unduly onerous, it will use its commercially reasonable efforts to maintain a listing of such 2024 Senior Secured Notes on another “recognized stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

### **Reports**

So long as any 2024 Senior Secured Notes are outstanding, the Issuer will furnish to the Trustee and make available to the Holders of 2024 Senior Secured Notes and potential investors:

- (1) commencing with the fiscal year ending December 31, 2017, within 120 days after each fiscal year of the Issuer: (a) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital sources and a discussion of material commitments and contingencies and critical accounting policies, (b) a description of the business, management and shareholders of the Issuer, all material affiliate transactions, indebtedness and material financing arrangements and a description of all material contractual arrangements, (c) material risk factors and material recent developments; (d) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (2) or (3) below or is available only at unreasonable expense; and (e) audited consolidated statements of income and statements of cash flow of the Issuer (or any predecessor company of the Issuer) as of and for the most recent three fiscal years and balance sheets as of the two most recent fiscal years, including appropriate footnotes to such financial statements, for and as of the end of such fiscal year, and the report of the independent auditors on such financial statements;
- (2) commencing with the fiscal quarter ending March 31, 2017, within 60 days following the end of the first and third fiscal quarters in each fiscal year of the Issuer and within 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, information including: (a) an unaudited condensed consolidated balance sheet as of 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 year periods, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (1) or (3) of this covenant or is available only at unreasonable expense; (c) an operating and financial review of the unaudited financial statements, including a discussion of material commitments and contingencies; (d) material recent developments and (e) a presentation of EBITDA; and
- (3) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management changes, change in auditors, the entering into of an agreement that will result in a Change of Control or any other material event that the Issuer or any Restricted Subsidiary announces publicly, in each case, a report containing a description of such event.

If the Issuer has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the discussion 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.

The Issuer will also make available copies of all reports required by clauses (1) through (3) above on the Issuer’s website (and maintain for a period of at least three years after posting) and (ii) at the offices of the listing agent in Luxembourg.

In addition, so long as any 2024 Senior Secured Notes are “restricted securities” (as defined in Rule 144 under the U.S. Securities Act) during any period during which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will, upon their request, furnish to the holders and to

securities analysts and prospective purchasers of the 2024 Senior Secured Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

Furthermore, within 20 Business Days subsequent to the date of the publication of the reports described in (1) and (2) above, the Issuer shall hold a conference call for current and prospective Holders of the 2024 Senior Secured Notes in which at least one member of the senior management of the Issuer shall participate. Notice of such conference calls shall be deemed a report required by clause (3) above and will state the date, time and dial-in number and shall be published at least one Business Day in advance of such conference call.

All reports made pursuant to this covenant shall be made in, or translated to, the English language.

## Events of Default and Remedies

Each of the following is an “Event of Default”:

- (1) default for 30 days in the payment when due of interest on, or Additional Amounts, if any, with respect to, the 2024 Senior Secured Notes;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the 2024 Senior Secured Notes;
- (3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets;”
- (4) failure by the Issuer or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the Trustee or Holders of at least 25% in aggregate principal amount of the 2024 Senior Secured Notes then outstanding voting as a single class to comply with any of the other agreements in the 2024 Senior Secured Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of such default (but excluding Indebtedness owed to the Issuer or a Restricted Subsidiary), if that default:
  - (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such Indebtedness (a “*Payment Default*”); or
  - (b) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, either (i) the principal amount of any such Indebtedness that is due and has not been paid or which has been accelerated, 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 €20.0 million or more or (ii) to the extent such Indebtedness is incurred pursuant to clause (1) of the second paragraph of the covenant captioned “—Incurrence of Indebtedness and Issuance of Preferred Stock” and is designated as a Senior Lender Liability under the Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement, the requisite majority of holders of such Indebtedness has instructed the Security Agent to commence enforcement of their separate security;

- (6) failure by the Issuer or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of €20.0 million (net of any amounts which are covered by insurance or bonded), which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;
- (7) certain events of bankruptcy or insolvency described in the 2024 Senior Secured Indenture with respect to the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary;
- (8) any Note Guarantee, if any, is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the 2024 Senior Secured Indenture and any such Note Guarantee; or
- (9) (i) any security interest created by any Security Document shall, at any time, cease to be in full force and effect (except as permitted by the terms of the 2024 Senior Secured Indenture, the Intercreditor Agreement,



any Additional Intercreditor Agreement or the Security Documents) with respect to Collateral having a Fair Market Value in excess of €5.0 million for any reason other than the satisfaction in full of all obligations under the 2024 Senior Secured Indenture or the release of any such security interest in accordance with the terms of the 2024 Senior Secured Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents, or an assertion by the Issuer or any of its Restricted Subsidiaries that any Collateral having a Fair Market Value in excess of €5.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the 2024 Senior Secured Indenture or Security Documents); (ii) the repudiation by the Issuer or any of its Restricted Subsidiaries of any of its material obligations under any Security Document.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding 2024 Senior Secured Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding 2024 Senior Secured Notes may declare all the 2024 Senior Secured Notes to be due and payable immediately.

Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes may direct the Trustee in its exercise of any trust or power. The Trustee may refuse to follow any direction that conflicts with law or the 2024 Senior Secured Indenture, or that may involve the Trustee in personal liability. Furthermore, the Trustee may withhold from Holders of the 2024 Senior Secured Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium or Additional Amounts, if any.

Subject to the provisions of the 2024 Senior Secured Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the 2024 Senior Secured Indenture at the request or direction of any Holders of 2024 Senior Secured Notes unless such Holders have offered to the Trustee indemnity and/or security, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel). Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder of a Senior Secured Note may pursue any remedy with respect to the 2024 Senior Secured Indenture or the 2024 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 aggregate principal amount of the then outstanding 2024 Senior Secured Notes have requested the Trustee to pursue the remedy;
- (3) such Holders have offered the Trustee security, and/or indemnity, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel);
- (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) Holders of a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The Holders of a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes by written notice to the Trustee may, on behalf of the Holders of all of the 2024 Senior Secured Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the 2024 Senior Secured Indenture except a continuing Default or Event of Default in the payment of interest or premium or Additional Amounts, if any, on, or the principal of, the 2024 Senior Secured Notes (including in connection with an offer to purchase). Upon any such rescission or waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the 2024 Senior Secured Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the 2024 Senior Secured Indenture. Within 20 business days after becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

#### **No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Issuer, as such, will have any liability for any obligations of the Issuer under the 2024 Senior Secured Notes, the 2024 Senior Secured Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of 2024 Senior Secured Notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the 2024 Senior Secured Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

## Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers' certificate, elect to have all of its obligations discharged with respect to the outstanding 2024 Senior Secured Notes ("Legal Defeasance") except for:

- (1) the rights of Holders of outstanding 2024 Senior Secured Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such 2024 Senior Secured Notes when such payments are due from the trust referred to below;
- (2) the Issuer's obligations with respect to the 2024 Senior Secured Notes concerning issuing temporary 2024 Senior Secured Notes, registration of 2024 Senior Secured Notes, mutilated, destroyed, lost or stolen 2024 Senior Secured Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties, indemnifications, fees and immunities of the Trustee, and the Issuer's obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the 2024 Senior Secured Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers and the cross-acceleration provision and judgment default provisions described under "—Events of Default and Remedies")) that are described in the 2024 Senior Secured Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the 2024 Senior Secured Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the 2024 Senior Secured Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose), for the benefit of the Holders of the 2024 Senior Secured Notes, cash in euro and euro-denominated, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium and Additional Amounts, if any, on, the outstanding 2024 Senior Secured Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the 2024 Senior Secured Notes are being defeased to such stated date for payment or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee: (i) an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the date of the 2024 Senior Secured Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding 2024 Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and (ii) an opinion of counsel in the jurisdiction of incorporation of the Issuer to the effect that the Holders will not recognize income, gain or loss for the income tax purposes of such jurisdiction as a result of such deposit and defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee: (i) an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that the Holders of the outstanding 2024 Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and (ii) an opinion of counsel in the jurisdiction of incorporation of the Issuer to the effect that the Holders will not recognize income, gain or loss for income tax purposes of such jurisdiction as a result of such deposit and defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the

deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound;

- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the 2024 Senior Secured Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
- (6) the Issuer must deliver to the Trustee an officers' certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of 2024 Senior Secured Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and
- (7) the Issuer must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

### **Amendment, Supplement and Waiver**

Except as provided in the next two succeeding paragraphs and without limiting the Issuer's ability to effect modifications or amendments that are expressly permitted under "Certain Covenants—Impairment of Security Interest" or "Security—Additional Intercreditor Agreements," the 2024 Senior Secured Indenture or the 2024 Senior Secured Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the 2024 Senior Secured Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, 2024 Senior Secured Notes), and, subject to certain exemptions, any existing Default or Event of Default or compliance with any provision of the 2024 Senior Secured Indenture or the 2024 Senior Secured Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, 2024 Senior Secured Notes).

Without the consent of Holders holding at least 90% of the then outstanding principal amount of 2024 Senior Secured Notes affected thereby, an amendment, supplement or waiver may not (with respect to any 2024 Senior Secured Notes held by a non-consenting Holder):

- (1) reduce the principal amount of 2024 Senior Secured Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption of the 2024 Senior Secured Notes (other than provisions described above under the caption "—Repurchase at the Option of Holders");
- (3) reduce the rate of or change the time for payment of interest, including default interest, on any note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Amounts, if any, on, the 2024 Senior Secured Notes (except a rescission of acceleration of the 2024 Senior Secured Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any Senior Secured Note payable in money other than that stated in the 2024 Senior Secured Notes;
- (6) make any change in the provisions of the 2024 Senior Secured Indenture relating to waivers of past Defaults or the rights of Holders of 2024 Senior Secured Notes to receive payments of principal of, or interest or premium or Additional Amounts, if any, on, the 2024 Senior Secured Notes;
- (7) waive a redemption payment with respect to any note (other than a payment required by the provisions described above under the caption "—Repurchase at the Option of Holders" and "Asset Sales");
- (8) release Collateral from any Lien created in favor of the Security Agent pursuant to the Security Documents except as otherwise permitted by the terms of the 2024 Senior Secured Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (9) release any Guarantor from its Note Guarantee created pursuant to the 2024 Senior Secured Indenture or any supplemental indenture thereto except as otherwise permitted by the terms of the 2024 Senior Secured Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- (10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of 2024 Senior Secured Notes, the Issuer and the Trustee may amend or supplement the 2024 Senior Secured Indenture or the 2024 Senior Secured Notes:

- (1) to cure any ambiguity, mistake, omission, defect or inconsistency;
- (2) to provide for uncertificated 2024 Senior Secured Notes in addition to or in place of certificated 2024 Senior Secured Notes;
- (3) to provide for the assumption of by successor Person of the obligations of the Issuer under any of the documents referenced above in the case of a merger or consolidation or sale of all or substantially all of the Issuer's assets;
- (4) to make any change that would provide any additional rights or benefits to the Holders of 2024 Senior Secured Notes or that does not adversely affect the legal rights under the 2024 Senior Secured Indenture of any such Holder in any material respect;
- (5) to conform the text of the 2024 Senior Secured Indenture or the 2024 Senior Secured Notes to any provision of this Description of 2024 Senior Secured Notes to the extent that such provision in this Description of the 2024 Senior Secured Notes was intended to be a verbatim recitation of a provision of the 2024 Senior Secured Indenture or the 2024 Senior Secured Notes;
- (6) to provide for the issuance of additional notes in accordance with the limitations set forth in the 2024 Senior Secured Indenture as of the date of the 2024 Senior Secured Indenture;
- (7) to allow any Guarantor to execute a supplemental 2024 Senior Secured Indenture and/or a Guarantee with respect to the 2024 Senior Secured Notes;
- (8) to evidence and provide the acceptance of the appointment of a successor Trustee under the 2024 Senior Secured Indenture; or
- (9) to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders of the 2024 Senior Secured Notes as security for the payment and performance of the Issuer's or any Guarantor's obligations under the 2024 Senior Secured Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent pursuant to the 2024 Senior Secured Indenture or otherwise (any such additional security shall be deemed to be Collateral for all purposes under the 2024 Senior Secured Indenture).

The consent of the Holders of 2024 Senior Secured Notes is not necessary under the 2024 Senior Secured Indenture to approve the particular form of any proposed amendment, waiver or consent; it is sufficient if such consent approves the substance of the proposed amendment, waiver or consent.

The Trustee shall be entitled to rely on such evidence as it deems appropriate, including officers' certificates and opinions of counsel.

The Intercreditor Agreement may be amended pursuant to its terms, as described in this Description of 2024 Senior Secured Notes under the caption "Additional Intercreditor Agreements" or in "Description of Certain Indebtedness—Intercreditor Agreement."

### **Acts by Holders**

In determining whether the Holders of the required principal amount of the 2024 Senior Secured Notes have concurred in any direction, waiver or consent, the 2024 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.

### **Satisfaction and Discharge**

The 2024 Senior Secured Indenture will be discharged and will cease to be of further effect as to all 2024 Senior Secured Notes issued thereunder, when:

- (1) either:
  - (a) all 2024 Senior Secured Notes that have been authenticated, except lost, stolen or destroyed 2024 Senior Secured Notes that have been replaced or paid and 2024 Senior Secured Notes for whose payment money has been deposited and thereafter repaid to the Issuer, have been delivered to the Paying Agent for cancellation; or

- (b) all 2024 Senior Secured Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) for the benefit of the Holders, cash in euro, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the 2024 Senior Secured Notes not delivered to the Paying Agent for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;
- (2) the Issuer has paid or caused to be paid all sums payable by it under the 2024 Senior Secured Indenture; and
- (3) the Issuer has delivered irrevocable instructions to the Trustee and Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) under the 2024 Senior Secured Indenture to apply the deposited money toward the payment of the 2024 Senior Secured Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any officers' certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

### **Judgment Currency**

The sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the 2024 Senior Secured Indenture is the euro. Any payment on account of an amount that is payable in euros (the "*Required Currency*") which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer, shall constitute a discharge of the Issuer's obligation under the 2024 Senior Secured Indenture or the 2024 Senior Secured Notes, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, as the case may be, and the Issuer shall indemnify and hold harmless the Holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the 2024 Senior Secured Indenture, the 2024 Senior Secured Notes, and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

### **Prescription**

There is no express term in the 2024 Senior Secured Indenture as to any time limit on the validity of claims of the Holders to interest and repayment of principal, but any such claims will be subject to any statutory limitation period prescribed under the laws of the State of New York.

### **Notices**

All notices to the Holders (while any 2024 Senior Secured Notes are represented by one or more Global Notes) shall be delivered to Euroclear and Clearstream, as applicable, for communication to entitled account Holders or, alternatively, will be valid if disseminated through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency) or published in a leading English language daily newspaper published in the City of London or, if such publication is not reasonably practicable, in such other English language daily newspaper with general circulation in Europe. It is expected that any such publication will normally be made in the *Financial Times*. So long as the 2024 Senior Secured Notes are listed on the Luxembourg Stock Exchange and its rules so require, all notices to Holders will also be published in a newspaper having a general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, or on the official website of the Luxembourg Stock Exchange. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to Holders by first-class mail at their respective addresses as they appear on the records of the Registrar.

Notices given by publication, including without limitation through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency), will be deemed given on the first date on which publication is made. Notices

delivered to Euroclear and Clearstream will be deemed given on the date when delivered. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

So long as any 2024 Senior Secured Notes are admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, the Issuer will provide a copy of all notices to the Luxembourg Stock Exchange.

### **Concerning the Trustee**

Wilmington Trust, National Association is to be appointed as Trustee under the 2024 Senior Secured Indenture.

The Holders of a majority in aggregate principal amount of the then outstanding 2024 Senior Secured Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The 2024 Senior Secured Indenture will provide that in case an Event of Default occurs, of which a responsible officer of the Trustee has received written notice, and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the 2024 Senior Secured Indenture will not be construed as an obligation or duty. The Trustee will be under no obligation to exercise any of its rights or powers under the 2024 Senior Secured Indenture at the request of any Holder of 2024 Senior Secured Notes, unless such Holder has offered to the Trustee security and/or indemnity, including by way of pre-funding, satisfactory to it against any loss, liability or expense (which includes the cost of the Trustee's legal counsel).

The 2024 Senior Secured 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 2024 Senior Secured Notes, or may resign at any time by giving 30 days' 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 of 2024 Senior Secured Notes who has been a *bona fide* Holder of 2024 Senior Secured Notes 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 2024 Senior Secured Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and 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 2024 Senior Secured Indenture.

### **Consent to Jurisdiction and Service of Process**

The Issuer will irrevocably submit to the jurisdiction of any New York state or U.S. federal court located in The Borough of Manhattan, City of New York, State of New York in relation to any legal action or proceeding (i) arising out of, related to or in connection with the 2024 Senior Secured Indenture, the 2024 Senior Secured Notes and any related documents and (ii) arising under any U.S. federal or U.S. state securities laws. The Issuer will appoint CT Corporation as its agent for service of process in any such action or proceeding.

### **Additional Information**

Anyone who receives this offering memorandum may obtain a copy of the 2024 Senior Secured Indenture without charge by writing to the Issuer, 89, avenue de la Grande Armée, 75219 Paris Cedex 16, France, Attention: Director of Finance and Administration.

So long as any 2024 Senior Secured Notes are admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, copies of the Issuer's annual audited consolidated and unconsolidated financial statements, the Issuer's unaudited consolidated interim quarterly financial statements, the 2024 Senior Secured Indenture (including the form of 2024 Senior Secured Notes), the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents, the articles of incorporation of the Issuer, the offering memorandum and any documents furnished to the Trustee under the covenant described under the heading "—Certain Covenants—Reports" may be obtained, free of charge, during normal business hours at the offices of the listing agent in Luxembourg.

### **Governing Law**

The 2024 Senior Secured Indenture and the 2024 Senior Secured Notes will be governed by and construed in accordance with the laws of the State of New York.

## Certain Definitions

Set forth below are certain defined terms used in the 2024 Senior Secured Indenture. Reference is made to the 2024 Senior Secured Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“2014 Notes” means, collectively, the 2014 Senior Secured Notes and the 2014 Senior Subordinated Notes.

“2014 Senior Secured Notes” means the €410 million Senior Secured Notes due 2021 issued on July 23, 2014.

“2014 Senior Subordinated Notes” means the €250 million Senior Subordinated Notes due 2022 issued on July 23, 2014.

“2016 Senior Secured Notes” means the €250 million Senior Secured Notes due 2023 issued on May 3, 2016.

“2022 Senior Secured Notes” means the €300 million Senior Secured Notes due 2022 issued on April 4, 2017.

“2024 Senior Secured Notes” means the €300 million Senior Secured Notes due 2024 issued on April 4, 2017.

“Acquired Debt” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Applicable Premium” means, with respect to any note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of the note; or
- (2) the excess of:
  - (a) the present value at such redemption date of (i) the redemption price of the note at April 15, 2020 (such redemption price being set forth in the table appearing above under the caption “—Optional Redemption”) plus (ii) all required interest payments due on the note through April 15, 2020 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over
  - (b) the outstanding principal amount of the note, if greater,

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 the Applicable Premium shall not be a duty or obligation of the Trustee or Paying Agent.

“Asset Sale” means:

- (1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the 2024 Senior Secured Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control Triggering Event” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions of the Asset Sale covenant; and
- (2) the issuance or sale of Equity Interests in any of the Issuer’s Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets or rights having a Fair Market Value of less than the greater of: (a) €20.0 million; and (b) 0.5% of Consolidated Total Assets of the Issuer;
- (2) a transfer of assets, rights or Equity Interests, between or among the Issuer and its Restricted Subsidiaries;

- (3) an issuance of Equity Interests by a Restricted Subsidiary of the Issuer to the Issuer or to a Restricted Subsidiary of the Issuer;
- (4) the sale or lease of equipment, products or accounts receivable (including discounting thereof) in the ordinary course of business and any sale or other disposition of obsolete or permanently retired equipment and facilities and equipment and facilities that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;
- (5) the sale or other disposition of cash, Cash Equivalents or Government Guaranteed Securities;
- (6) a Restricted Payment that does not violate the covenant described above under the caption “—Certain Covenants—Restricted Payments,” a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;
- (7) licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business;
- (8) the unwinding of Hedging Obligations;
- (9) the disposition 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;
- (10) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business (including Capital Stock of an entity that either is and remains or becomes a Restricted Subsidiary immediately after giving effect to such exchange) of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;
- (11) the sale, lease, assignment, exchange or other transfer of inventory, products, services, raw materials, receivables or other assets in the ordinary course of business;
- (12) any sale or other disposition of damaged, worn-out, obsolete or excess assets or properties or other assets that are no longer used or useful in or necessary for the proper conduct of the business of the Issuer and its Restricted Subsidiaries;
- (13) any sale of assets received by the Issuer or any of its Restricted Subsidiaries upon the foreclosure on a Lien;
- (14) the foreclosure, condemnation or any similar action with respect to any property or other assets, or the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;
- (15) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (16) dispositions to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding agreements;
- (17) the granting of Liens not otherwise prohibited by the 2024 Senior Secured Indenture; and
- (18) any disposition of Receivables Assets in a Permitted Receivables Transaction.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficial Ownership,” “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof;



- (4) with respect to the Issuer, for so long as it has no board of directors, the Issuer's president in relation to actions to be taken under "—Designation of Restricted and Unrestricted Subsidiaries," "—Legal Defeasance and Covenant Defeasance" and all other determinations and valuations to be made under the 2024 Senior Secured Indenture, among others; *provided, however*, that for the purposes of clause (3) and (4) of the first paragraph of "—Certain Covenants—Transactions with Affiliates" and the definition of "Disinterested Members" "Board of Directors" shall mean the Issuer's Strategic Committee; and
- (5) with respect to any other Person, the board or committee of such Person serving a similar function.

"Bund Rate" means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (a) "Comparable German Bund Issue" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to April 15, 2020 and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the 2024 Senior Secured Notes and of a maturity most nearly equal to April 15, 2020, *provided, however*, that, if the period from such redemption date to April 15, 2020 is less than one year, a fixed maturity of one year shall be used;
- (b) "Comparable German Bund Price" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (c) "Reference German Bund Dealer" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and
- (d) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, German time on the third Business Day preceding the relevant date.

"Business Day" means any day on which commercial banking institutions are open for business and carrying out transactions in euro in France and in the country in which the Paying Agent has its specified office or in which 2024 Senior Secured Notes may be presented for payment in accordance with the terms of the agency agreement and is a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System ("TARGET") is operating.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS in effect as of the Issue Date, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity that is not a corporation, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Cash Equivalents" means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a European Union Member State, Switzerland or the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant European Union Member State, Switzerland

or the United States of America, as the case may be, and which are not callable or redeemable at the Issuer's option; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company *provided* that (A)(i) such bank or trust company is organized under, or authorized to operate as a bank or trust company under, the laws of a European Union Member State, Switzerland or the United States of America or any state thereof and has capital, surplus and undivided profits aggregating in excess of €250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose rating is "P-2" or higher by Moody's or "A-2" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment and (ii) such country under which such bank or trust company is organized or authorized to operate has a long-term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment; or (B) such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250.0 million (on the foreign currency equivalent thereof as of the date of such investment) and whose rating is "P-1" or higher by Moody's or "A-1" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;
- (3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;
- (4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;
- (5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition; and
- (6) investments made for non-speculative cash management purposes in the ordinary course of business not exceeding €28.0 million at any one time outstanding.

"Change of Control" means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the Exchange Act) other than a Principal or a Related Party of a Principal;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any "person" (as defined above), other than the Principals and their Related Parties becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer, measured by voting power rather than number of shares; *provided* that so long as the Issuer is a Subsidiary of a parent Person, no "person" shall be deemed to be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such "person" shall be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of such parent Person.

"Change of Control Offer" has the meaning assigned to that term in the 2024 Senior Secured Indenture governing the 2024 Senior Secured Notes.

"Change of Control Rating Decline" means the occurrence at any time during the period commencing on the date of the first public notice of the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control and ending on the date that is 90 days following the occurrence of such event (which period shall be extended so long as during such period the rating of the 2024 Senior Secured Notes is under publicly announced consideration by S&P) of any of the following events:

- (1) S&P shall issue, confirm or maintain a corporate rating of the Issuer which rating is below B+; or
- (2) S&P shall withdraw or will have previously withdrawn its corporate rating of the Issuer.

If S&P does not announce an action with regard to its rating of the 2024 Senior Secured Notes as soon as reasonably practicable after the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control, the Issuer shall request S&P to confirm its rating of the 2024 Senior Secured Notes before the end of such 90-day period.

“Change of Control Triggering Event” means the occurrence of both (a) a Change of Control and (b) a Change of Control Rating Decline.

“Consolidated Cash Flow” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

- (1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*
- (2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*
- (3) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*
- (5) acquisition costs and any fees, expenses, charges or other costs related to equity or debt financings, investments, restructurings, dispositions or acquisitions, establishing a joint venture, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” (or the refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to an incurrence of Indebtedness and (ii) any amendment or other modification of any incurrence; *minus*
- (6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business and other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

“Consolidated Leverage” means, with respect to any Person, the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries (excluding Subordinated Shareholder Debt), the aggregate outstanding amount of Disqualified Stock issued by the Issuer and the aggregate liquidation preference of any preferred equity issued by a Restricted Subsidiary, less cash and Cash Equivalents, in each case, as of the relevant date of calculation.

“Consolidated Leverage Ratio” means, as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock 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 and may include anticipated expense and cost reduction synergies) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance 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.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are 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 Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

- (2) the Consolidated Cash Flow 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;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) 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.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; *provided that*:

- (1) any gain (loss), together with any related provision for taxes on such gain (loss) realized in connection with: (a) any Asset Sale by any such Person or its Restricted Subsidiaries or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or (c) the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries will be excluded;
- (2) any extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, together with any related provision for taxes on such extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, will be excluded;
- (3) the net income (loss) of any Person that is not a Restricted Subsidiary (including an Unrestricted Subsidiary or a joint venture that is not a Restricted Subsidiary) or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;
- (4) solely for purposes of determining the amount available for Restricted Payments under clause 3(a) following the definition of Restricted Payments, the net income (loss) of any Restricted Subsidiary that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders (other than (a) restrictions with respect to the payment of dividends or similar distributions that have been legally waived or released or (b) restrictions listed under clauses (1) through (4), (12), (15) and (16) of the second paragraph of “—Dividend and Other Payment Restrictions Affecting Subsidiaries”);
- (5) the cumulative effect of a change in accounting principles will be excluded; and
- (6) any increase in amortization or depreciation resulting from purchase accounting in relation to any acquisition of another Person or business will be excluded.

“Consolidated Senior Secured Leverage Ratio” means, as of any date of determination, the ratio of (a) the Senior Secured Debt of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred; *provided, however*, that, for the purposes of clause (b) of the first paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and clause (14)(y)(i) and (14)(y)(ii) of the second paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” the calculation of the Consolidated Senior Secured Leverage Ratio shall be made assuming that the maximum amount of Indebtedness permitted to be incurred under clause (1) of the second paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” has been incurred and is outstanding in the form of Senior Secured Debt. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Senior Secured Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Secured Leverage Ratio is made (the “Calculation Date”), then the Consolidated Senior Secured Leverage Ratio will be calculated giving *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) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance 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 the Consolidated Senior Secured Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the

definition of Permitted Debt, the incurrence of which itself requires the calculation of the Consolidated Senior Secured Leverage Ratio); or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness incurred at the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are 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 Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) 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.

“Consolidated Total Assets” means, with respect to any specified Person at any time, the total assets of such Person and its Subsidiaries which are Restricted Subsidiaries, in each case as shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with IFRS.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security thereof;
- (2) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such obligation against loss in respect thereof.

“Credit Facilities” means any credit agreement, indentures or other agreements (including, without limitation, the Revolving Credit Facility Agreement, the 2022 Senior Secured Indenture and the 2024 Senior Secured Indenture) between the Issuer or one or more Restricted Subsidiaries and a financial institution or institutions providing for the making of loans, on a term or revolving basis, the issuance of letters of credit, commercial paper facilities, notes (including, without limitation, the 2022 Senior Secured Notes offered hereby, the 2024 Senior Secured Notes offered hereby and other debt securities), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or equipment financing facilities (including, without limitation, finance leases, asset-based lending, sale-and-leaseback transactions and similar arrangements), in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of a sale of debt securities) in whole or in part from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Designated Non-Cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or any Restricted Subsidiary in connection with an Asset Sale that is designated as such on the closing date of such Asset Sale pursuant to an officers’ certificate, setting forth the basis of such valuation. The aggregate Fair Market Value of the Designated Non-Cash Consideration at the time of receipt, taken together with the Fair Market Value (measured on the date of receipt) of all

other Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary since the date of the 2024 Senior Secured Indenture that is outstanding, may not exceed the greater of €35.0 million and 1.5% of Consolidated Total Assets in the aggregate.

“Disinterested Members” means, with respect to any transaction or series of related transactions, one or more members of the Board of Directors of the Issuer who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Issuer shall not be deemed to have such a financial interest by reason of such member’s holding Capital Stock of the Issuer or any Affiliate thereof, any Capital Stock or other debt or equity debt or equity securities of any entity formed for the purpose of investing in Capital Stock of the Issuer or any options, warrants or other rights in respect of any of the foregoing or being an officer, director, consultant or employee of any such entities.

“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, on or prior to the date that is 91 days after the date on which the 2024 Senior Secured Notes mature. 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 to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the 2024 Senior Secured Indenture will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private offering of the Capital Stock (other than Disqualified Stock) of the Issuer or a Parent of the Issuer, *provided* that (x) any such offering shall exclude Capital Stock issued to an Affiliate of the Issuer or pursuant to a stock option or employment compensation program and (y) in the case of any such offering by a Parent of the Issuer, the Net Proceeds thereof are contributed to the equity of the Issuer (other than through the issuance of Disqualified Stock) or loaned to the Issuer as Shareholder Subordinated Debt.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in the Financial Times in the “Currency Rates” section (or, if the Financial Times is no longer published, or if such information is no longer available in the Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination.

“European Union Member State” shall mean any country that was a member of the European Union as of January 1, 2004.

“Existing Indebtedness” means Indebtedness of the Issuer and its Restricted Subsidiaries (other than the 2016 Senior Secured Notes, the 2014 Senior Secured Notes and any Indebtedness outstanding under the Revolving Credit Facility as of the Issue Date) in existence on the date of the 2024 Senior Secured Indenture, after giving effect to the net proceeds of the issuance of the Notes, until such amounts are repaid (including, without limitation, the 2014 Senior Subordinated Notes).

“Existing Notes” means, collectively the 2014 Senior Secured Notes, the 2014 Senior Subordinated Notes and the 2016 Senior Secured Notes.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the chief executive officer, chief financial officer or responsible accounting or financial officer of the Issuer (unless otherwise provided in the 2024 Senior Secured Indenture). For the avoidance of doubt the Trustee shall have no obligation to determine the Fair Market Value.

“Fixed Charge Coverage Ratio” means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital or capital expenditure borrowings) or issues, repurchases or redeems 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 to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such

issuance, repurchase or redemption of 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 the Fixed Charge Coverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the definition of Permitted Debt, the incurrence of which itself requires the calculation of the Fixed Charge Coverage Ratio) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (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 (including any Unrestricted Subsidiary that has been redesignated as 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; and
- (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 Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition or other Investment and the amount of income or earnings relating thereto, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated expense and cost reductions, operating improvements and synergies). In addition, for purposes of this definition, in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date.

“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 and its Restricted Subsidiaries on their Indebtedness for such period, net of consolidated interest income, whether paid or accrued, including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates (excluding non-cash interest expense on Subordinated Shareholder Debt); *plus*
- (2) the consolidated interest expense of such Person and its Restricted Subsidiaries on their Indebtedness that was capitalized during such period; *plus*
- (3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

- (4) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests or Subordinated Shareholder Debt of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer; *plus*
- (5) 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 Restricted Subsidiary following the Calculation Date.

“Government Guaranteed Securities” means:

- (1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;
- (2) corresponding instruments by any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan and in each case with maturities not exceeding two years from the date of acquisition; and
- (3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold immaterial amounts of cash pending investment and/or distribution.

“Guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (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).

“Guarantor” means any Subsidiary of the Issuer that executes a Note Guarantee in accordance with the provisions of the 2024 Senior Secured Indenture, and its respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the 2024 Senior Secured Indenture.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates.

“Holder” means each Person in whose name the 2024 Senior Secured Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

“IFRS” means the International Financial Reporting Standards (formerly, International Accounting Standards) as endorsed from time to time by the European Union; provided that at any date after the Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election. The Issuer shall give notice of any such election to the Trustee. Notwithstanding the foregoing, the impact of IFRS 16 Leases and any successor standard thereto shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the 2024 Senior Secured Indenture and (without limitation) any lease, concession or license of property that would be considered an operating lease under IFRS as of the Issue Date and any guarantee given by the Issuer or any Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or any Restricted Subsidiary under any such operating lease shall be accounted for in accordance with IFRS as in the effect on the Issue Date.

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);



- (3) in respect of banker's acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" shall not include any:

- (A) Contingent Obligations incurred in the ordinary course of business;
- (B) 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 90 days thereafter;
- (C) any contingent 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;
- (D) Subordinated Shareholder Debt;
- (E) anything accounted for as an operating lease under IFRS in effect as of the Issue Date; or
- (F) any deposits or prepayments received by the Issuer or a Restricted Subsidiary for services or products to be provided or delivered.

No Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

"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 such 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 that certain intercreditor agreement dated July 23, 2014, as subsequently amended and restated on December 29, 2016 between the Issuer, Wilmington Trust, National Association, as Trustee, Wilmington Trust (London) Limited as security agent for the 2014 Senior Secured Notes, Natixis S.A. as senior agent and security agent for the lenders and the financial institutions listed therein as the lenders under the Revolving Credit Facility and as acceded to by the Trustee on or about April 4, 2017, as amended, restated or otherwise modified or varied from time to time.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to directors, officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary that were not sold or disposed of. Except as otherwise provided in the 2024 Senior Secured Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. 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; *provided*, that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant described under "—Certain Covenants—Restricted Payments" is so reduced by any portion of any such

amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant described under “—Certain Covenants—Restricted Payments.”

“IPO Market Capitalization” means an amount equal to (a) 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 (b) 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 April 4, 2017.

“Lavendon” means Lavendon Group PLC (including any successor entity re-registered as a private limited company).

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Management Advances” means, loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Restricted Subsidiary:

- (1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;
- (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)) in the ordinary course of business or consistent with past practice not to exceed €5.0 million in the aggregate at any one time outstanding.

“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 or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Proceeds” means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS.

“Non-Recourse Debt” means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender

“Note Guarantee” means the Guarantee by each Guarantor of the Issuer’s obligations under the 2024 Senior Secured Indenture and the 2024 Senior Secured Notes, executed pursuant to the provisions of the 2024 Senior Secured Indenture.

“Notes” means, collectively, the 2024 Senior Secured Notes, 2022 Senior Secured Notes and the Senior Subordinated Notes.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“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 the Principals or any Related Party for purposes of holding its investment in any Parent.

“Pari Passu Indebtedness” means any Indebtedness of the Issuer or any Guarantor (other than Indebtedness that is a Guarantee of the Indebtedness of another Person and other than Indebtedness owed to the Issuer or a Restricted Subsidiary or an Affiliate of the Issuer) that is secured by a Lien on the Collateral that is *pari passu* (or deemed under the Intercreditor Agreement to be *pari passu*) with the Lien on the Collateral securing the 2024 Senior Secured Notes and that is not subordinated in right of payment to the 2024 Senior Secured Notes or any Note Guarantee. For the avoidance of doubt, Pari Passu Indebtedness includes the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and the 2022 Senior Secured Notes.

“Permitted Business” means any business in which the Issuer and its Subsidiaries were engaged on the date of the 2024 Senior Secured Indenture, and any business incidental, reasonably related, complementary or ancillary thereto, or which is a reasonable extension thereof.

“Permitted Collateral Liens” means:

- (1) Liens on the Collateral to secure the 2014 Senior Secured Notes (or any guarantee thereof, as the case may be), the 2016 Senior Secured Notes (or any guarantee thereof, as the case may be) the 2024 Senior Secured Notes (and any Note Guarantees, as the case may be) and the 2022 Senior Secured Notes (or any guarantee thereof, as the case may be) (but, in each case, not any additional notes (or any Note Guarantee thereof, as the case may be)) and any Permitted Refinancing Indebtedness in respect thereof; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Permitted Refinancing Indebtedness also secure the 2014 Senior Secured Notes (or the note guarantee thereunder, as the case may be), the 2016 Senior Secured Notes (or the note guarantee thereunder, as the case may be), the 2022 Senior Secured Notes (or the note guarantee thereunder) the 2024 Senior Secured Notes and the Note Guarantees on a senior or *pari passu* basis;
- (2) Liens on the Collateral to secure:
  - (i) Indebtedness of the Issuer or a Guarantor that is permitted to be incurred by clause (1) of the definition of Permitted Debt; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secure the 2024 Senior Secured Notes and the Note Guarantees on a *pari passu* or senior basis;
  - (ii) Senior Secured Debt of the Issuer or a Guarantor that is permitted to be incurred by the first paragraph of the covenant “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” or Indebtedness of the Issuer or a Guarantor that is permitted to be incurred by clause (4) (other than in respect of Capital Lease Obligations), sub-clause (y) of clause (14), clause (17) or clause (19) of the definition of Permitted Debt and Permitted Refinancing Indebtedness in respect thereof; *provided* that each of the parties to such Indebtedness or Permitted Refinancing Indebtedness or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Senior Secured Debt or Permitted Refinancing Indebtedness also secure the 2024 Senior Secured Notes and the Note Guarantees on a senior or *pari passu* basis;
- (3) Liens on the Collateral to secure Hedging Obligations of the Issuer or a Guarantor permitted to be incurred by clause (8) of the definition of Permitted Debt to the extent relating to (i) the 2024 Senior Secured Notes, (ii) Indebtedness that is permitted to be secured on the Collateral pursuant to clause (2) above and is secured on the Collateral on the same first-priority basis as the 2014 Senior Secured Notes, 2016 Senior Secured Notes, 2022 Senior Secured Notes and that ranks *pari passu* in right of payment with the 2024 Senior Secured Notes or any Note Guarantee; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secure the 2024 Senior Secured Notes and any Note Guarantees on a *pari passu* or senior basis;
- (4) Liens on the Collateral to secure on a second-priority basis Subordinated Obligations of the Issuer or a Guarantor that are permitted to be incurred under the covenant “—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*” and that are permitted to be so secured by the Intercreditor Agreement or any Additional Intercreditor Agreement; *provided* that such Liens rank junior to the Permitted Collateral Liens securing the 2024 Senior Secured Notes and the Note Guarantees; *provided further* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (5) Liens on the Collateral that are described in one or more of clauses (5), (8), (9), (10), (14), (15), (16), (17), (18), (19) and (20) of the definition of “Permitted Liens.”

“Permitted Investments” means:

- (1) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;
- (2) any Investment in cash, Cash Equivalents or Government Guaranteed Securities;

- (3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:
  - (a) such Person becomes a Restricted Subsidiary of the Issuer; or
  - (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales;”
- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Issuer;
- (6) any Investments received: (i) in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes with Persons who are not Affiliates; or (ii) as a result of foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer or title with respect to any secured Investment in default;
- (7) lease, utility and workers’ compensation, performance and other similar deposits made in the ordinary course of business;
- (8) Investments represented by Hedging Obligations;
- (9) Management Advances;
- (10) repurchases of the 2024 Senior Secured Notes, including any Additional 2024 Senior Secured Notes issued pursuant to the 2024 Senior Secured Indenture, the 2022 Senior Secured Notes, the 2016 Senior Secured Notes and the 2014 Notes;
- (11) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (12) Investments acquired after the date of the 2024 Senior Secured Indenture as a result of the acquisition by the Issuer or any Restricted Subsidiary 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 “—Merger, Consolidation or Sale of Assets” 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;
- (13) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding not to exceed the greater of (i) 4.0% of Consolidated Total Assets of the Issuer or (ii) €110.0 million; *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 merged into or with the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause;
- (14) any Investment existing on, or made pursuant to written agreements existing on, the date of the 2024 Senior Secured Indenture and any Investment that replaces, refinances or refunds an existing Investment (or an Investment made pursuant to binding written commitments in existence on the date of the 2024 Senior Secured Indenture); *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the date of the 2024 Senior Secured Indenture or (b) as otherwise permitted under the 2024 Senior Secured Indenture;
- (15) Investments by the Issuer or a Restricted Subsidiary in an amount at any time outstanding not to exceed the greater of €170.0 million and 6.0% of Consolidated Total Assets of the Issuer in one or more joint ventures engaged in a Permitted Business; *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

merged with or into a Restricted Subsidiary of the Issuer or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause and *provided* that, to the extent any such Investment is in Equity Interests of such joint venture, the amount of the Investment deemed outstanding for the purposes of this clause (15) shall be equal to the proportionate share held by the Issuer or such Restricted Subsidiary, as the case may be, in the Fair Market Value of the net assets of such joint venture at the time of the Investment; and

- (16) guarantees of Indebtedness permitted to be incurred by the Issuer or its Restricted Subsidiaries by the covenant described under “—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock” and keepwells and similar arrangements not prohibited by the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”

*provided, however*, that with respect to any Investment, the Issuer may in its sole discretion, allocate all or any portion of any Investment to one or more of the above clauses (1) through (16) so that the entire Investment would be a Permitted Investment.

“Permitted Liens” means:

- (1) Liens on commercial receivables of the Issuer and its Restricted Subsidiaries securing the Revolving Credit Facility or other Indebtedness that is incurred pursuant to clause (1) of the second paragraph of the covenant captioned “—Incurrence of Indebtedness and Issuance of Preferred Stock” and is designated as a Senior Lender Liability under the Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement;
- (2) Liens in favor of the Issuer or any Restricted Subsidiary of the Issuer;
- (3) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Issuer or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary of the Issuer; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary of the Issuer or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or the Subsidiary (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);
- (4) Liens on property or assets (including Capital Stock) existing at the time of acquisition of the property or assets by the Issuer or any Subsidiary of the Issuer (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); *provided* that such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens or deposits to secure the performance of tenders, bids, statutory or regulatory obligations, surety, appeal, indemnity or performance bonds, letters of credit, banker’s acceptances, warranty, contractual, netting or set-off requirements or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);
- (6) Liens to secure Productive Asset Financings permitted by clause (4) of the second paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and Liens to secure Productive Asset Financings, to the extent limited to tangible fixed assets, otherwise permitted to be incurred pursuant to the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock”, in each case, covering only the assets acquired with or financed by such Productive Asset Financings;
- (7) Liens existing on the date of the 2024 Senior Secured Indenture or provided for under written arrangements existing on the date of the 2024 Senior Secured Indenture;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Restricted Subsidiaries; *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;
- (9) Liens imposed by law, such as carriers’, warehousemen’s, landlord’s, lessors’, suppliers’, banks’, repairmen’s and mechanics’ Liens and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, in each case, incurred in the ordinary course of business;

- (10) survey exceptions, easements or reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights) of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or title defects that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Issuer and its Subsidiaries) or materially impair their use in the operation of the business of the Issuer and its Subsidiaries;
- (11) Liens created for the benefit of (or to secure) the 2024 Senior Secured Notes and any Note Guarantee;
- (12) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the 2024 Senior Secured Indenture; *provided, however*, that:
  - (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and
  - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
- (14) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (15) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (16) leases, licenses, subleases and sublicenses of assets or property (including intellectual property) in the ordinary course of business;
- (17) Liens arising out of conditional sale, title retention, extended title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (19) 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;
- (20) 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;
- (21) Liens incurred in the ordinary course of business (other than for borrowing purposes) of the Issuer or any Restricted Subsidiary of the Issuer with respect to obligations that do not exceed the greater of €55.0 million and 2.0% of Consolidated Total Assets of the Issuer at any one time outstanding;
- (22) Liens on (i) escrowed proceeds for the benefit of related holders of debt securities or other Indebtedness (or the underwriter or arrangers thereof), (ii) 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 account or similar arrangement to be applied for such purpose, or (iii) on any guarantee or backstop commitment relating to any escrow shortfall;
- (23) Liens on assets or property of any direct or indirect Restricted Subsidiary of the Issuer that is not a Guarantor securing Indebtedness of any direct or indirect Restricted Subsidiary of the Issuer that is not a

Guarantor permitted by the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”

- (24) Liens on Receivables Assets incurred in connection with a Permitted Receivables Transaction; and
- (25) any amendment, modification, extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (24).

“Permitted Receivables Transaction” means any financing pursuant to which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person (including a Receivables Subsidiary) or grant a security interest in, any Receivables Assets in an aggregate principal amount equivalent to the Fair Market Value of all such Receivables Assets of the Issuer or any Restricted Subsidiary; *provided* that (a) any covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Issuer) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer’s chief financial officer) at the time such financing is entered into and (c) such financing shall be non-recourse to the Issuer or any Restricted Subsidiary except to a limited extent customary for such transactions.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness) (including any other Permitted Refinancing Indebtedness); *provided* that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, renewed, refunded, refinanced, replaced, defeased or discharged (which, for the avoidance of doubt, may include Indebtedness under one or more separate agreements or instruments that will be refinanced with a single agreement or instrument, as well as Indebtedness under a single agreement or instrument that will be refinanced with multiple separate agreements or instruments) (plus any accrued interest and any premium required to be paid on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness (a) has a final maturity date (i) later than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) after the final maturity date of the 2024 Senior Secured Notes and (b) has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or, alternatively, a final maturity date that is later than the final Stated Maturity of the 2024 Senior Secured Notes;
- (3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the 2024 Senior Secured Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the 2024 Senior Secured Notes on terms at least as favorable to the Holders of 2024 Senior Secured Notes as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and
- (4) such Indebtedness is incurred by the Issuer if the Issuer is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged.

Permitted Refinancing Indebtedness in respect of any Credit Facility may be incurred from time to time at or after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Principals” means Mr. Gérard Déprez and his estate, spouse, siblings, ancestors, heirs and lineal descendants, and spouses of any such Persons, the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are the principal beneficiaries or the grantors or any other Person that is controlled by any of the foregoing.

“Public Market” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) at least 20% of the total issued and outstanding shares of common equity interests of the IPO Entity has been distributed to investors (other than the Permitted Holders).

“Receivables Assets” means any accounts receivable and related contract rights (including any related letters of credit) customarily transferred in a receivables securitization or otherwise used to raise financing by the creditor of such receivables or revenue streams from sales of inventory subject to a Permitted Receivables Transaction.

“Related Party” means:

- (1) any controlling stockholder, Subsidiary, or immediate family member (in the case of an individual) of any Principal; or
- (2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

“Revolving Credit Facility” means the senior secured revolving credit facility made available under the Revolving Credit Facility Agreement.

“Revolving Credit Facility Agreement” means the senior secured revolving credit facility agreement entered into on February 28, 2017, as amended, restated or otherwise modified or varied from time to time, entered into by among others, the Issuer, Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale.

“S&P” means Standard & Poor’s Ratings Group.

“Security Agent” means Wilmington Trust (London) Limited, until a successor replaces it in accordance with the applicable provisions of the 2024 Senior Secured Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and thereafter means the successor thereof.

“Security Documents” means the trademark and share pledges under French law, the Lien granted over the Capital Stock of Lavendon under English law and any other instrument and document executed and delivered pursuant to the 2024 Senior Secured Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Agent for the benefit of the Holders of the 2024 Senior Secured Notes or in its capacity as a parallel debt creditor (as applicable) or notice of such pledge, assignment or grant is given.

“Senior Secured Debt” means all secured Indebtedness of the Issuer or a Guarantor (including, without limitation, the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, 2022 Senior Secured Notes and the 2024 Senior Secured Notes) and any Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted to be incurred under the terms of the 2024 Senior Secured Indenture (excluding Permitted Debt incurred under clauses (6), (7), (8), (9), (11), (12) and (13) thereof).

Notwithstanding anything to the contrary in the preceding, Senior Secured Debt will not include:

- (1) any liability for federal, state, local or other taxes owed or owing by the Issuer or any of its Restricted Subsidiaries;
- (2) any trade payables;
- (3) Indebtedness which is classified as non-recourse in accordance with IFRS or any unsecured claim arising in respect thereof by reason of the application of any relevant bankruptcy or insolvency law, rule or regulation;
- (4) the 2014 Senior Subordinated Notes; and
- (5) the Senior Subordinated Notes.

“Senior Subordinated Notes” means the €250 million Senior Subordinated Notes due 2025 issued on April 4, 2017.

“Significant Subsidiary” means any Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Issuer or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the 2024 Senior Secured Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligations” means any Indebtedness (whether outstanding on the date of the 2024 Senior Secured Indenture or thereafter incurred) that is subordinated or junior in right of payment to the 2024 Senior Secured Notes).



“Subordinated Shareholder Debt” means, collectively, any funds provided to the Issuer by an Affiliate of the Parent or the Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however*, that such Subordinated Shareholder Debt:

- (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the 2024 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);
- (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the 2024 Senior Secured Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the 2024 Senior Secured Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Issuer;
- (5) pursuant to its terms, is subordinated in right of payment to the prior payment in full in cash of the 2024 Senior Secured Notes and the Note Guarantees in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Issuer;
- (6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the 2024 Senior Secured Notes or the Note Guarantees or compliance by the Issuer with its obligations under the 2024 Senior Secured Indenture;
- (7) does not (including upon the happening of an event) constitute Voting Stock; and
- (8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder thereof; in whole or in part, prior to the date on which the 2024 Senior Secured Notes mature, other than into or for Capital Stock (other than Disqualified Stock) of the Issuer.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business 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 and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“Unrestricted Subsidiary” means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) except as permitted by the covenant described above under the caption “—Certain Covenants—Transactions with Affiliates,” is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary of the Issuer unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;
- (3) is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and

- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries.

except (i) that the Issuer or any Restricted Subsidiaries may pledge Equity Interests or Indebtedness of an Unrestricted Subsidiary on a non-recourse basis as long as the pledge has no claim whatsoever against the Issuer, Guarantor or any Restricted Subsidiary other than to obtain such pledged property and (ii) to the extent that Indebtedness of the Issuer or any Restricted Subsidiary was permitted to be incurred under the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock.”

“U.S. Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” means the U.S. Securities Act of 1933, as amended.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

## DESCRIPTION OF THE SENIOR SUBORDINATED NOTES

The Issuer has issued €250,000,000 aggregate principal amount of 6.000% senior subordinated notes due April 15, 2025 (the “Senior Subordinated Notes”) under an indenture (the “Senior Subordinated Indenture”), dated as of April 4, 2017, among itself and Wilmington Trust, National Association, as Trustee (the “Trustee”), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. See “Notice to Investors” and “Transfer Restrictions.” The terms of the Senior Subordinated Notes include those stated in the Senior Subordinated Indenture and will not incorporate provisions by reference to, and will not be subject to the provisions of, or qualified under, the U.S. Trust Indenture Act of 1939. The following description is a summary of the material provisions of the Senior Subordinated Indenture, including the Senior Subordinated Notes. It does not restate the Senior Subordinated Indenture in its entirety. We urge you to read the Senior Subordinated Indenture because it, and not this description, defines your rights as holders of the Senior Subordinated Notes.

Certain defined terms used in this description but not defined below under “Certain Definitions” have the meanings assigned to them in the Senior Subordinated Indenture. You can find the definitions of certain terms used in this description under the subheading “—Certain Definitions.”

The Issuer has made application to list the Senior Subordinated Notes on the Official List of the Luxembourg Stock Exchange and to admit the Senior Subordinated Notes to trading on the Euro MTF Market. The Issuer can provide no assurance that the Senior Subordinated Notes will be so listed or admitted to trading.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Senior Subordinated Indenture.

### Brief Description of the Senior Subordinated Notes

#### *The Senior Subordinated Notes*

The Senior Subordinated Notes:

- will be general unsecured senior subordinated obligations of the Issuer;
- will be expressly subordinated in right of payment to Indebtedness incurred under the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes and other future Senior Indebtedness of the Issuer;
- will rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer (other than Senior Indebtedness) that is not expressly subordinated in right of payment to the Senior Subordinated Notes, including the 2014 Senior Subordinated Notes;
- will not be guaranteed on the Issue Date and as a result will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of the Issuer’s Subsidiaries; and
- will be effectively subordinated to all secured debt of the Issuer including the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes and any indebtedness under the Revolving Credit Facility to the extent of the value of the collateral securing such debt.

On an as adjusted basis, assuming this offering of Notes and the use of the gross proceeds thereof had been completed as of December 31, 2016, the Issuer would have had approximately €2,136.5 million of indebtedness outstanding, of which €1,439.7 million would have been Priority Debt, see “Capitalization.” In addition, the Issuer has €75.0 million of undrawn but committed financing available under the Revolving Credit Facility which, if drawn, will also constitute Priority Debt. See “Summary Consolidated Financial Information—Pro forma financial information” and “Capitalization.” As discussed under the caption “—The Intercreditor Agreement” and “Description of Certain Indebtedness—The Intercreditor Agreement,” payments on the Senior Subordinated Notes will be expressly subordinated in right of payment to, and be subject to certain payment blockage, standstill and turnover provisions in favor of, Senior Indebtedness. The Senior Subordinated Indenture will permit the Issuer and its Subsidiaries to incur additional indebtedness, including the incurrence by the Issuer of additional Priority Debt subject to certain limitations.

The operations of the Issuer are conducted in part 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 Subordinated Notes. None of the Issuer’s Subsidiaries will guarantee the Senior Subordinated Notes on the date of the Senior Subordinated Indenture, although one or more of the Issuer’s Subsidiaries may be required to guarantee the Senior Subordinated Notes in certain future circumstances. The Senior Subordinated Notes will be structurally subordinated in right of payment to all Indebtedness and other commitments, trade payables and other liabilities of the Issuer’s Subsidiaries that do not guarantee the Senior Subordinated Notes. Any right of the Issuer to receive assets of any of its Subsidiaries that do not guarantee the Senior Subordinated Notes upon that Subsidiary’s liquidation or reorganization (and the consequent right of the holders of the Senior Subordinated Notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary’s creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary, in which case the claims of the Issuer would still be subordinated in right of payment to

any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary senior to that held by the Issuer. As of December 31, 2016, on an as adjusted basis after giving effect to the Acquisitions and the offering of the Notes and the use of the gross proceeds thereof, the Issuer's Subsidiaries would have had approximately €57.8 million of other third-party indebtedness. See "Capitalization" and "Risk Factors—Risks Related to the Notes and Our Capital Structure". You may not be able to enforce your right to receive payment, or recover any amounts due under the Senior Subordinated Notes due to the subordination provisions and restrictions on enforcement contained in the Senior Subordinated Indenture and in the Intercreditor Agreement."

As of the date of the Senior Subordinated Indenture, all of our Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate, subject to certain exceptions, Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Senior Subordinated Indenture.

### **Principal, Maturity and Interest**

The Issuer has issued €250 million in aggregate principal amount of Senior Subordinated Notes in this offering. The Senior Subordinated Indenture governing the Senior Subordinated Notes will provide for the issuance of additional Senior Subordinated Notes having terms and conditions identical in all respects to the Senior Subordinated Notes offered in this offering (the "Additional Senior Subordinated Notes"). Any issuance of Additional Senior Subordinated Notes is subject to all of the covenants in the Senior Subordinated Indenture, including the covenants described below under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" The Senior Subordinated Notes and any Additional Senior Subordinated Notes subsequently issued under the Senior Subordinated Indenture will be treated as a single class for all purposes under the Senior Subordinated Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided* that if the Additional Senior Subordinated Notes are not fungible with the Senior Subordinated Notes for U.S. federal income tax purposes, the Additional Senior Subordinated Notes will be issued with one or more separate identification codes from the Senior Subordinated Notes. The Issuer has issued Notes in denominations of €100,000 and integral multiples of €1,000 above €100,000. The Senior Subordinated Notes will mature on April 15, 2025. Unless the context otherwise requires, in this "Description of the Senior Subordinated Notes" references to the Senior Subordinated Notes include the Senior Subordinated Notes and any Additional Senior Subordinated Notes that are issued from time to time.

Interest on the Senior Subordinated Notes will accrue at the rate of 6.000% per annum and will be payable semi-annually in arrears on April 15 and October 15, commencing on October 15, 2017. Interest on overdue principal and interest and Additional Amounts, if any, will, to the extent lawful, accrue at a rate that is 1% higher than the then applicable interest rate on the Senior Subordinated Notes. The Issuer will make each interest payment to the holders of record on the immediately preceding April 1 and October 1 (each, a "Record Date").

Interest on the Senior Subordinated Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

### **Methods of Receiving Payments on the Senior Subordinated Notes**

Principal, interest, premium and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable in euros at the specified office or agency of one or more paying agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of a nominee of the common depositary of Clearstream and/or Euroclear will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, interest, premium and Additional Amounts, if any, on the Definitive Registered Notes (as defined below) will be payable at the specified office or agency of one or more paying agents in London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes.

### **Paying Agent and Registrar for the Senior Subordinated Notes**

The Issuer will maintain one or more paying agents for the Senior Subordinated Notes (each, a "Paying Agent"). The initial Paying Agent will be Deutsche Bank AG, London Branch, in London.

The Issuer will also maintain one or more registrars (each, a "Registrar") and a transfer agent in a member state of the European Union. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial transfer agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes, if any, outstanding from time to time.

Upon written notice to the Trustee, the Issuer may change or add any Paying Agent, Registrar or transfer agent. For so long as the Senior Subordinated Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will publish a 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 post such notice on the official website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) in accordance with the provisions set forth under “—Notices.”

## **Transfer and Exchange**

Senior Subordinated Notes sold within the United States to qualified institutional buyers pursuant to 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 (collectively, the “144A Global Notes”). Senior Subordinated Notes sold outside the United States pursuant to 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 (collectively, the “Reg S Global Notes”). The 144A Global Notes and the Reg S Global Notes are collectively referred to herein as the “Global Notes.”

The Global Notes will be deposited with a common depositary for Euroclear and Clearstream or its nominee. The Global Notes may be transferred only to Euroclear and/or Clearstream or a nominee of them, to a successor of Euroclear and/or Clearstream and/or to a nominee of such successor.

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 form of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “Book-Entry, Delivery and Form—Transfers.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or 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 a 144A Global Note (the “144A Book-Entry Interests”) may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Reg S Global Note (“Reg S Book-Entry Interests”) only upon delivery by the transferor to the transfer agent of a written certification (in the form provided in the Senior Subordinated Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act or otherwise in accordance with the applicable restrictions set out in the Senior Subordinated Indenture and any applicable securities laws of any state of the United States or any other jurisdiction. Subject to the foregoing, Reg 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 to the transfer agent of a written certification (in the form provided in the Senior Subordinated 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 applicable transfer restrictions set out in the Senior Subordinated Indenture and any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest that is transferred 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 is 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 Senior Subordinated Notes in definitive registered form (“Definitive Registered Notes”) are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €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 Subordinated 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, if any, will, except as set forth in the Senior Subordinated 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 “Notice to Investors.”

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the Senior Subordinated Indenture and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the Senior Subordinated Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Senior Subordinated Notes.

Subject to the restrictions on transfer referred to above, the Senior Subordinated Notes issued as Definitive Registered Notes, if any, may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Senior Subordinated 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, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer (or, as applicable, any Registrar or transfer agent) is not required to register the transfer of any Definitive Registered Notes:

- for a period of 15 calendar days prior to any date fixed for the redemption of the Senior Subordinated Notes;
- for a period of 15 calendar days immediately prior to the date fixed for selection of Senior Subordinated Notes to be redeemed in part;
- for a period of 15 calendar days prior to the Record Date with respect to any interest payment date; or
- which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

## **Note Guarantees**

The Senior Subordinated Notes will not be guaranteed on the Issue Date. However, under the covenant described under “—Certain Covenants—Additional Note Guarantees,” certain Restricted Subsidiaries may be required or elect to provide a Note Guarantee in the future. The Note Guarantees will be joint and several obligations of each Guarantor.

Each of the Note Guarantees and the amounts recoverable thereunder will be contractually limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance, fraudulent transfer, maintenance of share capital, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance and the liability of directors and officers. By virtue of these limitations, a Guarantor’s obligations under its Note Guarantee could be significantly less than amounts payable in respect of the Senior Subordinated Notes.

The Note Guarantee of each Guarantor, if any, will:

- be a general unsecured senior subordinated obligation of that Guarantor;
- be subordinated in right of payment to any existing and future Senior Indebtedness of such Guarantor, including its Guarantee of the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes, if any, and Indebtedness incurred under the Revolving Credit Facility, if any
- rank *pari passu* in right of payment with all future obligations of such Guarantor (other than Senior Indebtedness) that are not expressly subordinated in right of payment to such Note Guarantee;
- be effectively subordinated to any existing and future obligations of the relevant Guarantor that are secured by property or assets that do not secure its Note Guarantee, to the extent of the value of the property and assets securing such obligations; and
- be subject to certain payment blockage, standstill and turnover provisions under the terms of the Intercreditor Agreement in favor of Senior Indebtedness of the Issuer and such Guarantor.

## ***The Intercreditor Agreement***

The Senior Subordinated Notes will be subject to the restrictions contained in the Intercreditor Agreement, pursuant to which the Senior Subordinated Notes will be subordinated in right of payment to the 2014 Senior Secured Notes, the 2016 Senior Secured Notes, the Senior Secured Notes, any Indebtedness incurred under the Revolving Credit Facility and any other future Senior Indebtedness of the Issuer. The Senior Subordinated Indenture will be subject in all respects to the provisions of the Intercreditor Agreement and any other future Senior Indebtedness of the Issuer and will provide that each holder, by accepting a Senior Subordinated Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement. For a description of the provisions of the Intercreditor Agreement, see “Description of Certain Indebtedness—Intercreditor Agreement.”

## ***Additional Intercreditor Agreements***

The Senior Subordinated Indenture will provide that, at the written request of the Issuer, without the consent of holders of the Senior Subordinated Notes, and at the time of, or prior to, the incurrence by the Issuer or its Restricted Subsidiaries of any (1) Priority Debt permitted to be incurred pursuant to the covenant under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” or (2) any Indebtedness the proceeds of which are used, in whole or in part, to refinance the 2014 Senior Subordinated Notes, the Senior Subordinated Notes or Priority Debt, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent or any other relevant creditor representative or collateral agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) a new intercreditor agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an “Additional Intercreditor Agreement”) on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders of the Senior

Subordinated Notes), including containing substantially the same terms with respect to release of Note Guarantees, if any, and priority and release of any security interests created for the benefit of the Senior Subordinated Notes from time to time; provided, however, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent; *provided further* that only one payment blockage notice can be given to the holders of Senior Subordinated Notes by the holders of designated Senior Indebtedness entitled to give such notice under the terms of such Additional Intercreditor Agreement in any 360-day period or in respect of the same event or circumstances, regardless of the number of instruments constituting such designated Senior Indebtedness.

The Senior Subordinated Indenture also will provide that, at the written direction of the Issuer and without the consent of holders of the Senior Subordinated Notes, the Trustee and the Security Agent shall, from time to time, enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement of a minor, technical or administrative nature, (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 Subordinated Notes; *provided* that such amendment is consistent with the preceding paragraph), (3) add Restricted Subsidiaries to the Intercreditor Agreement or Additional Intercreditor Agreement, (4) secure the Senior Subordinated Notes (including Additional Senior Subordinated Notes), including on a second-priority basis, (5) make provision for equal and ratable pledges of collateral to secure Senior Subordinated Notes, (6) implement any Liens on collateral securing the Senior Subordinated Notes, (7) amend the Intercreditor Agreement or 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 rights of Holders of the Senior Subordinated Notes in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement without the consent of the holders of the majority in aggregate principal amount of the Senior Subordinated Notes then outstanding, except as otherwise permitted below under “—Amendment, Supplement 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 adversely affect their respective rights, duties, liabilities or immunities under the Senior Subordinated Indenture or the Intercreditor Agreement or Additional Intercreditor Agreement.

The Senior Subordinated Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and the Security Agent, if applicable) shall be deemed to have consented on behalf of the holders of the Senior Subordinated Notes to any payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Senior Subordinated Notes thereby; provided, however, that such transaction would comply with the covenant described under “—Restricted Payments.”

The Senior Subordinated Indenture also will provide that each holder of the Senior Subordinated Notes, by accepting a Senior Subordinated Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement and any amendment, restatement or other modification referred to in the preceding paragraphs (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 and any other relevant creditor representative or collateral agent to enter into any such Intercreditor Agreement or Additional Intercreditor Agreement.

### **Optional Redemption**

At any time prior to April 15, 2020, the Issuer may redeem up to 45% of the aggregate principal amount of Senior Subordinated Notes issued under the Senior Subordinated Indenture at a redemption price of 106.000% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

- (1) at least 55% of the aggregate principal amount of Senior Subordinated Notes issued under the Senior Subordinated Indenture (excluding the Senior Subordinated Notes held by the Issuer and its Affiliates, but including any Additional Senior Subordinated Notes) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such sale of such Equity Offering.

At any time prior to April 15, 2020, the Issuer may also redeem all or a part of the Senior Subordinated Notes, upon not less than 10 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address (with a copy to the Trustee and Paying Agent), at a redemption price equal to 100% of the principal amount of Senior Subordinated Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (the “Redemption Date”), subject to the rights of Holders of Senior Subordinated Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

Except pursuant to the two preceding paragraphs and as set out below under “Redemption for Changes in Withholding Taxes,” the Senior Subordinated Notes will not be redeemable at the Issuer's option prior to April 15, 2020.

On or after April 15, 2020, the Issuer may redeem all or a part of the Senior Subordinated Notes in amount of €100,000 or in integral multiples of €1,000 in excess thereof, upon not less than 10 nor more than 60 days' notice mailed by first-class mail to each Holder's registered address (with a copy to the Trustee and Paying Agent), at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Senior Subordinated Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on the dates indicated below, subject to the rights of Holders of Senior Subordinated Notes on the relevant Record Date to receive interest on the relevant interest payment date:

<b>Year</b>	<b>Percentage</b>
April 15, 2020 .....	103.000%
April 15, 2021 .....	101.500%
April 15, 2022 and thereafter .....	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Senior Subordinated Notes or portions thereof called for redemption on the applicable redemption date.

Any notice of redemption may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

#### ***Open Market Purchases***

The Issuer and the Restricted Subsidiaries may at any time acquire the Senior Subordinated Notes through open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws; provided, however, that in determining whether the Holders of the required principal amount of Senior Subordinated Notes have concurred in any direction, waiver or consent, Senior Subordinated Notes owned by the Issuer or by any Affiliate of the Issuer will be considered as though not outstanding.

#### **Selection and Notice**

If less than all of the Senior Subordinated Notes are to be redeemed at any time, the Registrar will select Senior Subordinated Notes for redemption on a pro rata basis unless otherwise required by law, the applicable stock exchange requirements or clearing system procedures.

No Senior Subordinated Notes of €100,000 or less can be redeemed in part. Notices of redemption will be transmitted at least 10 but not more than 60 days before the redemption date to each Holder of Senior Subordinated Notes to be redeemed, except that redemption notices may be transmitted more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Senior Subordinated Notes or a satisfaction and discharge of the Senior Subordinated Indenture. Any redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

If any Senior Subordinated Note is to be redeemed in part only, the notice of redemption that relates to that Senior Subordinated Note will state the portion of the principal amount of that note that is to be redeemed. A new Senior Subordinated Note in principal amount equal to the unredeemed portion of the original Senior Subordinated Notes will be issued in the name of the original Holder of Senior Subordinated Notes upon cancellation of the original note. Senior Subordinated Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest ceases to accrue on the Senior Subordinated Notes or portions of Senior Subordinated Notes called for redemption.

The Trustee and/or the Registrar shall not be liable for any selection made under this "Selection and Notice."



## Redemption for Changes in Withholding Taxes

The Issuer may redeem the Senior Subordinated Notes, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days' prior notice to the Holders with a copy to the Trustee and Paying Agent (which notice must be given in accordance with the procedures described in "—Selection and Notice"), at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "Tax Redemption Date") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Holders on the relevant Record Date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Senior Subordinated Notes or any Note Guarantee, the Issuer under or with respect to the Senior Subordinated Notes or any of the Guarantors with respect to any Note Guarantee is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or relevant Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a Paying Agent located in another jurisdiction), as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations, or rulings promulgated thereunder) of the relevant Tax Jurisdiction (as defined below) affecting taxation which change or amendment is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the Senior Subordinated Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the Senior Subordinated Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the Senior Subordinated Indenture); or
- (2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment or introduction is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the Senior Subordinated Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the Senior Subordinated Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the Senior Subordinated Indenture) (each of the foregoing clauses (1) and (2), a "Change in Tax Law").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Senior Subordinated Notes were then due. Notwithstanding the foregoing, the Issuer may not redeem the Senior Subordinated Notes under this provision if the relevant Tax Jurisdiction changes under the Senior Subordinated Indenture and the Issuer is obligated to pay any Additional Amounts solely as a result thereof. Prior to the publication or, where relevant, mailing of any notice of redemption of the Senior Subordinated Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (with a copy to the Paying Agent) (a) an officer's certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it and (b) deliver the Trustee an opinion of counsel in form and substance satisfactory to the Trustee to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the Senior Subordinated Notes hereunder and the Issuer or the relevant Guarantor cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it. The Trustee will accept such opinion of counsel and officer's certificate as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Senior Subordinated Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Senior Subordinated Indenture.

## Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Senior Subordinated Notes or any of the Guarantors with respect to any Note Guarantee, if any, (whether or not in the form of Definitive Registered Notes) will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment and any other charge of a similar nature, including penalties, interest and other liabilities related thereto (collectively, "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 any jurisdiction in which the Issuer (including any successor entity), is then incorporated or organized, engaged in business (directly or indirectly) or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "Tax Jurisdiction"), will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Senior Subordinated Notes, or any of the Guarantors with respect to any Note Guarantees, if any, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay (to the extent lawful) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received and

retained in respect of such payments by each Holder (including Additional Amounts) after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts which would have been received and retained in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

- (1) any Taxes which would not have been imposed but for the Holder or the beneficial owner of the Senior Subordinated Notes being a citizen or resident or national of, incorporated or organized in, carrying on a business in, or having any other connection with, the relevant Tax Jurisdiction in which such Taxes are imposed other than by the mere acquisition or holding of such Senior Subordinated Note or Note Guarantee, if any, enforcement or exercise of rights thereunder or the receipt of payments in respect thereof;
- (2) any Taxes that are imposed or withheld as a result of the failure of the Holder of the Senior Subordinated Notes or beneficial owner of the Senior Subordinated Notes to comply with any written request, made to that Holder in writing at least 30 days before any such withholding or deduction would be payable, by the Issuer to provide timely or accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirement (to the extent such Holder or beneficial owner is legally entitled to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from all or part of such Taxes;
- (3) any Taxes imposed or withheld as a result of any Senior Subordinated Note presented for payment (where Senior Subordinated 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 note been presented on the last day of such 30 day period);
- (4) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;
- (5) any Taxes imposed only by virtue of a Holder or beneficial owner of the Senior Subordinated Notes (or any financial institution through which the Holder or beneficial owner holds any Senior Subordinated Notes through which payment on such Senior Subordinated Notes are made) having failed to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code as in effect on the date of issuance of the Senior Subordinated Notes or any successor or amended version of these provisions;
- (6) any Taxes imposed or withheld as a result of any note presented for payment by or on behalf of a Holder of Senior Subordinated Notes who would have been able to avoid such withholding or deduction by presenting the relevant note to another Paying Agent in any European Union Member State;
- (7) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Senior Subordinated Notes or any Note Guarantee;
- (8) any Taxes imposed on or with respect to any payment by the Issuer or any Guarantor, as the case may be, to the Holder if such Holder is a fiduciary of a beneficial owner or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such beneficial owner or partner (in the case of a partnership) been the Holder of such note; or
- (9) any combination of items (1) through (8) above.

In addition to the foregoing, the Issuer and the Guarantors, if any, will also pay and indemnify the Holder or beneficial owner of the Senior Subordinated Notes for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property taxes, charges or similar levies or Taxes which are levied by any Tax Jurisdiction on the issuance, execution, delivery, registration or enforcement of any of the Senior Subordinated Notes or any Note Guarantee, the Senior Subordinated Indenture, or any other document or instrument referred to therein, or the receipt of any payments with respect thereto.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Senior Subordinated Notes or any Note Guarantee, the Issuer or the relevant Guarantor, if any, will deliver to the Trustee (with a copy to the Paying Agent) on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officers' certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The officers' certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee and Paying Agent will be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary.

The Issuer will provide the Trustee with documentation in a form reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Issuer or the relevant Guarantor, if any, will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor, if any, will furnish to the Trustee (with a copy to the Paying Agent), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or the relevant Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity (reasonably satisfactory to the Trustee). The Issuer or the relevant Guarantor shall attach to each certified copy or other evidence, as applicable, a certificate stating (x) that the amount of Tax evidenced by the certified copy was paid in connection with payments under or with respect to the Senior Subordinated Notes then outstanding upon which such Taxes were due and (y) the amount of such withholding tax paid per €1,000 of principal amount of the Senior Subordinated Notes.

Whenever in the Senior Subordinated Indenture or in this "Description of the Senior Subordinated Notes" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Senior Subordinated Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Senior Subordinated Notes or Note Guarantees, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Senior Subordinated Indenture, any transfer by a Holder or beneficial owner of its Senior Subordinated Notes and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated or organized, engaged in business or resident for tax purposes or any jurisdiction from or through which such Person makes any payment under or with respect to the Senior Subordinated Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

### **Mandatory Redemption**

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Senior Subordinated Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Senior Subordinated Notes as described under the captions "Repurchase at the Option of Holders—Change of Control" and "Repurchase at the Option of Holders—Asset Sales."

### **Repurchase at the Option of Holders**

#### ***Change of Control Triggering Event***

If a Change of Control Triggering Event occurs, the Issuer shall offer to repurchase any and all of the Holder's Senior Subordinated Notes pursuant to a Change of Control Offer on the terms set forth in the Senior Subordinated Indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Senior Subordinated Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Senior Subordinated Notes repurchased to the date of purchase, subject to the rights of Holders of Senior Subordinated Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

Unless the Issuer has unconditionally exercised its right to redeem all the Senior Subordinated Notes as described under "—Optional Redemption" or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control Triggering Event, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase Senior Subordinated Notes on the date (the "Change of Control Payment Date") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Senior Subordinated Indenture and described in such notice. If the Change of Control has been publicly announced but has not occurred at the time the notice of the Change of Control Offer is mailed to Holders, the Change of Control Offer may be conditional on the consummation of such Change of Control occurring prior to or concurrent with the repurchase.

The Issuer will comply with the requirements of any applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the Senior Subordinated Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Senior Subordinated Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Senior Subordinated Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Senior Subordinated Notes or portions of Senior Subordinated Notes properly tendered pursuant to the Change of Control Offer;

- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Subordinated Notes or portions of Senior Subordinated Notes properly tendered; and
- (3) deliver or cause to be delivered to the Paying Agent and the Registrar the Senior Subordinated Notes properly accepted together with an officers' certificate (with a copy to the Trustee) stating the aggregate principal amount of Senior Subordinated Notes or portions of notes being purchased by the Issuer.

The Paying Agent will promptly mail to each Holder of Senior Subordinated Notes properly tendered the Change of Control Payment for such Senior Subordinated Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder new Senior Subordinated Notes equal in principal amount to any unpurchased portion of the Senior Subordinated Notes surrendered, if any; *provided* that such new Senior Subordinated Notes will be in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof. Unless the issuer defaults in making the Change of Control Payment, any Senior Subordinated Notes so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as reasonably practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Senior Subordinated Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Senior Subordinated Indenture does not contain provisions that permit the Holders of the Senior Subordinated Notes to require that the Issuer repurchase or redeem the Senior Subordinated Notes in the event of a takeover, recapitalization or similar transaction or any Change of Control that does not result in a Change of Control Triggering Event.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Subordinated Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Subordinated Notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given pursuant to the Senior Subordinated Indenture as described above under the caption “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Senior Subordinated Notes to require the Issuer to repurchase its Senior Subordinated Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

If and for so long as the Senior Subordinated Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF, and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices as soon as practicable relating to the Change of Control Offer 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, posted on the official website of the Luxembourg Stock Exchange.

The provisions of the Senior Subordinated Indenture relating to the Issuer's obligation to make an offer to repurchase the Senior Subordinated Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes.

The Revolving Credit Facility Agreement provides that the occurrence of a change of control would result in the cancellation of the Revolving Credit Facility and require the prepayment of all the outstanding Indebtedness under the Revolving Credit Facility Agreement. If the Issuer experiences a change of control that triggers a mandatory prepayment under the Revolving Credit Facility Agreement, the Issuer may seek the agreement of the relevant lenders thereunder to maintain the availability of the Revolving Credit Facility or seek to refinance the Revolving Credit Facility. In addition, a Change of Control Triggering Event would trigger the requirement that the Issuer make an offer to each holder of the Existing Notes and the Senior Secured Notes to repurchase the Existing Notes and the Senior Secured Notes on the terms set forth in the respective Indentures of the Existing Notes and the Senior Secured Notes. The Intercreditor Agreement, Additional Intercreditor Agreements or future debt of the Issuer or its Subsidiaries may prohibit the Issuer from purchasing the Senior Subordinated Notes in the event of a Change of Control Triggering Event or provide that a Change of Control is a default or require a repurchase of such other debt upon a Change of Control. Moreover, the exercise by the Holders of the Senior Subordinated Notes of their right to require the Issuer to repurchase the Senior Subordinated Notes could cause a default under, or require a repurchase of, other debt, even if a Change of Control Triggering Event does not, due to the financial effect of the repurchase of Senior Subordinated Notes on the Issuer. Finally, the Issuer's ability to repurchase Senior Subordinated Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control Triggering Event 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 the required purchase of the Senior Subordinated Notes.

## Asset Sales

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets, rights or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Government Guaranteed Securities. For purposes of this provision, each of the following will be deemed to be cash:
  - (a) any liabilities, as shown on the Issuer's most recent consolidated balance sheet, of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Senior Subordinated Notes) that are assumed by the transferee of any such assets or are discharged pursuant to an agreement that releases the Issuer or such Restricted Subsidiary from any further liability in connection therewith or indemnifies them against such further liability;
  - (b) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are within 180 days, subject to ordinary settlement periods, converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion;
  - (c) any share or assets of the kind referred to in clauses (1)(b), (1)(c) or (1)(d) of the next paragraph of this covenant;
  - (d) any Designated Non-Cash Consideration;
  - (e) Indebtedness of any Restricted Subsidiary of the Issuer that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from or indemnified against any guarantee of such Indebtedness in connection with such Asset Sale; and
  - (e) Indebtedness of the Issuer or of any Restricted Subsidiary (other than Indebtedness that is by its terms subordinated to the Senior Subordinated Notes) received from Persons who are not the Issuer or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may:

- (1) apply such Net Proceeds, at its option:
  - (a) (x) to repay, repurchase, redeem or prepay Priority Debt and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (y) towards the making of an offer to repurchase Senior Subordinated Notes at a price of not less than 100% of the principal amount outstanding thereof plus accrued and unpaid interest to the date of purchase in accordance with the provisions described in this covenant and under "—Selection and Notice" above, or (z) towards the making of an offer to repurchase 2014 Senior Subordinated Notes and any other Pari Passu Indebtedness at a purchase price of not less than 100% of the principal amount outstanding thereof plus accrued and unpaid interest to the date of purchase, *provided that* (in the case of this sub-clause (z)) the Issuer makes an offer on a *pro rata* basis to holders of Senior Subordinated Notes at an offer price that is no less than 100% of the principal amount outstanding thereof plus accrued and unpaid interest to the date of purchase in accordance with the provisions described in this covenant and under "—Selection and Notice" above and no greater than the purchase price offered to purchase the Senior Subordinated Notes;
  - (b) to acquire all or substantially all of the assets of, or any Capital Stock of a Person engaged in, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such Person is or becomes a Restricted Subsidiary of the Issuer or is merged with or into a Restricted Subsidiary of the Issuer;
  - (c) to make a capital expenditure; or
  - (d) to acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business;

- (2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (b), (c) or (d) of clause (1) above, *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period; or
- (3) any combination of the foregoing.

Pending the final application of any Net Proceeds, the Issuer or any applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Senior Subordinated Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute “Excess Proceeds.” When the aggregate amount of Excess Proceeds exceeds the greater of €40.0 million and 1.5% of the Consolidated Total Assets of the Issuer (or the equivalent in another currency), within 30 days thereof, the Issuer will make an offer (an “Asset Sale Offer”) to all Holders of Senior Subordinated Notes and (at the Issuer’s election) to holders of Pari Passu Indebtedness containing provisions similar to those set forth in the Senior Subordinated Indenture with respect to offers to purchase, prepay, redeem or repay with the proceeds of sales of assets to purchase the maximum principal amount of Senior Subordinated Notes and such other Pari Passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer in respect of the Senior Subordinated Notes will not be less than 100% of the principal amount of the Senior Subordinated Notes and, in the case of Pari Passu Indebtedness, not greater than the principal amount thereof plus the offer premium offered with respect to the Senior Subordinated Notes in the Asset Sale Offer, plus, in each case, accrued and unpaid interest, and in the case of the Senior Subordinated Notes, Additional Amounts, if any, to the date of purchase in accordance with the Senior Subordinated Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in the case of the Senior Subordinated Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer or any Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Senior Subordinated Indenture. If the aggregate principal amount of Senior Subordinated Notes and other Pari Passu Indebtedness tendered into (or to be redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Registrar will select the Senior Subordinated Notes and such other Pari Passu Indebtedness to be repaid on a *pro rata* basis based on the principal amount of Senior Subordinated Notes and such other Pari Passu Indebtedness presented for purchase. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer, insofar as it relates to the Senior Subordinated Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Sale Offer Period”). No later than five Business Days after the termination of the Asset Sale Offer period (the “Asset Sale Purchase Date”) the Issuer will purchase the principal amount of Senior Subordinated Notes and to the extent the Issuer elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant, or if less than the Asset Sale Offer Amount has been so validly tendered, all Senior Subordinated Notes and Pari Passu Indebtedness validly tendered in response to the Asset Sale Offer.

On and after the repurchase date, unless the Issuer defaults in payment of the purchase price, interest shall cease to accrue on the Senior Subordinated Notes or portions thereof purchased.

The Issuer will comply with the requirements of any relevant securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Senior Subordinated Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Senior Subordinated Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Senior Subordinated Indenture by virtue of such compliance.

## Certain Covenants

### *Changes in Covenants When Senior Subordinated Notes Rated Investment Grade*

If on any date following the date of the Senior Subordinated Indenture:

- (1) the Senior Subordinated Notes are rated Baa3 or better by Moody’s and BBB- or better by S&P (or, if either such entity ceases to rate the Senior Subordinated Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other “nationally recognized statistical rating organization” registered under Section 15E of the U.S. Exchange Act selected by the Issuer as a replacement agency); and
- (2) no Default or Event of Default shall have occurred and be continuing,

then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in this offering memorandum will be suspended:

- (1) “—Repurchase at the Option of the Holders – Asset Sales;”

- (2) “—Restricted Payments;”
- (3) “—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (4) “—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- (5) “—Designation of Restricted and Unrestricted Subsidiaries;”
- (6) “—Transactions with Affiliates;”
- (7) clause (4) of the covenant described below under the caption “—Merger, Consolidation or Sale of Assets;” and
- (8) “—Additional Note Guarantees.”

The Issuer will notify the Trustee in writing that the foregoing covenants have been suspended; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective; *provided, further*, that the Trustee shall be under no obligation to inform the Holders that the foregoing covenants have been suspended. During any period that the foregoing covenants have been suspended (such period the “Suspension Period”), the Issuer’s Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below under the caption “—Designation of Restricted and Unrestricted Subsidiaries” or the second paragraph of the definition of “Unrestricted Subsidiary.”

Notwithstanding the foregoing, if on any subsequent date (the “Reinstatement Date”), the Senior Subordinated Notes cease to maintain ratings of at least Baa3 and BBB- from Moody’s and S&P, respectively, the foregoing covenants will be reinstituted as of and from the date of such rating decline; *provided* that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under “—Restricted Payments” had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of “—Incurrence of Indebtedness and Issuance of Preferred Stock;” (iii) any transactions with Affiliates entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (12) of the second paragraph of the covenant described under “—Transactions with Affiliates;” and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Subsidiaries” that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Subsidiaries.”

For the avoidance of doubt, the Issuer and any Restricted Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the Senior Subordinated Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period and to consummate the transactions contemplated thereby; *provided*, however, that (a) the Issuer and its Subsidiaries did not incur or otherwise enter into such contractual commitments or obligations in contemplation of the Suspension Period ending and (b) the Issuer reasonably believed that such incurrence or actions would not result in the of the Suspension Period ending. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief shall be as determined in good faith by a responsible accounting or financial officer of the Issuer.

Within 20 Business Days of the end of a Suspension Period, the Issuer will cause any of its Restricted Subsidiaries that is not a Guarantor and that guaranteed any Indebtedness of the Issuer or any Guarantor during such Suspension Period to execute and deliver a Note Guarantee, subject to the second, third, and sixth paragraphs of the covenant described under “—Additional Note Guarantees.”

There can be no assurance that the Senior Subordinated Notes will ever achieve an investment grade rating or that any such rating will be maintained.

### ***Restricted Payments***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Issuer’s or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer’s or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer’s or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such on account of such Equity Interests (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer or in the form of Shareholder Subordinated Debt and other than dividends or distributions payable to the Issuer or a Restricted Subsidiary of the Issuer);
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) any Equity Interests of the Issuer or any direct or indirect

parent of the Issuer (other than in exchange for Equity Interests of the Issuer (other than Disqualified Stock) or Shareholder Subordinated Debt);

- (3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations of the Issuer (excluding (i) any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries and (ii) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Obligations acquired in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of the purchase, repurchase, redemption, acquisition or retirement);
- (4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than non-cash interest payable in Equity Interests (other than Disqualified Stock) of the Issuer or any payment in the form of additional Subordinated Shareholder Debt); or
- (5) make any Restricted Investment,

(all such payments and other actions set forth in the foregoing clauses (1) through (5) being collectively referred to as “Restricted Payments”), unless, at the time of and after giving *pro forma* effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
- (2) the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” and
- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (11) and (13) of the next succeeding paragraph), is less than the sum, without duplication, of:
  - (a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the Issue Date to the end of the Issuer’s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*
  - (b) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities and other property received by the Issuer since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Issuer that have been converted into or exchanged for such Equity Interests or Subordinated Shareholder Debt (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Issuer); *plus*
  - (c) to the extent that any Restricted Investment that was (i) made after the Issue Date is sold or otherwise disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and of the Fair Market Value of the marketable securities and other property received or (ii) made in an entity that subsequently becomes a Restricted Subsidiary (or is merged or consolidated with or into the Issuer or a Restricted Subsidiary), 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated) or (iii) a guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person, upon the full and unconditional release of such Restricted Investment, an amount equal to the amount of such guarantee; *plus*
  - (d) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary after such date, or has been merged or consolidated with or into, or transfers or conveys its assets to, the Issuer or a Restricted Subsidiary of the Issuer, 100% of the Fair Market Value of the Issuer’s Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable); *plus*



- (e) the amount by which Indebtedness of the Issuer or a Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet upon the conversion or exchange (other than by the Issuer or its Restricted Subsidiary) of such Indebtedness for Equity Interests (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt (less the amount of any cash, and the Fair Market Value of any other property, received or distributed by the Issuer or any Restricted Subsidiary on any such conversion or exchange); *plus*
- (f) 100% of the Fair Market Value of any dividends, distributions or payments received by the Issuer or a Restricted Subsidiary of the Issuer after the Issue Date from an Unrestricted Subsidiary of the Issuer or from a Person in which the Issuer or a Restricted Subsidiary of the Issuer has a Restricted Investment to the extent that such dividends, distributions or payments were not otherwise included in the Consolidated Net Income of the Issuer for such period.

The preceding provisions will not prohibit:

- (1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of the Senior Subordinated Indenture;
- (2) the making of any Restricted Payment in exchange for (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 or scrip), or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of such proceeds to the common equity capital to the Issuer; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;
- (3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer that is contractually subordinated to the Senior Subordinated Notes in exchange for or with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;
- (4) the declaration or payment of any dividend or the making of any payment or distribution by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests other than the Issuer or another Restricted Subsidiary on a no more than *pro rata* basis;
- (5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary of the Issuer, or distribution to enable such repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Parent or Restricted Subsidiary of the Issuer, held directly or indirectly by any current or former officer, director, consultant or employee of the Issuer or any Parent or Restricted Subsidiary of the Issuer (or permitted transferees of such current or former officers, directors, consultants or employees); *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed the greater of €10.0 million and 0.4% of the Consolidated Total Assets of the Issuer in any calendar year, beginning in the year starting January 1, 2016, with the unused portion carried over to the next calendar year; *provided, further*, that such amount in any one-year period may be increased by an amount not to exceed the cash proceeds received by the Issuer or a Restricted Subsidiary during such period from the sale of Equity Interests of the Issuer or a Restricted Subsidiary in each case to members of management or directors or consultants of the Issuer or any Restricted Subsidiary or any Parent of the Issuer to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3)(b) of the preceding paragraph or clauses (2) or (8) of this paragraph;
- (6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;
- (7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary of the Issuer issued on or after the date of the Senior Subordinated Indenture in accordance with the Fixed Charge Coverage Ratio test set forth in the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (8) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering, the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the Capital Stock of the Issuer or any Parent, 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 Initial

Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer and (b) an amount equal to the greater of (i) 6% of the Market Capitalization (provided that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0) and (ii) 6% of the IPO Market Capitalization (provided that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0);

- (9) the declaration and payment of cash dividends and any repurchase, redemption, retirement or cancellation of the Issuer's Equity Interests not to exceed the greater of €20.0 million and 0.75% of the Consolidated Total Assets of the Issuer in any calendar year commencing on or after January 1, 2015, with the unused portion carried over to the next calendar year;
- (10) so long as no Default has occurred and is continuing or would be caused thereby, (A) other Restricted Payments in an aggregate amount not to exceed the greater of €115.0 million and 4.5% of the Consolidated Total Assets of the Issuer and (B) any Restricted Payments; *provided* that, in the case of clause (B) only, the Consolidated Leverage Ratio of the Issuer does not exceed 2.5 to 1.0 on a *pro forma* basis after giving effect to any such Restricted Payments;
- (11) any payments to minority shareholders as required by law or regulation pursuant to or in contemplation of a merger or consolidation involving the Issuer or any of its Restricted Subsidiaries that does not violate the provisions of the covenant described under "—Merger, Consolidation or Sale of Assets;";
- (12) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person; and
- (13) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Issuer or any of its Restricted Subsidiaries and any other Person with which the Issuer or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the Senior Subordinated Indenture; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer or such Restricted Subsidiaries would owe without taking into account such other Person; and *provided, further*, that such payments shall be paid over to the appropriate taxing authority within 30 days of receipt.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Issuer whose resolution with respect thereto will be delivered to the Trustee. For the avoidance of doubt, the Trustee shall have no obligation to determine the Fair Market Value of any assets or securities.

#### ***Incurrence of Indebtedness and Issuance of Preferred Stock***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "*incur*") any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that:

- (a) the Issuer and any Guarantor may incur Indebtedness other than Priority Debt (including Acquired Debt) or issue Disqualified Stock if the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period; and,
- (b) the Issuer and its Restricted Subsidiaries may incur Priority Debt (including Acquired Debt and preferred stock issued by Restricted Subsidiaries) if, in addition to compliance with the ratio set forth in clause (a), the Consolidated Priority Debt Leverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Priority Debt is incurred would have been less than 4.00 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if such additional Priority Debt had been incurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, “Permitted Debt”):

- (1) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €1,400 million, plus, 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 (including fees and commissions paid as discounts) incurred in connection with such refinancing;
- (2) the incurrence by the Issuer and its Restricted Subsidiaries of the Existing Indebtedness (other than Indebtedness incurred under clause (1) or clause (3) of this paragraph);
- (3) the incurrence by the Issuer of Indebtedness represented by the Senior Subordinated Notes to be issued on the Issue Date;
- (4) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness or preferred stock, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of acquisition, design, development, construction, lease, installation, transportation or improvement of property (real or personal), plant or equipment that is used or useful in the business of the Issuer or any of its Restricted Subsidiaries (each, a “Productive Asset Financing”) (including Equity Interests of any Person owning such assets) (including any reasonable related fees or expenses incurred in connection therewith), in an aggregate principal amount at any one time outstanding not to exceed the greater of €70.0 million and 2.5% of the Consolidated Total Assets of the Issuer;
- (5) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Senior Subordinated Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (5) or (14) of this paragraph;
- (6) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries; *provided, however*, that:
  - (a) except in respect of current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations, if the Issuer or a Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Senior Subordinated Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and
  - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer,will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the issuance by any of the Issuer’s Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however*, that:
  - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and
  - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);
- (8) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;
- (9) the guarantee by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or any of its Restricted Subsidiaries so long as the incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary is

permitted under the terms of the Senior Subordinated Indenture, *provided* that such guarantee is incurred in accordance with the covenant described under “—Additional Note Guarantees;”

- (10) guarantees by the Issuer or a Restricted Subsidiary of the Issuer of Indebtedness arising pursuant to terms requiring such Indebtedness to be guaranteed if the Senior Subordinated Notes are also guaranteed by the same Restricted Subsidiary;
- (11) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, statutory obligations, bankers' acceptances, export, import, customs, VAT and other tax guarantees, performance and bid, reclamation, remediation, completion, surety, appeal or similar bonds or performance guarantees in the ordinary course of business or consistent with past practice;
- (12) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business, *provided* that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within ten Business Days;
- (13) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within ten Business Days;
- (14) Indebtedness of any Person (a) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer 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 (b) 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, however*, with respect to this clause (14), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x)(i) the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to clause (a) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) or (ii) the Fixed Charge Coverage Ratio would be no less than it was immediately prior to the incurrence of such Indebtedness pursuant to this clause (14) and (y)(i) the Issuer and its Restricted Subsidiaries would have been able to incur €1.00 of additional Indebtedness pursuant to subclause (b) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (14) or (ii) the Consolidated Priority Debt Leverage Ratio would be no greater than it was prior to the incurrence of such Indebtedness pursuant to this clause (14);
- (15) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, earnouts, adjustments of purchase price, guarantees 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 Equity Interests of a Subsidiary in accordance with the terms of the Senior Subordinated Indenture, other than guarantees of Indebtedness incurred or assumed by any Person acquiring all or any portion of such business, assets or Equity Interests of a Subsidiary for the purpose of financing such acquisition;
- (16) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (17) the incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness or the issuance by any Restricted Subsidiary that is not a Guarantor of preferred stock in an aggregate principal amount (or accreted value, as applicable) or having an aggregate liquidation preference at any time outstanding incurred pursuant to this clause (17), not to exceed the greater of €85.0 million and 3.0% of the Consolidated Total Assets of the Issuer;
- (18) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;
- (19) Indebtedness of the Issuer in an aggregate outstanding principal amount (or accreted value, as applicable) at any time outstanding, not to exceed 100% of the Net Proceeds received by the Issuer from the issuance or sale (other than to a Subsidiary) of its Capital Stock (other than Disqualified Stock) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer or from the issuance or sale (other than to a Subsidiary) of Subordinated Shareholder Debt, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Proceeds that are so received or contributed shall

be excluded for purposes of making Restricted Payments under the first paragraph and clause (2), the second proviso to clause (5) and clause (8) of the second paragraph of the covenant described under the caption “—Restricted Payments” to the extent the Issuer incurs 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 (19) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph or clause (2), the second proviso to clause (5) or clause (8) of the second paragraph of the covenant described under the caption “—Restricted Payments” in reliance thereon;

- (20) Indebtedness of the Issuer or any Restricted Subsidiary in respect of Management Advances; and
- (21) Indebtedness incurred by the Issuer or a Restricted Subsidiary in a Permitted Receivables Transaction.

For purposes of determining compliance with this “Incurrence of Indebtedness and Issuance of Preferred Stock” covenant, in the event that an item of proposed Indebtedness or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (21) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted, in its sole discretion, to classify such item of Indebtedness or preferred stock on the date of its incurrence and will only be required to include the amount and type of such Indebtedness or preferred stock in one of the above clauses, although the Issuer may, in its sole discretion, divide and classify an item of Indebtedness or preferred stock in one or more of the types of Indebtedness or preferred stock and may later reclassify all or a portion of such item of Indebtedness or preferred stock in any manner that complies with this covenant; except that Indebtedness outstanding under the Revolving Credit Facility as of the Issue Date, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and the Senior Secured Notes issued on the Issue Date and any Permitted Refinancing Indebtedness thereof that constitutes Priority Debt will be deemed to have been incurred under clause (1) of the definition of Permitted Debt and may not be reclassified. The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Issuer as accrued. Notwithstanding any other provision of this covenant (including pursuant to any Permitted Refinancing Indebtedness permitted pursuant to this covenant), the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will 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, in the case of Indebtedness incurred under a revolving credit facility; *provided* that (1) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the date of the Senior Subordinated Indenture will be calculated based on the relevant currency exchange rate in effect on the date of the Senior Subordinated Indenture; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and
- (3) in the case of Hedging Obligations, the net amount payable if such Hedging Obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off);
- (4) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
  - (a) the Fair Market Value of such assets at the date of determination; and
  - (b) the amount of the Indebtedness of the other Person; and

- (5) the principal amount of any Disqualified Stock of the Issuer 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.

### **Financial Calculations**

When calculating the availability under any basket or ratio under the Senior Subordinated Indenture, in each case in connection with any merger, acquisition or other Investment, in each case, whose consummation is not conditioned upon the availability of, or on obtaining, third party financing, where there is a time difference between commitment and closing or incurrence (including in respect of incurrence of Indebtedness, Restricted Payments and Permitted Investments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such merger, acquisition or other Investment are entered into (or, in case of an acquisition or other Investment in the form of a tender or exchange offer in connection with which no definitive agreement is entered into with the target company, the date of such tender or exchange offer) and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such merger, acquisition or other Investment and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated Cash Flow or the share price or share value of any Person) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions; *provided*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement (or the time of such tender or exchange offer, as the case may be), any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered (or the date of such tender or exchange offer, as the case may be) and outstanding thereafter for purposes of calculating any baskets or ratios under the Senior Subordinated Indenture after the date of such agreement (or tender or exchange offer, as the case may be) and before the consummation of such transaction; *provided, further*, that the Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with such merger, acquisition or other Investment, shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such merger, acquisition or Investment unless and until the closing of such merger, acquisition or Investment shall have actually occurred.

### **No Layering of Debt**

Neither the Issuer nor any Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated or junior in right of payment to any Indebtedness of the Issuer or such Guarantor and senior in right of payment to the Senior Subordinated Notes or such Guarantor's Note Guarantee. No such Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or Guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

### **Additional Note Guarantees**

The Issuer will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any other Indebtedness of the Issuer or a Guarantor (other than a Guarantee of the Senior Subordinated Notes and other than Indebtedness incurred pursuant to clause (1) or clause (17) of the definition of Permitted Debt) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Note Guarantee of the payment of the Senior Subordinated Notes by such Restricted Subsidiary, which Note Guarantee will be senior to or *pari passu* with (or, in the event that such other Indebtedness is Senior Indebtedness, junior to) such Restricted Subsidiary's Guarantee of such other Indebtedness.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

- (1) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or
- (2) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Issuer.

No Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of the Issuer or such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, "whitewash" or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures

pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary.

The Note Guarantee of a Guarantor will automatically and unconditionally be released:

- (1) in connection with any sale, disposition or transfer of all or substantially all of the assets of that Guarantor or a Parent of that Guarantor other than the Issuer (including by way of merger, amalgamation, combination or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the Senior Subordinated Indenture;
- (2) in connection with any sale, disposition or transfer of all of the Capital Stock of that Guarantor (or Capital Stock of a Parent of the relevant Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer or a direct or indirect Parent of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the Senior Subordinated Indenture;
- (3) if the Issuer designates any Restricted Subsidiary that is a Guarantor (or designates a Parent of such Guarantor) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Subordinated Indenture;
- (4) upon repayment in full of the Senior Subordinated Notes;
- (5) upon legal defeasance or satisfaction and discharge of the Senior Subordinated Indenture as provided below under the captions “—Legal Defeasance and Covenant Defeasance” and “—Satisfaction and Discharge;”
- (6) as described under “—Amendment, Supplement and Waiver;” or
- (7) in the case of any Restricted Subsidiary that after the date of the Senior Subordinated Indenture is required to provide a Guarantee pursuant to the first paragraph of the covenant described under “—Certain covenants—Additional Note Guarantees,” upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to provide such Guarantee so long as no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would result in the requirement that such Guarantor provide a Guarantee pursuant to the covenant described under the caption “Additional Note Guarantees.”

Upon any release of a Note Guarantee contemplated under this “—Certain Covenants—Additional Note Guarantees” section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

Each Note Guarantee provided pursuant to the provisions of this covenant will be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

The Issuer will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the Senior Subordinated Indenture that are not required at such time to become Guarantors pursuant to the first or third paragraph of this covenant (such Guarantors “Optional Guarantors”). The Issuer will be entitled to release any such Optional Guarantor from its Note Guarantee provided (x) no Default or Event of Default would be in existence following such a release; (y) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Permitted Stock” as at the date of such release if such Guarantor were not designated as a Guarantor as at that date and (z) such Optional Guarantor is not at the time of the proposed release otherwise required to be a Guarantor pursuant to this covenant. Upon any release of a Note Guarantee contemplated under this “— Certain Covenants — Additional Note Guarantees” section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

#### ***Limitation on Liens***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) of any kind on any asset now owned or hereafter acquired securing Indebtedness of the Issuer or its Restricted Subsidiaries (the “Initial Lien”) unless all payments under the Senior Subordinated Notes and the Note Guarantees are secured on an equal and ratable basis with (or prior to) the obligations so secured until such obligations are no longer secured by such Initial Lien.

Any Lien created for the benefit of the Holders of Senior Subordinated Notes shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (or where not automatically released and discharged, the Person having granted such security will be entitled to seek such Liens' unconditional release and discharge) under any one or more of the following circumstances:

- (1) the release and discharge of the Initial Lien to which it relates;
- (2) upon the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Issuer or a Restricted Subsidiary of the Issuer, if such sale, disposition or transfer does not violate the provisions set forth under “—Repurchase at the Option of Holders—Asset Sales;”
- (3) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Issuer and (ii) the sale, disposition or transfer does not violate the provisions set forth under “—Repurchase at the Option of Holders—Asset Sales;”
- (4) upon the defeasance or discharge of the Senior Subordinated Notes as provided in “—Legal Defeasance and Covenant Defeasance” or “—Satisfaction and Discharge,” in each case, in accordance with the terms of the Senior Subordinated Indenture;
- (5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the Senior Subordinated Indenture (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);
- (6) upon full and final repayment of the Senior Subordinated Notes; and
- (7) in accordance with the caption below entitled “—Certain Covenants—Amendment, Supplement and Waiver.”

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the Holders pursuant to the second paragraph, as specified above, the Trustee, subject to receipt of an officer's certificate certifying that the event or circumstance in question has occurred, will execute any documents reasonably required in order to evidence or effect such release and discharge in respect of such Lien.

#### ***Dividend and Other Payment Restrictions Affecting Subsidiaries***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, 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 of its Restricted Subsidiaries;
- (2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or
- (3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries,

*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 period to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness, Capital Leases and Credit Facilities as in effect on the date of the Senior Subordinated Indenture and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date or would not, in the good faith determination of the Issuer, materially impair the ability to (a) make payments of amounts due in respect of the Senior Subordinated Notes or (b) comply with the respective obligations of the Issuer under the Senior



Subordinated Notes or the Senior Subordinated Indenture (as, in each case, determined in good faith by a responsible accounting or financial officer of the Issuer);

- (2) the 2022 Senior Secured Notes, the 2024 Senior Secured Notes, the Senior Subordinated Notes, the Existing Notes, and, in each case, the related indenture;
- (3) applicable law, rule, regulation, order, approval, license, authorization, permit or concession or any similar restriction or other control by any government or governmental authority;
- (4) any instrument or agreement governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred or issued in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Senior Subordinated Indenture to be incurred;
- (5) customary non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business;
- (6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described above in clause (3) of the preceding paragraph;
- (7) any agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending closing of the sale or other disposition;
- (8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (9) Liens permitted to be incurred under the provisions of the covenant described above under the caption “—Limitation on Liens” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) customary provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, limited liability company organizational documents, asset sale agreements, sale-leaseback agreements, stock sale agreements, minority shares arrangements and other similar agreements entered into (A) in the ordinary course of business, consistent with past practice or (B) with the approval of the Issuer’s Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;
- (11) restrictions on cash, Cash Equivalents, Government Guaranteed Securities or other deposits or net worth imposed by customers, suppliers or lessors or required by insurance, surety or bonding companies under contracts or leases entered into in the ordinary course of business;
- (12) any agreement or instrument relating to Indebtedness permitted to be incurred after the date of the Senior Subordinated Indenture under the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock”; *provided, however*, that such encumbrance or restriction is not materially more disadvantageous to the Holders of the Senior Subordinated Notes than is customary in comparable financings (as determined in good faith by a responsible accounting or financial officer of the Issuer) and either (x) a responsible accounting or financial officer of the Issuer determines that such encumbrance or restriction will not materially affect the Issuer’s ability to make principal or interest payments on the Senior Subordinated Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;
- (13) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Issuer and its Restricted Subsidiaries;
- (14) encumbrances on property that exist at the time the property was acquired by the Issuer or a Restricted Subsidiary of the Issuer provided such encumbrance was not created in anticipation of such acquisition;
- (15) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (14) above; *provided* that such amendments or refinancings are not materially more restrictive, taken as a whole, than such encumbrances and restrictions prior to such amendment or refinancing (as determined in good faith by a responsible accounting or financial officer of the Issuer); and

- (16) encumbrances or restrictions with respect to any Permitted Receivables Transaction; *provided that* such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Transaction in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof; *provided that* such Permitted Receivables Transaction was permitted to be incurred under the terms of the Senior Subordinated Indenture.

### ***Merger, Consolidation or Sale of Assets***

#### ***The Issuer***

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

- (1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of any European Union Member State, Switzerland, Norway, Canada or the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Senior Subordinated Notes, the Senior Subordinated Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (3) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default will have occurred and be continuing;
- (4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock” or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and
- (5) the Issuer shall have delivered to the Trustee an officers’ certificate and an opinion of counsel, each to the effect that such consolidation, merger or transfer and, in the event of a successor to the Issuer, supplemental indenture and other customary agreements (if any) comply with the Senior Subordinated Indenture and an opinion of counsel to the effect that such supplemental indenture and other customary agreements (if any) have been duly authorized, executed and delivered and are the legal, valid and binding agreements enforceable against the successor to the Issuer (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 officers’ certificate as to any matters of fact.

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 circumstance there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

This “Merger, Consolidation or Sale of Assets” covenant will not apply to:

- (1) a merger of the Issuer with an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction or changing the legal form of the Issuer; or
- (2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

### *The Guarantors*

A Guarantor may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Issuer or another Guarantor, unless:

- (1) immediately after giving effect to that transaction or series of related transactions, no Default or Event of Default exists; and
- (2) (i) either (x) such Guarantor is the surviving entity or (y) the Person formed by or surviving any such consolidation or merger or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made is either the Issuer or a Restricted Subsidiary of the Issuer that assumes all the obligations of such Guarantor under the Senior Subordinated Indenture by supplemental indenture executed and delivered to the Trustee and under the Intercreditor Agreement, any Additional Intercreditor Agreement, as applicable, by customary agreements; or (ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by and conducted in compliance with the provisions of the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales,” *provided* that the Note Guarantee will be permitted to be released pursuant to clause (2) of the fourth paragraph of the covenant described under the caption “Additional Note Guarantees” in connection with such a transaction; and
- (3) the Issuer shall have delivered to the Trustee an officer’s certificate and an opinion of counsel, each stating that such merger or consolidation and such supplemental indenture and each such amendment comply with this covenant.

The paragraph above will not apply to:

- (1) a merger of the Guarantor with an Affiliate solely for the purpose of reincorporating the Guarantor in another jurisdiction; or
- (2) the merger, consolidation with, liquidation into or transfer of all or substantially all of the properties and assets of any Guarantor to the Issuer or another Guarantor.

### *Transactions with Affiliates*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend, in any material respect, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an “Affiliate Transaction”), involving aggregate consideration in any single Affiliate Transaction or series of related Affiliate Transactions in excess of €2.0 million unless:

- (1) the Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction on an arms-length basis by the Issuer or such Restricted Subsidiary with an unrelated Person;
- (2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €15.0 million, the Issuer delivers to the Trustee a resolution of the Board of Directors of the Issuer set forth in an officers’ certificate certifying that such Affiliate Transaction complies with this covenant;
- (3) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million, the Issuer delivers to the Trustee a resolution of a majority of the Disinterested Members (or, if there is only one Disinterested Member, such Disinterested Member) set forth in an officers’ certificate certifying that such Affiliate Transaction complies with this covenant; and
- (4) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million in which there is no such Disinterested Member, a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view taking into account all relevant circumstances or (ii) on terms not materially less favorable, taken as a whole, than 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.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any employment agreement, collective bargaining agreement, employee benefit plan, officer or director indemnification agreement, including any stock option, stock appreciation rights, stock incentive or similar plans, or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments or other transactions pursuant thereto;
- (2) transactions (including a merger) between or among the Issuer and/or any of its Restricted Subsidiaries;
- (3) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- (4) payment of reasonable fees to and reimbursements of expenses and indemnity provided on behalf of officers, directors, employees or consultants;
- (5) any transaction between or among the Issuer and/or its Restricted Subsidiaries and any joint venture (a) pursuant to the terms of the respective joint venture agreement, (b) in the ordinary course of business or (c) which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the Restricted Subsidiary, as applicable, or are on terms no less favorable (taking into account the costs and benefits of associated with such transactions) than those that could reasonably have been obtained at such time from an unaffiliated Person;
- (6) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer or to any director, officer, employee or consultant of the Issuer or receipt of cash capital contributions from Affiliates of the Issuer in exchange for Equity Interests of the Issuer (other than Disqualified Stock) and the incurrence of Shareholder Subordinated Debt;
- (7) Restricted Payments that do not violate the provisions of the Senior Subordinated Indenture described above under the caption “—Restricted Payments” and Permitted Investments (other than Permitted Investments described in clauses (3), (13), (15) or (16) of the definition thereof);
- (8) transactions with customers, clients, lenders, suppliers or purchasers or sellers or other providers of goods or services or providers of employees or other labor, or lessors or lessees of property, in each case in the ordinary course of business and otherwise in compliance with the terms of the Senior Subordinated Indenture that are fair to the Issuer or the Restricted Subsidiaries, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person in each case, as determined by a responsible accounting or financial officer of the Issuer or the senior management thereof;
- (9) Management Advances;
- (10) (a) pledges of Equity Interests or Indebtedness of Unrestricted Subsidiaries and joint ventures for the benefit of lenders thereto; (b) guarantees of performance by the Issuer and its Restricted Subsidiaries of the Issuer’s Unrestricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible accounting officer of the Issuer), except for guarantees of Indebtedness in respect of borrowed money, and (c) to the extent constituting Affiliate Transactions, transactions with charities and charitable foundations or with or that form part of community or social or environmental projects or initiatives;
- (11) if such Affiliate Transaction, following an Initial Public Offering, is with a Person in its capacity as a holder of Capital Stock of the Issuer or any Restricted Subsidiary where such Person is treated no more favorably than the holders of Capital Stock of the Issuer or any Restricted Subsidiary;
- (12) transactions effected pursuant to or contemplated by agreements or arrangements in effect or entered into on the date of the Senior Subordinated Indenture and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the Senior Subordinated Notes, taken as a whole, than the original agreements or arrangements as in effect on or entered into on the date of the Senior Subordinated Indenture) (as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (13) transactions effected pursuant to or contemplated by agreements or arrangements between any Person and an Affiliate of such Person existing at the time such Person is acquired by, merged into or amalgamated, arranged or consolidated with the Issuer or any of its Restricted Subsidiaries; *provided* that such

agreements or arrangements were not entered into in contemplation of such acquisition, merger, amalgamation, arrangement or consolidation, and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the Senior Subordinated Notes, taken as a whole, than the original agreements or arrangements as in effect on the date of such acquisition, merger, amalgamation, arrangement or consolidation) (as determined in good faith by a responsible accounting or financial officer of the Issuer);

- (14) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Issuer and the Restricted Subsidiaries and the unwinding of any Hedging Obligations;
- (15) execution, delivery and performance of any consolidated group arrangements for tax or accounting purposes, *provided* that any payments to be made pursuant to such arrangements are made in compliance with the covenant as set forth in “—Restricted Payments;” and
- (16) any transaction effected as part of a Permitted Receivables Transaction.

### ***Business Activities***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

### ***Designation of Restricted and Unrestricted Subsidiaries***

The Board of Directors of the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption “—Restricted Payments” or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Restricted Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a 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 preceding conditions and was permitted by the covenant described above under the caption “—Restricted Payments.” If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Senior Subordinated Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” the Issuer will be in default of such covenant. The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” calculated on a *pro forma* basis taking into account such designation as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

### ***Listing of the Senior Subordinated Notes***

The Issuer will use its commercially reasonable efforts to list and maintain the listing of the Senior Subordinated Notes on the Luxembourg Stock Exchange and to admit the Senior Subordinated Notes to trading on the Euro MTF market of the Luxembourg Stock Exchange provided, however, that if the Issuer is unable to list the Senior Subordinated Notes on the Luxembourg Stock Exchange or if maintenance of such listing becomes unduly onerous, it will use its commercially reasonable efforts to maintain a listing of such Senior Subordinated Notes on another “recognized stock exchange” as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

### ***Reports***

So long as any Senior Subordinated Notes are outstanding, the Issuer will furnish to the Trustee and make available to the Holders of Senior Subordinated Notes and potential investors:

- (1) commencing with the fiscal year ending December 31, 2017, within 120 days after each fiscal year of the Issuer: (a) an operating and financial review of the audited financial statements, including a discussion of

the results of operations, financial condition and liquidity and capital sources and a discussion of material commitments and contingencies and critical accounting policies, (b) a description of the business, management and shareholders of the Issuer, all material affiliate transactions, indebtedness and material financing arrangements and a description of all material contractual arrangements, (c) material risk factors and material recent developments; (d) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (2) or (3) below or is available only at unreasonable expense; and (e) audited consolidated statements of income and statements of cash flow of the Issuer (or any predecessor company of the Issuer) as of and for the most recent three fiscal years and balance sheets as of the two most recent fiscal years, including appropriate footnotes to such financial statements, for and as of the end of such fiscal year, and the report of the independent auditors on such financial statements;

- (2) commencing with the fiscal quarter ending March 31, 2017, within 60 days following the end of the first and third fiscal quarters in each fiscal year of the Issuer and within 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, information including: (a) an unaudited condensed consolidated balance sheet as of 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 year periods, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (1) or (3) of this covenant or is available only at unreasonable expense; (c) an operating and financial review of the unaudited financial statements, including a discussion of material commitments and contingencies; (d) material recent developments and (e) a presentation of EBITDA; and
- (3) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management changes, change in auditors, the entering into of an agreement that will result in a Change of Control or any other material event that the Issuer or any Restricted Subsidiary announces publicly, in each case, a report containing a description of such event.

If the Issuer has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the discussion 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.

The Issuer will also make available copies of all reports required by clauses (1) through (3) above on the Issuer's website (and maintain for a period of at least three years after posting) and (ii) at the offices of the listing agent in Luxembourg.

In addition, so long as any Senior Subordinated Notes are "restricted securities" (as defined in Rule 144 under the U.S. Securities Act) during any period during which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will, upon their request, furnish to the holders and to securities analysts and prospective purchasers of the Senior Subordinated Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

Furthermore, within 20 Business Days subsequent to the date of the publication of the reports described in (1) and (2) above, the Issuer shall hold a conference call for current and prospective Holders of the Senior Subordinated Notes in which at least one member of the senior management of the Issuer shall participate. Notice of such conference calls shall be deemed a report required by clause (3) above and will state the date, time and dial-in number and shall be published at least one Business Day in advance of such conference call.

All reports made pursuant to this covenant shall be made in, or translated to, the English language.

## Events of Default and Remedies

Each of the following is an "Event of Default":

- (1) default for 30 days in the payment when due of interest on, or Additional Amounts, if any, with respect to, the Senior Subordinated Notes;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Senior Subordinated Notes;

- (3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets;”
- (4) failure by the Issuer or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the Trustee or Holders of at least 25% in aggregate principal amount of the Senior Subordinated Notes then outstanding voting as a single class to comply with any of the other agreements in the Senior Subordinated Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of such default (but excluding Indebtedness owed to the Issuer or a Restricted Subsidiary), if that default:
  - (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such Indebtedness (a “*Payment Default*”); or
  - (b) results in the acceleration of such Indebtedness prior to its Stated Maturity,
 and, in each case the principal amount of any such Indebtedness that is due and has not been paid or which has been accelerated, 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 €20.0 million or more;
- (6) failure by the Issuer or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of €20.0 million (net of any amounts which are covered by insurance or bonded), which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;
- (7) certain events of bankruptcy or insolvency described in the Senior Subordinated Indenture with respect to the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; or
- (8) any Note Guarantee, if any, is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the Senior Subordinated Indenture and any such Note Guarantee.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding Senior Subordinated Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Senior Subordinated Notes may declare all the Senior Subordinated Notes to be due and payable immediately.

Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes may direct the Trustee in its exercise of any trust or power. The Trustee may refuse to follow any direction that conflicts with law or the Senior Subordinated Indenture, or that may involve the Trustee in personal liability. Furthermore, the Trustee may withhold from Holders of the Senior Subordinated Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium or Additional Amounts, if any.

Subject to the provisions of the Senior Subordinated Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Senior Subordinated Indenture at the request or direction of any Holders of Senior Subordinated Notes unless such Holders have offered to the Trustee indemnity and/or security, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee’s legal counsel). Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder of a Senior Subordinated Note may pursue any remedy with respect to the Senior Subordinated Indenture or the Senior Subordinated 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 aggregate principal amount of the then outstanding Senior Subordinated Notes have requested the Trustee to pursue the remedy;

- (3) such Holders have offered the Trustee security, and/or indemnity, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel);
- (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) Holders of a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The Holders of a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes by written notice to the Trustee may, on behalf of the Holders of all of the Senior Subordinated Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Senior Subordinated Indenture except a continuing Default or Event of Default in the payment of interest or premium or Additional Amounts, if any, on, or the principal of, the Senior Subordinated Notes (including in connection with an offer to purchase). Upon any such rescission or waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Senior Subordinated Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Senior Subordinated Indenture. Within 20 business days after becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

### **No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Issuer, as such, will have any liability for any obligations of the Issuer under the Senior Subordinated Notes, the Senior Subordinated Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Senior Subordinated Notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Subordinated Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

### **Legal Defeasance and Covenant Defeasance**

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers' certificate, elect to have all of its obligations discharged with respect to the outstanding Senior Subordinated Notes ("Legal Defeasance") except for:

- (1) the rights of Holders of outstanding Senior Subordinated Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such Senior Subordinated Notes when such payments are due from the trust referred to below;
- (2) the Issuer's obligations with respect to the Senior Subordinated Notes concerning issuing temporary Senior Subordinated Notes, registration of Senior Subordinated Notes, mutilated, destroyed, lost or stolen Senior Subordinated Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties, indemnifications, fees and immunities of the Trustee, and the Issuer's obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the Senior Subordinated Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers and the cross-acceleration provision and judgment default provisions described under "—Events of Default and Remedies")) that are described in the Senior Subordinated Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Senior Subordinated Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Senior Subordinated Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose), for the benefit of the Holders of the Senior Subordinated Notes, cash in euro and euro-denominated, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium and Additional Amounts, if any, on, the outstanding Senior Subordinated Notes on the stated date for payment thereof or on the



applicable redemption date, as the case may be, and the Issuer must specify whether the Senior Subordinated Notes are being defeased to such stated date for payment or to a particular redemption date;

- (2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee: (i) an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the date of the Senior Subordinated Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding Senior Subordinated Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and (ii) an opinion of counsel in the jurisdiction of incorporation of the Issuer to the effect that the Holders will not recognize income, gain or loss for the income tax purposes of such jurisdiction as a result of such deposit and defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee: (i) an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that the Holders of the outstanding Senior Subordinated Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and (ii) an opinion of counsel in the jurisdiction of incorporation of the Issuer to the effect that the Holders will not recognize income, gain or loss for income tax purposes of such jurisdiction as a result of such deposit and defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound;
- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Senior Subordinated Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
- (6) the Issuer must deliver to the Trustee an officers' certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Senior Subordinated Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and
- (7) the Issuer must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

#### **Amendment, Supplement and Waiver**

Except as provided in the next two succeeding paragraphs and without limiting the Issuer's ability to effect modifications or amendments that are expressly permitted under "Additional Intercreditor Agreements," the Senior Subordinated Indenture or the Senior Subordinated Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Senior Subordinated Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Subordinated Notes), and, subject to certain exemptions, any existing Default or Event of Default or compliance with any provision of the Senior Subordinated Indenture or the Senior Subordinated Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding 2017 Subordinated Notes Secured Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Subordinated Notes).

Without the consent of Holders holding at least 90% of the then outstanding principal amount of Senior Subordinated Notes affected thereby, an amendment, supplement or waiver may not (with respect to any Senior Subordinated Notes held by a non-consenting Holder):

- (1) reduce the principal amount of Senior Subordinated Notes whose Holders must consent to an amendment, supplement or waiver;

- (2) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption of the Senior Subordinated Notes (other than provisions described above under the caption “—Repurchase at the Option of Holders”);
- (3) reduce the rate of or change the time for payment of interest, including default interest, on any note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Amounts, if any, on, the Senior Subordinated Notes (except a rescission of acceleration of the Senior Subordinated Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any Senior Subordinated Note payable in money other than that stated in the Senior Subordinated Notes;
- (6) make any change in the provisions of the Senior Subordinated Indenture relating to waivers of past Defaults or the rights of Holders of Senior Subordinated Notes to receive payments of principal of, or interest or premium or Additional Amounts, if any, on, the Senior Subordinated Notes;
- (7) waive a redemption payment with respect to any note (other than a payment required by the provisions described above under the caption “—Repurchase at the Option of Holders” and “Asset Sales”);
- (8) make any change in the subordination provisions of the Senior Subordinated Indenture affecting holders of the Senior Subordinated Notes in a manner that is materially adverse to the Holders;
- (9) release any Guarantor from its Note Guarantee created pursuant to the Senior Subordinated Indenture or any supplemental indenture thereto except as otherwise permitted by the terms of the Senior Subordinated Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- (10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of Senior Subordinated Notes, the Issuer and the Trustee may amend or supplement the Senior Subordinated Indenture or the Senior Subordinated Notes:

- (1) to cure any ambiguity, mistake, omission, defect or inconsistency;
- (2) to provide for uncertificated Senior Subordinated Notes in addition to or in place of certificated Senior Subordinated Notes;
- (3) to provide for the assumption of by successor Person of the obligations of the Issuer under any of the documents referenced above in the case of a merger or consolidation or sale of all or substantially all of the Issuer’s assets;
- (4) to make any change that would provide any additional rights or benefits to the Holders of Senior Subordinated Notes or that does not adversely affect the legal rights under the Senior Subordinated Indenture of any such Holder in any material respect;
- (5) to conform the text of the Senior Subordinated Indenture or the Senior Subordinated Notes to any provision of this Description of Senior Subordinated Notes to the extent that such provision in this Description of the Senior Subordinated Notes was intended to be a verbatim recitation of a provision of the Senior Subordinated Indenture or the Senior Subordinated Notes;
- (6) to provide for the issuance of Additional Senior Subordinated Notes in accordance with the limitations set forth in the Senior Subordinated Indenture as of the date of the Senior Subordinated Indenture;
- (7) to allow any Guarantor to execute a supplemental Indenture and/or a Guarantee with respect to the Senior Subordinated Notes;
- (8) to evidence and provide the acceptance of the appointment of a successor Trustee under the Senior Subordinated Indenture; or
- (9) to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders of the Senior Subordinated Notes as security for the payment and performance of the Issuer’s or any Guarantor’s obligations under the Senior Subordinated Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent pursuant to the Senior Subordinated Indenture or otherwise.

The consent of the Holders of Senior Subordinated Notes is not necessary under the Senior Subordinated Indenture to approve the particular form of any proposed amendment, waiver or consent; it is sufficient if such consent approves the substance of the proposed amendment, waiver or consent.

The Trustee shall be entitled to rely on such evidence as it deems appropriate, including officers' certificates and opinions of counsel.

The Intercreditor Agreement may be amended pursuant to its terms, as described in this Description of Senior Subordinated Notes under the caption "Additional Intercreditor Agreements" or in "Description of Certain Indebtedness—Intercreditor Agreement."

### **Acts by Holders**

In determining whether the Holders of the required principal amount of the Senior Subordinated Notes have concurred in any direction, waiver or consent, the Senior Subordinated 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.

### **Satisfaction and Discharge**

The Senior Subordinated Indenture will be discharged and will cease to be of further effect as to all Senior Subordinated Notes issued thereunder, when:

- (1) either:
  - (a) all Senior Subordinated Notes that have been authenticated, except lost, stolen or destroyed Senior Subordinated Notes that have been replaced or paid and Notes for whose payment money has been deposited and thereafter repaid to the Issuer, have been delivered to the Paying Agent for cancellation; or
  - (b) all Senior Subordinated Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) for the benefit of the Holders, cash in euro, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Senior Subordinated Notes not delivered to the Paying Agent for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;
- (2) the Issuer has paid or caused to be paid all sums payable by it under the Senior Subordinated Indenture; and
- (3) the Issuer has delivered irrevocable instructions to the Trustee and Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) under the Senior Subordinated Indenture to apply the deposited money toward the payment of the Senior Subordinated Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any officers' certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

### **Judgment Currency**

The sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Senior Subordinated Indenture is the euro. Any payment on account of an amount that is payable in euros (the "*Required Currency*") which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer, shall constitute a discharge of the Issuer's obligation under the Senior Subordinated Indenture or the Senior Subordinated Notes, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, as the case may be, and the Issuer shall indemnify and hold harmless the Holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This

indemnity shall constitute an obligation separate and independent from the other obligations contained in the Senior Subordinated Indenture, the Senior Subordinated Notes, and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

## **Prescription**

There is no express term in the Senior Subordinated Indenture as to any time limit on the validity of claims of the Holders to interest and repayment of principal, but any such claims will be subject to any statutory limitation period prescribed under the laws of the State of New York.

## **Notices**

All notices to the Holders (while any Senior Subordinated Notes are represented by one or more Global Notes) shall be delivered to Euroclear and Clearstream, as applicable, for communication to entitled account Holders or, alternatively, will be valid if disseminated through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency) or published in a leading English language daily newspaper published in the City of London or, if such publication is not reasonably practicable, in such other English language daily newspaper with general circulation in Europe. It is expected that any such publication will normally be made in the *Financial Times*. So long as the Senior Subordinated Notes are listed on the Luxembourg Stock Exchange and its rules so require, all notices to Holders will also be published in a newspaper having a general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, or on the official website of the Luxembourg Stock Exchange. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to Holders by first-class mail at their respective addresses as they appear on the records of the Registrar.

Notices given by publication, including without limitation through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency), will be deemed given on the first date on which publication is made. Notices delivered to Euroclear and Clearstream will be deemed given on the date when delivered. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

So long as any Senior Subordinated Notes are admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, the Issuer will provide a copy of all notices to the Luxembourg Stock Exchange.

## **Concerning the Trustee**

Wilmington Trust, National Association is to be appointed as Trustee under the Senior Subordinated Indenture.

The Holders of a majority in aggregate principal amount of the then outstanding Senior Subordinated Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Senior Subordinated Indenture will provide that in case an Event of Default occurs, of which a responsible officer of the Trustee has received written notice, and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Senior Subordinated Indenture will not be construed as an obligation or duty. The Trustee will be under no obligation to exercise any of its rights or powers under the Senior Subordinated Indenture at the request of any Holder of Senior Subordinated Notes, unless such Holder has offered to the Trustee security and/or indemnity, including by way of pre-funding, satisfactory to it against any loss, liability or expense (which includes the cost of the Trustee's legal counsel).

The Senior Subordinated 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 Senior Subordinated Notes, or may resign at any time by giving 30 days' 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 of Senior Subordinated Notes who has been a *bona fide* Holder of Senior Subordinated Notes 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 Subordinated Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and 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 Subordinated Indenture.

## **Consent to Jurisdiction and Service of Process**

The Issuer will irrevocably submit to the jurisdiction of any New York state or U.S. federal court located in The Borough of Manhattan, City of New York, State of New York in relation to any legal action or proceeding (i) arising out of, related to or in connection with the Senior Subordinated Indenture, the Senior Subordinated Notes and any related documents and (ii) arising under any U.S. federal or U.S. state securities laws. The Issuer will appoint CT Corporation as its agent for service of process in any such action or proceeding.

## **Additional Information**

Anyone who receives this offering memorandum may obtain a copy of the Senior Subordinated Indenture without charge by writing to the Issuer, 89, avenue de la Grande Armée, 75219 Paris Cedex 16, France, Attention: Director of Finance and Administration.

So long as any Senior Subordinated Notes are admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, copies of the Issuer's annual audited consolidated and unconsolidated financial statements, the Issuer's unaudited consolidated interim quarterly financial statements, the Senior Subordinated Indenture (including the form of Senior Subordinated Notes), the Intercreditor Agreement, any Additional Intercreditor Agreement, the articles of incorporation of the Issuer, the offering memorandum and any documents furnished to the Trustee under the covenant described under the heading "— Certain Covenants—Reports" may be obtained, free of charge, during normal business hours at the offices of the listing agent in Luxembourg.

## **Governing Law**

The Senior Subordinated Indenture and the Senior Subordinated Notes will be governed by and construed in accordance with the laws of the State of New York.

## **Certain Definitions**

Set forth below are certain defined terms used in the Senior Subordinated Indenture. Reference is made to the Senior Subordinated Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"2014 Notes" means, collectively, the 2014 Senior Secured Notes and the 2014 Senior Subordinated Notes.

"2014 Senior Secured Notes" means the €410 million Senior Secured Notes due 2021 issued on July 23, 2014.

"2014 Senior Subordinated Notes" means the €250 million Senior Subordinated Notes due 2022 issued on July 23, 2014.

"2016 Senior Secured Notes" means the €250 million Senior Secured Notes due 2023 issued on May 3, 2016.

"2022 Senior Secured Notes" means the €300 million Senior Secured Notes due 2022 issued on April 4, 2017.

"2024 Senior Secured Notes" means the €300 million Senior Secured Notes due 2024 issued on April 4, 2017.

"Acquired Debt" means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Applicable Premium" means, with respect to any note on any redemption date, the greater of:

- (1) 1.0% of the principal amount of the note; or

- (2) the excess of:
  - (a) the present value at such redemption date of (i) the redemption price of the note at April 15, 2020 (such redemption price being set forth in the table appearing above under the caption “—Optional Redemption”) plus (ii) all required interest payments due on the note through April 15, 2020 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over
  - (b) the outstanding principal amount of the note, if greater,

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 the Applicable Premium shall not be a duty or obligation of the Trustee or Paying Agent.

“Asset Sale” means:

- (1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Senior Subordinated Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control Triggering Event” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions of the Asset Sale covenant; and
- (2) the issuance or sale of Equity Interests in any of the Issuer’s Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets or rights having a Fair Market Value of less than the greater of: (a) €20.0 million; and (b) 0.5% of Consolidated Total Assets of the Issuer;
- (2) a transfer of assets, rights or Equity Interests, between or among the Issuer and its Restricted Subsidiaries;
- (3) an issuance of Equity Interests by a Restricted Subsidiary of the Issuer to the Issuer or to a Restricted Subsidiary of the Issuer;
- (4) the sale or lease of equipment, products or accounts receivable (including discounting thereof) in the ordinary course of business and any sale or other disposition of obsolete or permanently retired equipment and facilities and equipment and facilities that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;
- (5) the sale or other disposition of cash, Cash Equivalents or Government Guaranteed Securities;
- (6) a Restricted Payment that does not violate the covenant described above under the caption “—Certain Covenants—Restricted Payments,” a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;
- (7) licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business;
- (8) the unwinding of Hedging Obligations;
- (9) the disposition 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;
- (10) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business (including Capital Stock of an entity that either is and remains or becomes a Restricted Subsidiary immediately after giving effect to such exchange) of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;
- (11) the sale, lease, assignment, exchange or other transfer of inventory, products, services, raw materials, receivables or other assets in the ordinary course of business;
- (12) any sale or other disposition of damaged, worn-out, obsolete or excess assets or properties or other assets that are no longer used or useful in or necessary for the proper conduct of the business of the Issuer and its Restricted Subsidiaries;

- (13) any sale of assets received by the Issuer or any of its Restricted Subsidiaries upon the foreclosure on a Lien;
- (14) the foreclosure, condemnation or any similar action with respect to any property or other assets, or the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;
- (15) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (16) dispositions to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding agreements;
- (17) the granting of Liens not otherwise prohibited by the Senior Subordinated Indenture; and
- (18) any disposition of Receivables Assets in a Permitted Receivables Transaction.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficial Ownership,” “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof;
- (4) with respect to the Issuer, for so long as it has no board of directors, the Issuer’s president in relation to actions to be taken under “—Designation of Restricted and Unrestricted Subsidiaries,” “—Legal Defeasance and Covenant Defeasance” and all other determinations and valuations to be made under the Senior Subordinated Indenture, among others; *provided, however*, that for the purposes of clause (3) and (4) of the first paragraph of “—Certain Covenants—Transactions with Affiliates” and the definition of “Disinterested Members” “Board of Directors” shall mean the Issuer’s Strategic Committee; and
- (5) with respect to any other Person, the board or committee of such Person serving a similar function.

“Bund Rate” means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (a) “Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to April 15, 2020 and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Senior Subordinated Notes and of a maturity most nearly equal to April 15, 2020, *provided, however*, that, if the period from such redemption date to April 15, 2020 is less than one year, a fixed maturity of one year shall be used;
- (b) “Comparable German Bund Price” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (c) “Reference German Bund Dealer” means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and
- (d) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in

writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, German time on the third Business Day preceding the relevant date.

“Business Day” means any day on which commercial banking institutions are open for business and carrying out transactions in euro in France and in the country in which the Paying Agent has its specified office or in which Senior Subordinated Notes may be presented for payment in accordance with the terms of the agency agreement and is a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System (“TARGET”) is operating.

“Capital Lease Obligation” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS in effect as of the Issue Date, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity that is not a corporation, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Cash Equivalents” means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a European Union Member State, Switzerland or the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant European Union Member State, Switzerland or the United States of America, as the case may be, and which are not callable or redeemable at the Issuer’s option; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of “A1” or higher by Moody’s or “A+” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;
- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker’s acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company *provided* that (A)(i) such bank or trust company is organized under, or authorized to operate as a bank or trust company under, the laws of a European Union Member State, Switzerland or the United States of America or any state thereof and has capital, surplus and undivided profits aggregating in excess of €250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose rating is “P-2” or higher by Moody’s or “A-2” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment and (ii) such country under which such bank or trust company is organized or authorized to operate has a long-term government debt rating of “A1” or higher by Moody’s or “A+” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment; or (B) such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250.0 million (on the foreign currency equivalent thereof as of the date of such investment) and whose rating is “P-1” or higher by Moody’s or “A-1” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;
- (3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;
- (4) commercial paper having one of the two highest ratings obtainable from Moody’s or S&P and, in each case, maturing within one year after the date of acquisition;
- (5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition; and
- (6) investments made for non-speculative cash management purposes in the ordinary course of business not exceeding €28.0 million at any one time outstanding.



“Change of Control” means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) of the Exchange Act) other than a Principal or a Related Party of a Principal;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any “person” (as defined above), other than the Principals and their Related Parties becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer, measured by voting power rather than number of shares; *provided* that so long as the Issuer is a Subsidiary of a parent Person, no “person” shall be deemed to be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such “person” shall be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of such parent Person.

“Change of Control Offer” has the meaning assigned to that term in the Senior Subordinated Indenture governing the Senior Subordinated Notes.

“Change of Control Rating Decline” means the occurrence at any time during the period commencing on the date of the first public notice of the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control and ending on the date that is 90 days following the occurrence of such event (which period shall be extended so long as during such period the rating of the Senior Secured Notes is under publicly announced consideration by S&P) of any of the following events:

- (1) S&P shall issue, confirm or maintain a corporate rating of the Issuer which rating is below B+; or
- (2) S&P shall withdraw or will have previously withdrawn its corporate rating of the Issuer.

If S&P does not announce an action with regard to its rating of the Senior Secured Notes as soon as reasonably practicable after the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control, the Issuer shall request S&P to confirm its rating of the Senior Secured Notes before the end of such 90-day period.

“Change of Control Triggering Event” means the occurrence of both (a) a Change of Control and (b) a Change of Control Rating Decline.

“Consolidated Cash Flow” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

- (1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*
- (2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*
- (3) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*
- (5) acquisition costs and any fees, expenses, charges or other costs related to equity or debt financings, investments, restructurings, dispositions or acquisitions, establishing a joint venture, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” (or the refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to an incurrence of Indebtedness and (ii) any amendment or other modification of any incurrence; *minus*
- (6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business and other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

“Consolidated Leverage” means, with respect to any Person, the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries (excluding Subordinated Shareholder Debt), the aggregate outstanding amount of Disqualified Stock issued by the Issuer and the aggregate liquidation preference of any preferred equity issued by a Restricted Subsidiary, less cash and Cash Equivalents, in each case, as of the relevant date of calculation.

“Consolidated Leverage Ratio” means, as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock 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 and may include anticipated expense and cost reduction synergies) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance 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.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are 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 Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) 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.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; *provided that*:

- (1) any gain (loss), together with any related provision for taxes on such gain (loss) realized in connection with: (a) any Asset Sale by any such Person or its Restricted Subsidiaries or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or (c) the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries will be excluded;
- (2) any extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, together with any related provision for taxes on such extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, will be excluded;
- (3) the net income (loss) of any Person that is not a Restricted Subsidiary (including an Unrestricted Subsidiary or a joint venture that is not a Restricted Subsidiary) or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;
- (4) solely for purposes of determining the amount available for Restricted Payments under clause 3(a) following the definition of Restricted Payments, the net income (loss) of any Restricted Subsidiary that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation

of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders (other than (a) restrictions with respect to the payment of dividends or similar distributions that have been legally waived or released or (b) restrictions listed under clauses (1) through (4), (12), (15) and (16) of the second paragraph of “—Dividend and Other Payment Restrictions Affecting Subsidiaries”);

- (5) the cumulative effect of a change in accounting principles will be excluded; and
- (6) any increase in amortization or depreciation resulting from purchase accounting in relation to any acquisition of another Person or business will be excluded.

“Consolidated Priority Debt Leverage Ratio” means, as of any date of determination, the ratio of (a) the Priority Debt of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred; *provided, however*, that, for the purposes of clause (b) of the first paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and clause (14)(y)(i) and (14)(y)(ii) of the second paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” the calculation of the Consolidated Priority Debt Leverage Ratio shall be made assuming that the maximum amount of Indebtedness permitted to be incurred under clause (1) of the second paragraph of the covenant “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” has been incurred and is outstanding in the form of Priority Debt. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Priority Debt Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Priority Debt Leverage Ratio is made (the “Calculation Date”), then the Consolidated Priority Debt Leverage Ratio will be calculated giving *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) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance 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 the Consolidated Priority Debt Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the definition of Permitted Debt, the incurrence of which itself requires the calculation of the Consolidated Priority Debt Leverage Ratio); or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness incurred at the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are 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 Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) 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.

“Consolidated Total Assets” means, with respect to any specified Person at any time, the total assets of such Person and its Subsidiaries which are Restricted Subsidiaries, in each case as shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with IFRS.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security thereof;
- (2) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such obligation against loss in respect thereof.

“Credit Facilities” means any credit agreement, indentures or other agreements (including, without limitation, the Revolving Credit Facility Agreement and the Senior Subordinated Indenture) between the Issuer or one or more Restricted Subsidiaries and a financial institution or institutions providing for the making of loans, on a term or revolving basis, the issuance of letters of credit, commercial paper facilities, notes (including, without limitation, the Senior Subordinated Notes offered hereby and other debt securities), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or equipment financing facilities (including, without limitation, finance leases, asset-based lending, sale-and-leaseback transactions and similar arrangements), in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of a sale of debt securities) in whole or in part from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Designated Non-Cash Consideration” means the Fair Market Value of non-cash consideration received by the Issuer or any Restricted Subsidiary in connection with an Asset Sale that is designated as such on the closing date of such Asset Sale pursuant to an officers’ certificate, setting forth the basis of such valuation. The aggregate Fair Market Value of the Designated Non-Cash Consideration at the time of receipt, taken together with the Fair Market Value (measured on the date of receipt) of all other Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary since the date of the Senior Subordinated Indenture that is outstanding, may not exceed the greater of €35.0 million and 1.5% of Consolidated Total Assets in the aggregate.

“Disinterested Members” means, with respect to any transaction or series of related transactions, one or more members of the Board of Directors of the Issuer who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Issuer shall not be deemed to have such a financial interest by reason of such member’s holding Capital Stock of the Issuer or any Affiliate thereof, any Capital Stock or other debt or equity debt or equity securities of any entity formed for the purpose of investing in Capital Stock of the Issuer or any options, warrants or other rights in respect of any of the foregoing or being an officer, director, consultant or employee of any such entities.

“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, on or prior to the date that is 91 days after the date on which the Senior Subordinated Notes mature. 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 to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Senior Subordinated Indenture will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private offering of the Capital Stock (other than Disqualified Stock) of the Issuer or a Parent of the Issuer, *provided* that (x) any such offering shall exclude Capital Stock issued to an Affiliate of the Issuer or pursuant to a stock option or employment compensation program and (y) in the case of any such offering by a Parent of the

Issuer, the Net Proceeds thereof are contributed to the equity of the Issuer (other than through the issuance of Disqualified Stock) or loaned to the Issuer as Shareholder Subordinated Debt.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in the Financial Times in the “Currency Rates” section (or, if the Financial Times is no longer published, or if such information is no longer available in the Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination.

“European Union Member State” shall mean any country that was a member of the European Union as of January 1, 2004.

“Existing Indebtedness” means Indebtedness of the Issuer and its Restricted Subsidiaries (other than the 2016 Senior Secured Notes, the 2014 Senior Secured Notes and any Indebtedness outstanding under the Revolving Credit Facility as of the Issue Date) in existence on the date of the Senior Subordinated Indenture, after giving effect to the net proceeds of the issuance of the Notes, until such amounts are repaid (including, without limitation, the 2014 Senior Subordinated Notes).

“Existing Notes” means, collectively, the 2014 Senior Secured Notes, the 2014 Senior Subordinated Notes and the 2016 Senior Secured Notes.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the chief executive officer, chief financial officer or responsible accounting or financial officer of the Issuer (unless otherwise provided in the Senior Subordinated Indenture). For the avoidance of doubt the Trustee shall have no obligation to determine the Fair Market Value.

“Fixed Charge Coverage Ratio” means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital or capital expenditure borrowings) or issues, repurchases or redeems 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 to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of 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 the Fixed Charge Coverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the definition of Permitted Debt, the incurrence of which itself requires the calculation of the Fixed Charge Coverage Ratio) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow 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;
- (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 (including any Unrestricted Subsidiary that has been redesignated as 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; and
- (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 Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition or other Investment and the amount of income or earnings relating thereto, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated expense and cost reductions, operating improvements and synergies). In addition, for purposes of this definition, in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date.

“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 and its Restricted Subsidiaries on their Indebtedness for such period, net of consolidated interest income, whether paid or accrued, including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates (excluding non-cash interest expense on Subordinated Shareholder Debt); *plus*
- (2) the consolidated interest expense of such Person and its Restricted Subsidiaries on their Indebtedness that was capitalized during such period; *plus*
- (3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*
- (4) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests or Subordinated Shareholder Debt of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer; *plus*
- (5) 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 Restricted Subsidiary following the Calculation Date.

“Government Guaranteed Securities” means:

- (1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;
- (2) corresponding instruments by any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan and in each case with maturities not exceeding two years from the date of acquisition; and
- (3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold immaterial amounts of cash pending investment and/or distribution.

“Guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (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).

“Guarantor” means any Subsidiary of the Issuer that executes a Note Guarantee in accordance with the provisions of the Senior Subordinated Indenture, and its respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Senior Subordinated Indenture.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates.

“Holder” means each Person in whose name the Senior Subordinated Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

“IFRS” means the International Financial Reporting Standards (formerly, International Accounting Standards) as endorsed from time to time by the European Union; provided that at any date after the Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election. The Issuer shall give notice of any such election to the Trustee. Notwithstanding the foregoing, the impact of IFRS 16 Leases and any successor standard thereto shall be disregarded with respect to all ratios, calculations and determinations based upon IFRS to be calculated or made, as the case may be, pursuant to the Senior Subordinated Indenture and (without limitation) any lease, concession or license of property that would be considered an operating lease under IFRS as of the Issue Date and any guarantee given by the Issuer or any Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or any Restricted Subsidiary under any such operating lease shall be accounted for in accordance with IFRS as in the effect on the Issue Date.

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker’s acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS. In addition, the term “Indebtedness” includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, “Indebtedness” shall not include any:

- (A) Contingent Obligations incurred in the ordinary course of business;
- (B) 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 90 days thereafter;
- (C) any contingent 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;
- (D) Subordinated Shareholder Debt;

- (E) anything accounted for as an operating lease under IFRS in effect as of the Issue Date; or
- (F) any deposits or prepayments received by the Issuer or a Restricted Subsidiary for services or products to be provided or delivered.

No Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

“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 such 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 that certain intercreditor agreement dated July 23, 2014, as subsequently amended and restated on December 29, 2016, between the Issuer, Wilmington Trust, National Association, as Trustee, Wilmington Trust (London) Limited as security agent for the 2014 Senior Secured Notes, Natixis S.A. as senior agent and security agent for the lenders and the financial institutions listed therein as the lenders under the Revolving Credit Facility and as acceded to by the Trustee on or about April 4, 2017, as amended, restated or otherwise modified or varied from time to time.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to directors, officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer’s Investments in such Subsidiary that were not sold or disposed of. Except as otherwise provided in the Senior Subordinated Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. 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; *provided*, that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant described under “—Certain Covenants—Restricted Payments” is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant described under “—Certain Covenants—Restricted Payments.”

“IPO Market Capitalization” means an amount equal to (a) 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 (b) 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 April 4, 2017.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Management Advances” means, loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Restricted Subsidiary:

- (1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;
- (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)) in the ordinary course of business or consistent with past practice not to exceed €5.0 million in the aggregate at any one time outstanding.

“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 or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

“Moody’s” means Moody’s Investors Service, Inc.



“Net Proceeds” means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS.

“Non-Recourse Debt” means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender

“Note Guarantee” means the Guarantee by each Guarantor of the Issuer’s obligations under the Senior Subordinated Indenture and the Senior Subordinated Notes, executed pursuant to the provisions of the Senior Subordinated Indenture.

“Notes” means, collectively, the Senior Secured Notes and the Senior Subordinated Notes.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“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 the Principals or any Related Party for purposes of holding its investment in any Parent.

“Pari Passu Indebtedness” means any Indebtedness of the Issuer or any Guarantor (other than Indebtedness that is a Guarantee of the Indebtedness of another Person and other than Indebtedness owed to the Issuer or a Restricted Subsidiary or an Affiliate of the Issuer) that ranks equally in right of payment with the Senior Subordinated Notes and that is not subordinated in right of payment to Senior Subordinated Notes or any Note Guarantee. For the avoidance of doubt, Pari Passu Indebtedness includes the 2014 Senior Subordinated Notes.

“Permitted Business” means any business in which the Issuer and its Subsidiaries were engaged on the date of the Senior Subordinated Indenture, and any business incidental, reasonably related, complementary or ancillary thereto, or which is a reasonable extension thereof.

“Permitted Investments” means:

- (1) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;
- (2) any Investment in cash, Cash Equivalents or Government Guaranteed Securities;
- (3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:
  - (a) such Person becomes a Restricted Subsidiary of the Issuer; or
  - (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales;”
- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Issuer;
- (6) any Investments received: (i) in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes with Persons who are not Affiliates; or (ii) as a result of foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer or title with respect to any secured Investment in default;
- (7) lease, utility and workers’ compensation, performance and other similar deposits made in the ordinary course of business;
- (8) Investments represented by Hedging Obligations;
- (9) Management Advances;

- (10) repurchases of the Senior Subordinated Notes, including any Additional Senior Subordinated Notes issued pursuant to the Senior Subordinated Indenture, the Existing Notes or the Senior Secured Notes;
- (11) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (12) Investments acquired after the date of the Senior Subordinated Indenture as a result of the acquisition by the Issuer or any Restricted Subsidiary 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 “—Merger, Consolidation or Sale of Assets” 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;
- (13) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding not to exceed the greater of (i) 4.0% of Consolidated Total Assets of the Issuer or (ii) €110.0 million; *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 merged into or with the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause;
- (14) any Investment existing on, or made pursuant to written agreements existing on, the date of the Senior Subordinated Indenture and any Investment that replaces, refinances or refunds an existing Investment (or an Investment made pursuant to binding written commitments in existence on the date of the Senior Subordinated Indenture); *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the date of the Senior Subordinated Indenture or (b) as otherwise permitted under the Senior Subordinated Indenture;
- (15) Investments by the Issuer or a Restricted Subsidiary in an amount at any time outstanding not to exceed the greater of €170.0 million and 6.0% of Consolidated Total Assets of the Issuer in one or more joint ventures engaged in a Permitted Business; *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 merged with or into a Restricted Subsidiary of the Issuer or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause and *provided* that, to the extent any such Investment is in Equity Interests of such joint venture, the amount of the Investment deemed outstanding for the purposes of this clause (15) shall be equal to the proportionate share held by the Issuer or such Restricted Subsidiary, as the case may be, in the Fair Market Value of the net assets of such joint venture at the time of the Investment; and
- (16) guarantees of Indebtedness permitted to be incurred by the Issuer or its Restricted Subsidiaries by the covenant described under “—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock” and keepwells and similar arrangements not prohibited by the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”

*provided, however,* that with respect to any Investment, the Issuer may in its sole discretion, allocate all or any portion of any Investment to one or more of the above clauses (1) through (16) so that the entire Investment would be a Permitted Investment.

“Permitted Liens” means:

- (1) Liens on assets of the Issuer or any of its Restricted Subsidiaries securing Priority Debt that is permitted to be incurred under the Senior Subordinated Indenture;
- (2) Liens in favor of the Issuer or any Restricted Subsidiary of the Issuer;
- (3) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Issuer or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary of the Issuer; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary of the Issuer or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into

or consolidated with the Issuer or the Subsidiary (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);

- (4) Liens on property or assets (including Capital Stock) existing at the time of acquisition of the property or assets by the Issuer or any Subsidiary of the Issuer (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); *provided* that such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens or deposits to secure the performance of tenders, bids, statutory or regulatory obligations, surety, appeal, indemnity or performance bonds, letters of credit, banker's acceptances, warranty, contractual, netting or set-off requirements or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);
- (6) Liens to secure Productive Asset Financings permitted by clause (4) of the second paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and Liens to secure Productive Asset Financings, to the extent limited to tangible fixed assets, otherwise permitted to be incurred pursuant to the covenant entitled "—Incurrence of Indebtedness and Issuance of Preferred Stock", in each case, covering only the assets acquired with or financed by such Productive Asset Financings;
- (7) Liens existing on the date of the Senior Subordinated Indenture or provided for under written arrangements existing on the date of the Senior Subordinated Indenture;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Restricted Subsidiaries; *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;
- (9) Liens imposed by law, such as carriers', warehousemen's, landlord's, lessors', suppliers', banks', repairmen's and mechanics' Liens and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, in each case, incurred in the ordinary course of business;
- (10) survey exceptions, easements or reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights) of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or title defects that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Issuer and its Subsidiaries) or materially impair their use in the operation of the business of the Issuer and its Subsidiaries;
- (11) Liens created for the benefit of (or to secure) the Senior Subordinated Notes and any Note Guarantee;
- (12) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;"
- (13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Senior Subordinated Indenture; *provided, however*, that:
  - (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and
  - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
- (14) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (15) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business

for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

- (16) leases, licenses, subleases and sublicenses of assets or property (including intellectual property) in the ordinary course of business;
- (17) Liens arising out of conditional sale, title retention, extended title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (19) 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;
- (20) 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;
- (21) Liens incurred in the ordinary course of business (other than for borrowing purposes) of the Issuer or any Restricted Subsidiary of the Issuer with respect to obligations that do not exceed the greater of €55.0 million and 2.0% of Consolidated Total Assets of the Issuer at any one time outstanding;
- (22) Liens on (i) escrowed proceeds for the benefit of related holders of debt securities or other Indebtedness (or the underwriter or arrangers thereof), (ii) 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 account or similar arrangement to be applied for such purpose, or (iii) on any guarantee or backstop commitment relating to any escrow shortfall;
- (23) Liens securing indebtedness or other obligations of the Issuer or any Restricted Subsidiary that were permitted to be incurred pursuant to clauses (1), (14)(y) or (17) “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (24) Liens on Receivables Assets incurred in connection with a Permitted Receivables Transaction; and
- (25) any amendment, modification, extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (24).

“Permitted Receivables Transaction” means any financing pursuant to which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person (including a Receivables Subsidiary) or grant a security interest in, any Receivables Assets in an aggregate principal amount equivalent to the Fair Market Value of all such Receivables Assets of the Issuer or any Restricted Subsidiary; *provided* that (a) any covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Issuer) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer’s chief financial officer) at the time such financing is entered into and (c) such financing shall be non-recourse to the Issuer or any Restricted Subsidiary except to a limited extent customary for such transactions.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness) (including any other Permitted Refinancing Indebtedness); *provided* that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, renewed, refunded, refinanced, replaced, defeased or discharged (which, for the avoidance of doubt, may include Indebtedness under one or more separate agreements or instruments that will be refinanced with a single agreement or instrument, as well as Indebtedness under a single agreement or instrument that will be refinanced with multiple separate agreements or instruments) (plus any accrued interest and any premium required to be paid on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness (a) has a final maturity date (i) later than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) after the final maturity date of the Senior Subordinated Notes and (b) has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed,

refunded, refinanced, replaced, defeased or discharged or, alternatively, a final maturity date that is later than the final Stated Maturity of the Senior Subordinated Notes;

- (3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Senior Subordinated Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Senior Subordinated Notes on terms at least as favorable to the Holders of Senior Subordinated Notes as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and
- (4) such Indebtedness is incurred by the Issuer if the Issuer is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged.

Permitted Refinancing Indebtedness in respect of any Credit Facility may be incurred from time to time at or after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Principals” means Mr. Gérard Déprez and his estate, spouse, siblings, ancestors, heirs and lineal descendants, and spouses of any such Persons, the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are the principal beneficiaries or the grantors or any other Person that is controlled by any of the foregoing.

“Priority Debt” means all secured Indebtedness or Senior Indebtedness of the Issuer or a Guarantor (including, without limitation, the Revolving Credit Facility, the 2014 Senior Secured Notes, the 2016 Senior Secured Notes and the Senior Secured Notes) and any Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted to be incurred under the terms of the Senior Subordinated Indenture (excluding Permitted Debt incurred under clauses (6), (7), (8), (9), (11), (12) and (13) thereof).

Notwithstanding anything to the contrary in the preceding, Priority Debt will not include:

- (1) any liability for federal, state, local or other taxes owed or owing by the Issuer or any of its Restricted Subsidiaries;
- (2) any trade payables;
- (3) Indebtedness which is classified as non-recourse in accordance with GAAP or any unsecured claim arising in respect thereof by reason of the application of any relevant bankruptcy or insolvency law, rule or regulation; or
- (4) any Pari Passu Indebtedness.

“Public Market” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) at least 20% of the total issued and outstanding shares of common equity interests of the IPO Entity has been distributed to investors (other than the Permitted Holders).

“Receivables Assets” means any accounts receivable and related contract rights (including any related letters of credit) customarily transferred in a receivables securitization or otherwise used to raise financing by the creditor of such receivables or revenue streams from sales of inventory subject to a Permitted Receivables Transaction.

“Related Party” means:

- (1) any controlling stockholder, Subsidiary, or immediate family member (in the case of an individual) of any Principal; or
- (2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

“Revolving Credit Facility” means the senior secured revolving credit facility made available under the Revolving Credit Facility Agreement.

“Revolving Credit Facility Agreement” means the senior secured revolving credit facility agreement entered into on February 28, 2017, as amended, restated or otherwise modified or varied from time to time, entered into by among others, the Issuer, Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale.

“S&P” means Standard & Poor’s Ratings Group.

“Senior Indebtedness” means, whether outstanding on the Issue Date or thereafter incurred, all amounts payable by, under or in respect of all Indebtedness of the Issuer or any Guarantor to which the Senior Subordinated Notes or any Note Guarantee are expressly subordinated in right of payment by virtue of the subordination provisions included in the Senior Subordinated Indenture and by virtue of such Indebtedness being designated as Senior Indebtedness pursuant to its own governing instrument, other than (a) any Indebtedness incurred in violation of the Senior Subordinated Indenture; (b) any obligation of the Issuer or any Guarantor to the Issuer or any of its Restricted Subsidiaries or Affiliates; (c) any liability for taxes owed or owing by the Issuer or any of its Restricted Subsidiaries; (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 Subordinated Obligations; or (f) any Capital Stock.

“Senior Secured Notes” means the 2022 Senior Secured Notes and the 2024 Senior Secured Notes.

“Significant Subsidiary” means any Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Issuer or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the Senior Subordinated Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligations” means any Indebtedness (whether outstanding on the date of the Senior Subordinated Indenture or thereafter incurred) that is subordinated or junior in right of payment to the Senior Subordinated Notes).

“Subordinated Shareholder Debt” means, collectively, any funds provided to the Issuer by an Affiliate of the Parent or the Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however*, that such Subordinated Shareholder Debt:

- (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Senior Subordinated 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);
- (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Senior Subordinated Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Senior Subordinated Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Issuer;
- (5) pursuant to its terms, is subordinated in right of payment to the prior payment in full in cash of the Senior Subordinated Notes and the Note Guarantees in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Issuer;
- (6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Senior Subordinated Notes or the Note Guarantees or compliance by the Issuer with its obligations under the Senior Subordinated Indenture;
- (7) does not (including upon the happening of an event) constitute Voting Stock; and
- (8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder thereof; in whole or in part, prior to the date on which the Senior Subordinated Notes mature, other than into or for Capital Stock (other than Disqualified Stock) of the Issuer.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business 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 and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“Unrestricted Subsidiary” means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) except as permitted by the covenant described above under the caption “—Certain Covenants—Transactions with Affiliates,” is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary of the Issuer unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;
- (3) is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and
- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries.

except (i) that the Issuer or any Restricted Subsidiaries may pledge Equity Interests or Indebtedness of an Unrestricted Subsidiary on a non-recourse basis as long as the pledge has no claim whatsoever against the Issuer, Guarantor or any Restricted Subsidiary other than to obtain such pledged property and (ii) to the extent that Indebtedness of the Issuer or any Restricted Subsidiary was permitted to be incurred under the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock.”

“U.S. Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” means the U.S. Securities Act of 1933, as amended.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

## **BOOK-ENTRY, DELIVERY AND FORM**

### **General**

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be represented by a global note in registered form without interest coupons attached (the “Rule 144A Global Notes”). Notes sold outside the United States in reliance on Regulation S under the Securities Act will be represented by a global note in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”). On the date the notes are delivered in book-entry form, as set forth on the cover page of this offering memorandum, the Global Notes will be deposited with a common depositary and registered in the name of the common depositary or its nominee 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 may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under “—Issuance of Definitive Registered Notes,” the Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests.

So long as the Notes are held in global form, the common depositary for Euroclear and /or Clearstream (or its nominee) will be considered the sole holder of Global Notes for all purposes under the indentures and “holders” of Book-Entry Interests will not be considered the owners or “holders” of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests in order to transfer their interests in the Notes or to exercise any rights of holders under the indentures.

None of the Issuer, the Trustee, Paying Agent, Transfer Agent or Registrar or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

### **Issuance of Definitive Registered Notes**

Under the terms of the Indentures, to the extent permitted by Euroclear and/or Clearstream, owners of Book-Entry Interests will receive definitive notes in registered form without coupons (“Definitive Registered Notes”):

- if the common depositary for Euroclear and/or Clearstream notifies the Issuer that it is unwilling or unable to continue as the common depositary for the Global Notes and a successor depositary is not appointed by the Issuer in 120 days;
- if an Event of Default has occurred and is continuing with respect to the Notes and enforcement action in respect thereof is being taken under the Indentures; or
- if the issuance of such Definitive Registered Notes is necessary in order for a Holder or beneficial owner to present its Note or Notes to a paying agent in order to avoid any tax that is imposed on or with respect to a payment made to such holder or beneficial owner.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, 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 referred to in “Transfer Restrictions,” unless that legend is not required by the Indentures or applicable law.

In the case of the issuance of Definitive Registered Notes, payment of principal of, and premium, if any, and interest on the Notes shall be payable at the place of payment designated by the Issuer pursuant to the Indentures; provided that, at the Issuer’s option, payment of interest on a Note may be made by check mailed to the person entitled thereto at such address as shall appear on the note register.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of a transfer agent, the Issuer will issue and the Trustee or an authenticating agent will authenticate a replacement Definitive Registered Note if the Trustee’s and the Issuer’s requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect ourselves, the Trustee, the Registrar the Paying Agent or the Transfer Agent appointed pursuant to the Indentures from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by it in replacing a Definitive Registered Note.



In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indentures, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, we will publish a notice of any issuance of Definitive Registered Notes in a daily leading newspaper having general circulation in Luxembourg (which we expect to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

To the extent permitted by law, the Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar shall be entitled to treat the registered holder as the absolute owner thereof.

### **Redemption of Global Notes**

In the event any Global Note, or any portion thereof, is redeemed, the common depositary will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the Book-Entry Interests in 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 the common depositary, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate.

### **Payments on Global Notes**

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts) will be made by the Issuer in euro to the Paying Agent. The paying agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of 2022 Senior Secured Notes—Additional Amounts," "Description of 2024 Senior Secured Notes—Additional Amounts" and "Description of Senior Subordinated Notes—Additional Amounts."

Under the terms of the Indentures, the Issuer and the Trustee will treat the registered holder of the Global Notes (i.e., the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest;
- Euroclear, Clearstream or any participant or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in "street name."

### **Action by Owners of Book-Entry Interests**

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests 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, waivers or the taking of any other action in respect of the Global Notes. If there is an Event of Default under the Notes, however, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their participants.

### **Transfers**

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds.

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 transfer discussed under “Transfer Restrictions.”

Book-Entry Interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note only upon delivery by the transferor of a written certification (in the forms provided in the Indentures) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act. See “Notice to Investors.”

Subject to the foregoing, Book-Entry Interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Rule 144A Global Note only upon delivery by the transferor of a written certification (in the forms provided in the Indentures) 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 “Notice to Investors,” and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction.

Subject to the foregoing, and as set forth in “Transfer Restrictions,” Book-Entry Interests may be transferred and exchanged as described under “Description of Notes—Transfer and Exchange.” Any Book-Entry Interest in a Global Note that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another 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 the 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 retains such a Book-Entry Interest.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than €100,000 will be issued. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

#### **Global Clearance and Settlement under the Book-Entry System**

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange. 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 Issuer, the initial purchasers, the Trustee, the Registrar, the Transfer Agent or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

#### ***Initial settlement***

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

#### ***Secondary market trading***

The Book-Entry Interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser 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 seller’s accounts are located to ensure that settlement can be made on the desired value date.

#### **Information Concerning Euroclear and Clearstream**

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We have provided 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.

We understand 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 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.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the initial purchasers or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to Book-Entry Interests.

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.

## TAXATION

### France

The following is a summary of certain of the material French withholding tax consequences that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer and certain other French tax considerations that may be relevant to holders of Notes who (i) are non-French residents, (ii) do not hold their Notes in connection with a business or profession conducted in France, or a permanent establishment or fixed base situated in France, and (iii) do not concurrently hold shares of the Issuer. This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.

**PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO FRENCH TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.**

### Withholding Tax

Payments of interest and assimilated revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A-III of the French Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a “Non-Cooperative State”). If such payments under the Notes are made in a Non-Cooperative State, a 75% mandatory withholding tax will be due by virtue of Article 125 A-III of the French Tax Code (subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty). The 75% withholding tax is applicable irrespective of the tax residence of the Noteholders. The list of Non-Cooperative States is published by a ministerial executive order, which may be updated at any time and at least once a year.

Furthermore, according to Article 238 A of the French Tax Code, interest and other revenues on the Notes may not be deductible from the Issuer’s taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterized as constructive dividends pursuant to Article 109 *et seq.* of the French Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code at a rate of 30% or 75%, subject to the more favorable provisions of any applicable tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A-III of the French Tax Code, nor, to the extent the relevant interest relate to genuine transactions and is not in an abnormal or exaggerated amount, the non-deductibility set out under Article 238 A of the French Tax Code nor the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code that may be levied as a result of such non-deductibility, will apply in respect of the issue of the Notes if the Issuer can prove that the main purpose and effect of such issue of Notes is not to enable payments of interest or other similar revenues to be made in a Non-Cooperative State (the “Exception”).

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* (French administrative guidelines) referenced as BOI-INT-DG-20-50-20140211, an issue of notes will be deemed not to have such a purpose and effect, and accordingly will be able to benefit from the Exception, without the Issuer having to provide any proof of the purpose and effect of such issue of the Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the *Code monétaire et financier* (French Monetary and Financial Code) or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a French or foreign regulated market or a multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the *Code monétaire et financier*, or of one or more similar foreign depositories or operators, provided that such depository or operator is not located in a Non-Cooperative State.

The Notes, which will be (i) admitted to trading on the Luxembourg Stock Exchange in Luxembourg, which is not a Non-Cooperative State, and such market being operated by a market operator which is not located in a Non-Cooperative State and

(ii) admitted, at the time of their issue, to the operations of Euroclear and Clearstream, will fall under the Exception. Accordingly, payments of interest and other assimilated revenues with respect to the Notes will be exempt from the withholding tax set out under Article 125 A-III of the French Tax Code. In addition, under the same conditions and to the extent that the relevant interest and other revenue relate to genuine transactions and are not in an abnormal or exaggerated amount, they will be subject neither to the non-deductibility set out under Article 238 A of the French Tax Code nor to the withholding tax set out under Article 119 *bis* 2 of the same *Code* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

#### ***Withholding Tax applicable to French Tax Resident Individuals***

Pursuant to Article 125 A of the French Tax Code (*i.e.* where the paying agent (*établissement payeur*) is located in France), subject to certain exceptions, interest received by French tax resident individuals is subject to a 24% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied at source at an aggregate rate of 15.5% on interest paid to French tax resident individuals. Holders of Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 24% levy and the 15.5% social contributions are collected, where the paying agent is not located in France.

#### ***Capital Gain Tax***

A holder of Notes will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or other disposal of Notes, when such holder is not a French tax resident and does not hold his Notes in connection with a fixed base or a permanent establishment subject to tax in France.

#### ***Stamp Duties***

Transfers of Notes outside France are not subject to any stamp duty or other transfer taxes imposed in France, provided that such transfers are not recorded in a deed registered with the French tax authorities.

#### ***Certain U.S. Federal Income Tax Considerations***

The following is a summary of certain United States federal income tax considerations that may be relevant to a holder of the Notes that is a citizen or resident of the United States or a domestic corporation or that otherwise is subject to United States federal income taxation on a net income basis in respect of the Notes (a “U.S. holder”). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes. In particular, the summary deals only with U.S. holders that will acquire the Notes as part of the initial offering of the Notes at the original offering price and who will hold the Notes as capital assets. It does not address the tax treatment of U.S. holders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, tax exempt entities, financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons subject to the alternative minimum tax, certain short-term holders of Notes, entities taxed as partnerships or partners therein, non-resident alien individuals present in the United States for 183 days or more during the taxable year, persons that hedge their exposure in the Notes or will hold Notes as part of a position in a “straddle” or “conversion” transaction or as part of a “synthetic security” or other integrated financial transaction, or holders whose functional currency is not the U.S. dollar. Further, this summary does not address the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a U.S. holder in light of such holder’s particular circumstances.

The summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), existing and proposed Treasury Regulations, administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations.

You should consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Notes in your particular circumstances.

#### ***Payments of Interest and Additional Amounts***

Stated interest on the Notes (including any Additional Amounts) will be taxable to a U.S. holder as ordinary income at the time it is paid or accrued in accordance with such holder’s regular method of accounting for U.S. federal income tax purposes.

A U.S. holder that uses the cash method of accounting for U.S. federal income tax purposes and that receives a payment of stated interest will be required to include in ordinary income the U.S. dollar value of the euro (“foreign currency”) interest payment determined on the date such payment is received, regardless of whether the payment is in fact converted to U.S. dollars. A U.S. holder that uses the accrual method of accounting for tax purposes will accrue interest income on a note in foreign currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the holder’s taxable year), or, at the holder’s election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the

accrual period. A U.S. holder that makes such election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the “IRS”).

An accrual method U.S. holder will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will generally be treated as ordinary income or loss and will not be treated as an adjustment to interest income received on the note.

### ***Dispositions***

A U.S. holder will generally recognize taxable gain or loss upon the sale, exchange or retirement of the Notes in an amount equal to the difference between the amount realized upon such sale, exchange or retirement (reduced by any amounts attributable to accrued but unpaid stated interest and Additional Amounts not previously included in income, which will be taxable in the manner described above under “—Payments of Interest and Additional Amounts”) and the U.S. holder’s adjusted tax basis in those Notes.

A U.S. holder’s adjusted tax basis in a note generally will be the U.S. dollar value of the purchase price of that note on the date of purchase. The amount realized by a U.S. holder upon the sale, exchange or retirement of a note will be the U.S. dollar value of the currency received calculated at the exchange rate in effect on the date the instrument is sold or disposed of. In the case of a note that is traded on an established securities market, a cash method U.S. holder, and if it so elects, an accrual method U.S. holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual method U.S. holders in respect of the purchase and sale of Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, gain or loss realized by a U.S. holder on such sale or other taxable disposition generally will be capital gain or loss and will be long-term capital gain or loss if, at the time of the disposition, the Notes have been held for more than one year. Certain non-corporate U.S. holders (including individuals) may be eligible for preferential rates of taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

Gain or loss recognized by a U.S. holder on the sale, exchange or retirement of a note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates with respect to the purchase price of the note during the period in which the holder held such note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes. For an accrual method U.S. holder that does not make the election described above, the foreign currency gain or loss will include amounts attributable to changes in exchange rates between the trade date and the settlement date. In addition, upon the sale or other taxable disposition of a note, an accrual method U.S. holder may realize foreign currency gain or loss attributable to amounts received in respect of accrued and unpaid stated interest. The amount of foreign currency gain or loss realized with respect to principal and accrued interest will, however, be limited to the amount of overall gain or loss realized on the disposition.

### ***Reportable Transactions***

You may be required to report a disposition of the Notes to the IRS if you recognize foreign currency loss from a single transaction that exceeds, in the case of an individual or trust, \$50,000 in a single tax year or, in other cases, various higher thresholds. You should consult your own tax advisor if you recognize foreign currency losses on the Notes.

### ***U.S. Return Disclosure Requirements for Individual U.S. Holders***

Individual U.S. holders that own “specified foreign financial assets” with an aggregate value in excess of \$50,000 are generally required to file an information reporting statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Treasury regulations have been proposed that would extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial accounts based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. You should consult your own tax advisor concerning the application of these rules to your investment in the Notes, including the application of the rules to your particular circumstances.

### ***Information Reporting and Backup Withholding***

Payments of interest and Additional Amounts on the Notes and sales or redemption proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (i) the holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding or (ii) the holder is an exempt recipient that is not required to provide a certification.

Any amounts withheld under the backup withholding rules from a payment to a holder will be refunded (or credited against such holder's U.S. federal income tax liability, if any), provided the required information is properly furnished to the IRS.

A holder that is not a U.S. holder generally will not be subject to information reporting or backup withholding, but such a holder may have to comply with certification procedures to establish that it is not a United States person.

## PLAN OF DISTRIBUTION

We and Deutsche Bank AG, London Branch, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale as initial purchasers, have entered into a purchase agreement dated March 29, 2017 with respect to the Notes. Subject to the terms and conditions set forth in the purchase agreement, we have agreed to sell the Notes to the initial purchasers.

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase the Notes from us, are several and not joint. The purchase agreement provides that the initial purchasers are obligated to purchase all of the Notes if any of them are purchased. The purchase agreement also provides that, if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or, in some cases, the offering may be terminated. We have agreed to pay the initial purchasers certain customary fees for their services in connection with this offering and to reimburse them for certain out-of-pocket expenses. We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers propose to offer the Notes initially at the offering price set forth on the cover page of this offering memorandum and may also offer the Notes to selling group members at the offering price less a selling concession. After the initial offering, the offering price may be changed. The initial purchasers may make offers and sales in the United States through their respective U.S. broker-dealer affiliates.

Persons who purchase Notes from the initial purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page of this offering memorandum.

The Notes will be a new issue of securities for which there currently is no market. We have applied to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF, but there can be no assurance that such 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 obliged, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at its sole discretion without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly we cannot assure you that any market for the Notes will develop or 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 that will be favorable to you.

Deutsche Bank AG, London Branch (or persons acting on its behalf) 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 initial purchasers. Stabilizing transactions permit bids 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/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions. 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, if commenced, may be discontinued at any time.

From time to time, the initial purchasers and their affiliates have provided, and may in the future provide, investment banking and commercial banking and lending services to us and our affiliates for which they have received or may receive customary fees and commissions. All of the initial purchasers are lenders under the Bridge Facility Agreement and the Revolving Credit Facility. Deutsche Bank AG, London Branch will act as Paying Agent for the Notes offered hereby. Deutsche Bank AG, London Branch is also a lender under our Revolving Credit Facility. Natixis is the Agent and Security Agent under the Revolving Credit Facility.

Deutsche Bank Luxembourg S.A., an affiliate of Deutsche Bank AG, London Branch, will act as Luxembourg Listing Agent for the notes offered hereby.

### **Selling Restrictions**

#### ***United States***

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Accordingly, the Notes are being offered (a) in the United States only to QIBs, as defined in Rule 144A, in reliance on an exemption from the registration requirements of the Securities Act provided for private placements and (b) outside the United States only in “offshore transactions” as defined in, and in accordance with, Regulation S. For a description of the relevant



restrictions on transfer of the Notes by U.S. investors, see “Transfer Restrictions.” Any person who subscribes or acquires Notes outside the United States will be deemed to have represented, warranted and agreed, by accepting delivery of this offering memorandum or delivery of Notes, that it has not received this document or any information related to the Notes in the United States, is not located in the United States and is subscribing for or acquiring Notes in compliance with Rule 903 of Regulation S in an “offshore transaction” as defined in Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act unless it is made pursuant to Rule 144A.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Member State”), each initial purchaser has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Member State other than offers:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers for any such offer; 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 Issuer or any initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Notes in any 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU), and includes any relevant implementing measure in the relevant individual Member States.

### ***France***

Each of the initial purchasers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed any Notes to the public in France, within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général* of the *Autorité des Marchés Financiers* (the French financial markets authority) (the “AMF”). Consequently, the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France (*offre au public de titres financiers*), and neither this offering memorandum nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

This offering memorandum or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) investment services providers authorized to engage in portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and (b) qualified investors (*investisseurs qualifiés*), other than individuals, as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Prospective investors are informed that:

- (i) neither this offering memorandum nor any other offering material relating to the Notes has been or will be submitted for clearance to the AMF;
- (ii) in compliance with Articles L.411-2 and D.411-1 of the French *Code monétaire et financier*, any qualified investors subscribing for the Notes should be acting for their own account; and
- (iii) the direct and indirect distribution or sale to the public of the Notes acquired by those investors to whom offers and sales of the Notes may be made as described above may only be made in compliance with Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

### ***United Kingdom***

Each initial purchaser has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it 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.

### ***Other jurisdictions***

The distribution of this offering memorandum and the offer and sale or resale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum (or any part hereof) comes are required by us and the initial purchasers to inform themselves about, and to observe, any such restrictions.

## TRANSFER RESTRICTIONS

*You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.*

We have not registered and will not register the Notes under the Securities Act and, therefore, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Notes to the initial purchasers for re-offer and resale only:

- in the United States to “qualified institutional buyers,” commonly referred to as “QIBs,” as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States in offshore transactions in accordance with Regulation S.

We use the terms “offshore transaction” and “United States” with the meanings given to them in Regulation S.

Each purchaser of Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

- (1) The purchaser (A) (i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Notes for its own account or for the account of a qualified institutional buyer or (B) is purchasing such Notes outside of the United States in an offshore transaction pursuant to Regulation S.
- (2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that such Notes have not been and will not be registered under the Securities Act or any state securities law, and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) to the Issuer, (ii) in the United States to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), (v) pursuant to another available exemption from registration under the Securities Act, or (vi) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (vi) in accordance with any applicable securities laws of any State of the United States; and (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.
- (3) The foregoing transfer restrictions will remain applicable to the earlier of payment in full of the Notes outstanding, registration of the Notes under the Securities Act and the date or dates on which the Notes are fully transferable without registration of the Notes under the Securities Act.
- (4) The purchaser has been afforded an opportunity to ask questions to us, and to request from us and to review, and has received and reviewed, all additional information considered by it to be necessary to verify the accuracy of the information in this offering memorandum and has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of the information contained in this offering memorandum or any additional information or in connection with its investment decision. The purchaser acknowledges that neither the initial purchasers nor any person representing the initial purchasers has made any representation to it with respect to either us or the offering of the Notes. The initial purchasers reserve the right to reject any offer to purchase Notes, in whole or in part, for any reason.
- (5) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

- (6) If the purchaser is a purchaser of Notes offered in reliance on the exemption from registration provided by Rule 144A (the “Rule 144A Notes” or “Restricted Notes”), such purchaser acknowledges and agrees that, until the expiration of the applicable holding period with respect to such Notes set forth in Rule 144(d) of the Securities Act, such Notes may be offered, sold or otherwise transferred only:

A) to the Issuer or a subsidiary thereof;

B) pursuant to an effective registration statement under the Securities Act (the Issuer having no obligation to effect any such registration);

C) to a QIB in compliance with Rule 144A;

D) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S; or

E) pursuant to any other available exemption from registration requirements of the Securities Act;

*provided* that as a condition to registration of transfer of such Notes, we, the Trustee, the Registrar or the Transfer Agent may require delivery of any documents or other evidence that the Issuer or the fiscal agent each, in their discretion, deem necessary or appropriate to evidence compliance with one of the exemptions referred to above, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

Such purchaser also acknowledges that each Rule 144A Note will contain a legend substantially to the following effect:

THIS LEGEND SHALL BE REMOVED SOLELY AT THE OPTION OF THE ISSUER.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT;

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO THE ISSUER OR A SUBSIDIARY OF THE ISSUER, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (V) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (VI) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH THE FOREGOING, THE ISSUER, THE TRUSTEE, THE REGISTRAR AND THE TRANSFER AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.”

- (7) If the purchaser is a purchaser of Notes offered in reliance on the exemption from registration provided by Regulation S (the “Regulation S Notes”), such purchaser acknowledges and agrees that the Regulation S Notes will, unless otherwise agreed by the Issuer and the holder thereof, bear a legend substantially to the following effect (the “Regulation S Legend”):

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

- (8) The purchaser acknowledges that the Issuer, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. The purchaser agrees that if any of the acknowledgments, representations or agreements it is deemed to have made by its purchase of Notes is no longer accurate, it will promptly notify the Issuer and the initial purchasers. If such purchaser is purchasing any Notes as a fiduciary or agent for one or more investor accounts, such purchaser represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account.

Rule 144A Notes may be exchanged for notes not bearing the Restricted Notes Legend but bearing the Regulation S Legend upon certification by the transferor in the form set forth in the indentures that the transfer of any such Restricted Note has been made in accordance with Rule 903 or Rule 904 under the Securities Act, provided that as a condition to registration of transfer of such Notes, we, the Trustee, the Registrar or the Transfer Agent may require delivery of any documents or other evidence that the Issuer or the Trustee each, in their discretion, deem necessary or appropriate to evidence compliance with one of the exemptions referred to above.

## LEGAL MATTERS

Certain legal matters in connection with the validity of the Notes will be passed on for us by Cleary Gottlieb Steen & Hamilton LLP, who are acting as our special United States counsel and our French legal advisors. The initial purchasers have been represented by Latham & Watkins (London) LLP as to matters of United States and English law and Latham & Watkins AARPI as to matters of French law.

## STATUTORY AUDITORS

The consolidated financial statements for Loxam as of and for the years ended December 31, 2014, 2015 and 2016, an English translation of which is included in this offering memorandum, have been audited by KPMG Audit (a division of KPMG SA) and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited), statutory auditors, as stated in their reports appearing therein. The consolidated financial statements for Lavendon as of and for the year ended December 31, 2016 which are included in this offering memorandum, have been audited by Deloitte LLP, statutory auditors, as stated in their report appearing therein.

## SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are a company organized under the laws of France with our registered office and principal place of business in France. None of our officers named herein are residents of the United States, and all or a substantial portion of their assets are located outside the United States. Substantially all of our assets are located outside the United States. We have agreed, in accordance with the terms of the Indentures, to accept service of process in any suit, action or proceeding with respect to the Indentures or the Notes brought in any federal or state court located in New York City by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings. However, it may not be possible for you to effect service of process within the United States upon our officers or to enforce against these persons, or us, judgments of United States courts predicated upon civil liability provisions of the federal securities laws of the United States. It may nonetheless be possible for investors to effect service of process within France upon those persons or entities, 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.

If an original action is brought in France, predicated solely upon the United States federal securities laws, French courts may not have the requisite jurisdiction to grant the remedies sought.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) that has exclusive jurisdiction over such matter.

Actions for enforcement in France of a U.S. judgment rendered against any of the French persons referred to in the preceding paragraph, which is enforceable in the United States, would require the following conditions being met (which conditions, under prevailing French case law, as of the date of this offering memorandum, do not include a review by the French civil court of the merits of the foreign judgment):

- (i) that such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is substantially connected with the United States, the choice of U.S. court was not fraudulent and that French courts do not have exclusive jurisdiction over the matter;
- (ii) that the judgment is not contrary to the principles of French international public policy, both pertaining to the merits and to the procedure of the case, including fair trial rights; and
- (iii) that the U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e. those having a *res judicata* effect) can benefit from an *exequatur* under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the *exequatur* is subject to appeal.

In addition, the discovery process under actions in the United States could be adversely affected under certain circumstances by French law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 and French Ordinance No. 2000 916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations

above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78 17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011 1012 of August 24, 2011) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Subject to the application of Regulation (EC) no 44/2001, Articles 14 and 15 of the French Civil Code may also apply. Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) may sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French individuals. Pursuant to Article 15 of the French Civil Code, a French national may be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (*Cour de cassation*) has recently held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid on the ground that it was discretionary (*potestative*). Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

## GENERAL INFORMATION

### Listing

We have applied to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange in accordance with the rules of that exchange and for trading on the Euro MTF. Notice of any optional redemption, change of control or any change in the rate of interest payable on the Notes will be published in a Luxembourg daily newspaper of general circulation, which is expected to be the *Luxemburger Wort*, or posted on the official website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and may also be published on the official website of the Company, [www.loxam.com](http://www.loxam.com).

For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange require, copies of the following documents, including any future amendments, may be inspected and obtained free of charge at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- our most recent audited annual consolidated financial statements;
- our most recent unaudited quarterly consolidated financial statements;
- copies of our articles of association (*statuts*);
- this offering memorandum;
- the Indentures relating to the Notes, which include the forms of the Notes;
- the Security Documents;
- the Note Guarantees; and
- the Intercreditor Agreement.

We have appointed Wilmington Trust, National Association as trustee for the Notes, Deutsche Bank AG, London Branch as Paying Agent, Deutsche Bank Luxembourg S.A. as Luxembourg Listing Agent and Registrar. We reserve the right to vary such appointment and will publish notice of such change of appointment in a newspaper having a general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, or posted on the official website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

The Company accepts responsibility for the information contained in this offering memorandum. To the Company's best knowledge, except as otherwise noted, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of this offering memorandum. This offering memorandum may only be used for the purposes for which it has been published.

### Organizational Information

We are a French limited liability company (*société par actions simplifiée*). We were formed on November 22, 2005 for a term of 99 years under the name "Loxam Holding," and, on July 29, 2011, we merged with Loxam S.A. and changed our legal name to "Loxam." We are registered under number 450 776 968 RCS Lorient. Our registered office is at 265, rue Nicolas Coatanlem 56850 Caudan, France and our principal executive office is located at 89, avenue de la Grande Armée, 75116 Paris, France. Our telephone number is +33 1 58 44 04 00.

As of the date of this offering memorandum, our authorized share capital was €230,818,150 divided into 19,138,122 class A shares, 2,835,693 class B shares and 1,108,000 ordinary registered voting shares with a nominal value of €10 each, all of which were issued and outstanding.

Pursuant to Article 3 of our articles of association, our corporate purpose is the following:

- the study, creation, implementation, exploitation, direction and management of all commercial, industrial, real estate or financial activities or enterprises,
- the acquisition, lease, rental, with or without a promise to sell, construction and exploitation of all factories, workshops, offices and premises,
- the acquisition, sale, rental of all equipment for civil engineering, agriculture, materials handling or transportation, whether fixed, movable or rolling, machines and tools, as well as all land, sea or air vehicles, and the exploitation of such equipment for the realization of works by the public or by individuals,
- the direct or indirect participation in all operations or enterprises by creating companies, establishments or groups with a real estate, commercial-industrial or financial purpose, through participation in their incorporation or by increasing the capital of existing companies,



- the management of a portfolio of holdings and securities and related activities,
- the ownership and management of all buildings, and
- more generally, all industrial, commercial-financial activities or activities relating to property or real estate that could directly or indirectly relate to one of the objects specified above or to any other similar or related purpose.

We have obtained all necessary consents, approvals and authorizations in our jurisdiction of incorporation in connection with the issuance and performance of the Notes. The issue of the Notes was authorized pursuant to decisions of the Chairman and CEO of Loxam, adopted on March 29, 2017.

### **Significant Change**

Except as disclosed herein, there has been no material adverse change in our financial trading position that is material in the context of the issue and offering of the Notes since December 31, 2016, the date of our last audited consolidated financial statements.

Except as disclosed herein, we are not involved in, and do not have knowledge of a threat of, any litigation, administrative proceedings or arbitration that is or may be material in the context of the issue and offering of the Notes.

### **Clearing of the Notes**

The Notes have been accepted for clearance and settlement through the facilities of Clearstream, Luxembourg and Euroclear under the following securities codes.

The 2022 Senior Secured Notes sold pursuant to Regulation S and Rule 144A will have a Common Code of 159177939 and 159177971, respectively. The ISIN for the 2022 Senior Secured Notes sold pursuant to Regulation S is XS1591779399 and the ISIN for the 2022 Senior Secured Notes sold pursuant to Rule 144A is XS1591779712.

The 2024 Senior Secured Notes sold pursuant to Regulation S and Rule 144A will have a Common Code of 159006662 and 159006689, respectively. The ISIN for the 2024 Senior Secured Notes sold pursuant to Regulation S is XS1590066624 and the ISIN for the 2024 Senior Secured Notes sold pursuant to Rule 144A is XS1590066897.

The Senior Subordinated Notes sold pursuant to Regulation S and Rule 144A will have a Common Code of 159006743 and 159006751, respectively. The ISIN for the Senior Subordinated Notes sold pursuant to Regulation S is XS1590067432 and the ISIN for the Senior Subordinated Notes sold pursuant to Rule 144A is XS1590067515.

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# **LOXAM**

Simplified Joint Stock Company

256 rue Nicolas Coatanlem  
56850 – CAUDAN

## **Statutory Auditors' report on the IFRS consolidated financial statements**

**Years ended December 31, 2013, 2014 and 2015**

**KPMG Audit**

Parc Edonia, Bâtiment S  
Rue de la Terre Victoria  
CS 46806  
35768 Saint Grégoire Cedex  
France

**CONSTANTIN ASSOCIES**

*Member of Deloitte Touche Tohmatsu Limited*  
185 avenue Charles de Gaulle  
92524 Neuilly-sur-Seine Cedex  
France

*This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.*

**Loxam S.A.S.**

Registered office: 256, rue Coatanlem – ZAC de Kerpont – 56850 Caudan

Share capital: €258 222 630

**Statutory Auditors' report on the IFRS consolidated financial statements**

Years ended December 31, 2013, 2014 and 2015

To the President,

As statutory auditors of the company Loxam S.A.S. (the company with its subsidiaries, "the Group") and at your request in the context of the offering of senior secured notes, we have audited the accompanying consolidated financial statements prepared for the purpose of the offering memorandum under International Financial Reporting Standards ("IFRS") as adopted by the European Union for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 (thereafter the "IFRS consolidated financial statements").

These IFRS consolidated financial statements have been prepared under the responsibility of the President. Our role is to express an opinion on these IFRS consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the IFRS consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the IFRS consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the IFRS consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the IFRS consolidated financial statements prepared for the purpose of the offering memorandum, present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at 31 December 2013, 31 December 2014 and 31 December 2015, and the results of its operations for the years then ended in accordance with IFRS as adopted by the European Union.

The Statutory Auditors

Rennes, April 15, 2016

Neuilly-sur-Seine, April 15, 2016

KPMG Audit  
*A Department of KPMG S.A.*

CONSTANTIN ASSOCIES  
Member of Deloitte Touche Tohmatsu Limited

Vincent Broyé  
*Partner*

Jean Paul Séguret  
*Partner*

**LOXAM GROUP IFRS FINANCIAL STATEMENTS**

**at 31 December 2013, 2014 and 2015**

**LOXAM CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013, 2014 AND 2015**

**STATEMENT OF FINANCIAL POSITION**

<b>ASSETS (€'000)</b>	<b>Notes</b>	<b>31.12.15</b>	<b>31.12.14</b>	<b>31.12.13</b>	<b>01.01.13</b>
Intangible assets and goodwill .....	5	983,015	951,645	926,103	927,059
Property, plant and equipment .....	6	560,095	534,237	409,566	343,193
Financial assets .....	7	9,425	6,019	7,303	5,032
Investments in associates .....	8	8,465			
Deferred tax assets .....	22	8,618	9,030	3,269	3,796
<b>Non-current assets</b>		<b>1,569,617</b>	<b>1,500,931</b>	<b>1,346,242</b>	<b>1,279,080</b>
Inventories .....	9	18,364	17,207	16,940	17,882
Trade and other receivables .....	10	206,361	185,492	202,970	194,928
Other current assets .....	11	21,767	21,639	32,115	25,848
Corporate income tax receivables .....	11	3,865	10,979	4,334	309
Cash management assets .....	12	-	5,000	48,550	-
Cash and cash equivalents .....	12	158,211	139,423	92,109	61,866
<b>Current assets</b>		<b>408,569</b>	<b>379,739</b>	<b>397,018</b>	<b>300,832</b>
<b>Total assets</b>		<b>1,978,185</b>	<b>1,880,671</b>	<b>1,743,260</b>	<b>1,579,913</b>
<b>LIABILITIES (€'000)</b>	<b>Notes</b>	<b>31.12.15</b>	<b>31.12.14</b>	<b>31.12.13</b>	<b>01.01.13</b>
Share capital .....		258,223	258,223	258,223	258,223
Additional paid-in capital .....		1,882	1,882	1,882	1,882
Consolidated reserves .....		278,887	271,463	226,434	228,143
Net profit for the year .....		8,008	11,841	47,251	
<b>Shareholders' equity (Group share)</b>		<b>547,000</b>	<b>543,408</b>	<b>533,789</b>	<b>488,247</b>
Non-controlling interests .....		204	476	283	359
<b>Total equity</b>	<b>13</b>	<b>547,204</b>	<b>543,883</b>	<b>534,072</b>	<b>488,606</b>
Employee benefits .....	16	15,044	15,085	10,289	10,190
Deferred tax liabilities .....	22	21,904	24,291	15,738	11,495
Borrowings and financial debt .....	15	1,109,036	1,045,223	767,600	580,255
Financial derivatives .....	14	9,532	11,832	10,488	26,017
<b>Non-current liabilities</b>		<b>1,155,518</b>	<b>1,096,431</b>	<b>804,116</b>	<b>627,956</b>
Provisions .....	17	7,064	5,572	4,270	3,267
Borrowings and financial debt .....	15	73,680	51,183	200,846	254,085
Trade and other payables .....	18	89,386	90,123	99,493	101,575
Other liabilities .....	18	105,254	93,207	99,769	96,859
Corporate income tax liabilities .....	18	80	272	695	7,565
<b>Current liabilities</b>		<b>275,464</b>	<b>240,356</b>	<b>405,072</b>	<b>463,350</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,978,185</b>	<b>1,880,671</b>	<b>1,743,260</b>	<b>1,579,913</b>

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

€'000	Notes	31.12.15	31.12.14	31.12.13
<b>Revenue</b> .....		<b>838,288</b>	<b>812,329</b>	<b>804,723</b>
Other income.....		57,433	50,590	28,313
<b>Operating income</b> .....		<b>895,720</b>	<b>862,919</b>	<b>833,036</b>
Purchases consumed .....		(91,988)	(92,078)	(97,117)
Personnel expenses .....	19	(224,557)	(215,498)	(208,041)
Other current expenses.....		(286,419)	(284,175)	(268, 208)
Taxes and duties.....		(15,472)	(14,707)	(14,896)
Depreciation and amortisation .....		(187,327)	(164,323)	(133,080)
<b>Profit from ordinary operations</b> .....		<b>89,957</b>	<b>92,138</b>	<b>111,694</b>
Other operating income.....	20	50		
Other operating expenses .....	20		(2,601)	-
<b>Operating profit</b> .....		<b>90,008</b>	<b>89,537</b>	<b>111,694</b>
Interest and financing-related expenses .....		(69,397)	(58,018)	(49,944)
Other financial expenses .....		(2,162)	(11, 204)	(4,673)
Financial income.....		4,966	2,298	17,969
<b>Financial income (expense)</b> .....	<b>21</b>	<b>(66,593)</b>	<b>(66,925)</b>	<b>(36,648)</b>
<b>Profit before tax</b> .....		<b>23,415</b>	<b>22,613</b>	<b>75,046</b>
Share of profit of associates .....		(397)		
Income tax expense .....	22	(15,286)	(10,898)	(27,870)
<b>Net profit</b> .....		<b>7,732</b>	<b>11,715</b>	<b>47,176</b>
Non-controlling interests .....		(276)	(126)	(75)
<b>Net profit, Group share</b> .....		<b>8,008</b>	<b>11,841</b>	<b>47,251</b>
<b>Net profit</b> .....		<b>7,732</b>	<b>11,715</b>	<b>47,176</b>
Exchange gains or losses (1) .....		(1,221)	(10)	(65)
Value adjustments linked to hedging derivatives.....			8,895	3,945
Tax .....			(3,380)	(1,255)
<b>Items recycled to profit or loss</b> .....		<b>(1,221)</b>	<b>5,505</b>	<b>2,625</b>
Remeasurement of liabilities for defined benefit retirement plans.....		2,419	(3,947)	879
Tax .....		(703)	1,136	(310)
<b>Items not recycled to profit or loss</b> .....		<b>1,716</b>	<b>(2,810)</b>	<b>569</b>
<b>Other comprehensive income</b> .....		<b>495</b>	<b>2,695</b>	<b>3,195</b>
<b>Comprehensive income</b> .....		<b>8,227</b>	<b>14,409</b>	<b>50,371</b>
(1) Including associates: .....		(2,020)	-	-

## CONSOLIDATED CASH-FLOW STATEMENT

€'000	Notes	31.12.15	31.12.14	31.12.13
<b>Net profit</b> .....		<b>7,732</b>	<b>11,715</b>	<b>47,176</b>
Share of profit of associates .....	8	397	-	-
Income tax expense (including deferred tax) .....	22	15,286	10,898	27,870
Net finance costs .....	21	66,593	66,925	36,648
Depreciation and provisions, net of reversals .....		186,871	166,161	134,769
Capital gains on asset disposals .....		(47,565)	(42,085)	(18,943)
<b>Cash flow from operations (before cost of financing and tax)</b> .....		<b>229,313</b>	<b>213,614</b>	<b>227,521</b>
Income tax paid.....		(17,918)	(6,400)	(24,665)
Financial interest paid .....		(66,413)	(52,753)	(51,395)
Financial interest received .....		2,393	2,298	2,429
Change in working capital requirements.....		5,879	(985)	(23,574)
<b>Cash flow from operating activities</b> .....	<b>A</b>	<b>153,254</b>	<b>155,420</b>	<b>130,317</b>
Impact of changes in scope .....		(125,081)	(53,120)	0
Acquisitions of fixed assets .....		(150,756)	(252,793)	(202,176)
Disposals of fixed assets .....		58,580	50,950	22,371
<b>Cash flow from investing activities</b> .....	<b>B</b>	<b>(217,257)</b>	<b>(254,963)</b>	<b>(179,806)</b>
Dividends paid .....		(4,906)	(4,906)	(4,906)
Capital increase .....		-	308	-
Proceeds from loans and borrowings .....	15	125,882	829,432	487,368
Repayment of loans and borrowings.....	15	(43,240)	(720,489)	(348,310)
<b>Cash flow from financing activities</b> .....	<b>C</b>	<b>77,736</b>	<b>104,346</b>	<b>134,152</b>
<b>Change in cash and cash equivalents</b> .....	<b>A+B+C</b>	<b>13,733</b>	<b>4,803</b>	<b>84,663</b>
Cash and cash equivalents at beginning of period .....		144,253	140,280	55,663
Cash and cash equivalents at end of period .....		158,043	144,253	140,280
Impact of exchange rate fluctuations .....		(57)	830	46
<b>Change in cash and cash equivalents</b> .....		<b>13,733</b>	<b>4,803</b>	<b>84,663</b>
Cash management assets .....		-	5,000	48,550
Other marketable securities.....		86,429	109,269	79,416
Cash at bank and on hand .....		71,782	30,154	12,692
Current bank borrowings .....		(168)	(170)	(378)
<b>Cash and cash equivalents</b> .....		<b>158,043</b>	<b>144,253</b>	<b>140,280</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€'000	Share capital	Additional paid-in capital	Consolidated reserves	Reserves to be recycled (OCI)	Shareholders' equity (Group share)	Non-controlling interests	Total equity
<b>At 1 January 2013</b> .....	<b>258,223</b>	<b>1,882</b>	<b>236,348</b>	<b>(8, 205)</b>	<b>488,247</b>	<b>359</b>	<b>488,606</b>
Net profit for the period.....			47,251		47,251	(75)	47,304
Derivatives.....				2,690	2,690		2,690
Employee benefits .....				569	569	-	569
Exchange gains or losses.....				(63)	(63)	(2)	(65)
<b>Comprehensive income</b> .....			<b>47,251</b>	<b>3,196</b>	<b>50,447</b>	<b>(76)</b>	<b>50,371</b>
Dividends.....			(4,906)		(4,906)		(4,906)
<b>At 31 December 2013</b> .....	<b>258,223</b>	<b>1,882</b>	<b>278,693</b>	<b>(5,009)</b>	<b>533,789</b>	<b>283</b>	<b>534,072</b>
Net profit for the period.....			11,841		11,841	(126)	11,715
Derivatives.....				5,515	5,515		5,515
Employee benefits .....				(2,810)	(2,810)	-	(2,810)
Exchange gains or losses.....				(20)	(20)	10	(10)
<b>Comprehensive income</b> .....			<b>11,841</b>	<b>2,685</b>	<b>14,525</b>	<b>(116)</b>	<b>14,409</b>
Capital increase .....					-	308	308
Dividends.....			(4,906)		(4,906)		(4,906)
<b>At 31 December 2014</b> .....	<b>258,223</b>	<b>1,882</b>	<b>285,628</b>	<b>(2,324)</b>	<b>543,408</b>	<b>476</b>	<b>543,884</b>
Net profit for the period.....			8,008		8,008	(276)	7,732
Employee benefits .....				1,716	1,716	-	1,716
Exchange gains or losses.....				(1,226)	(1,226)	5	(1,221)
<b>Comprehensive income</b> .....			<b>8,008</b>	<b>490</b>	<b>8,498</b>	<b>(271)</b>	<b>8,227</b>
Dividends.....			(4,906)		(4,906)		(4,906)
<b>At 31 December 2015</b> .....	<b>258,223</b>	<b>1,882</b>	<b>288,730</b>	<b>(1,834)</b>	<b>547,000</b>	<b>204</b>	<b>547, 204</b>



### 1.1. Presentation of the Group

Loxam is a French simplified joint-stock company (*société par actions simplifiée*) with a capital of €258,222,630, governed by all the legislation and regulations for commercial companies in France, and particularly the French commercial code (*Code de commerce*). Its registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Group is the European equipment rental market leader, with its business focused primarily on construction and civil engineering professionals. The Group operates mainly in Europe, as well as North Africa, and has a 25% stake in a company in Brazil.

### 1.2. Context for the preparation of the IFRS consolidated financial statements

Until 31 December 2014, the Loxam Group prepared consolidated financial statements under French generally accepted accounting principles in accordance with French accounting standards board (CRC) regulations 99-02, which differ partially from the International Financial Reporting Standards (IFRS) adopted in the European Union.

Alongside these consolidated financial statements, the Group has chosen for the first time to prepare IFRS consolidated financial statements at 31 December 2015, with a transition date of 1 January 2013. These financial statements are, therefore, the Group's first consolidated financial statements prepared in accordance with IFRS, as adopted by the European Union at 31 December 2015, and are in conformity with IFRS 1, First-time Adoption of International Financial Reporting Standards.

The accounting principles and methods presented in Note 26 have been applied to prepare the financial statements for the year ended 31 December 2015, with comparative information included in these financial statements for the years ended 31 December 2014 and 31 December 2013, along with an opening statement of financial position under IFRS at 1 January 2013 (i.e. the Group's transition date).

### 1.3. Functional and reporting currency

The consolidated financial statements are prepared and presented in euros, which is the parent company's functional currency. All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

## Note 2 – Highlights

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Overview of key developments in 2013:

In January 2013, the Group issued a €300 million bond, with €150 million used to pay down part of its syndicated debt. This issue concerned subordinated senior bonds maturing in 2020, with a fixed coupon of 7.375%.

At the end of December 2013, the Group acquired an 85% interest in the Dansk Lift subgroup, comprising:

- Danskift A/S, company operating six branches in Denmark
- Safelift as, company operating four branches in Norway
- Safelift ab, company operating one branch in Sweden.

The amounts at 31 December 2013 have not been included in the consolidated balance sheet because they were not considered to be significant. This would have represented 1.3% of the total balance sheet.

In connection with this acquisition, the Group granted a shareholder loan to Dansk Lift to replace bank financing lines for €9.2 million.

Overview of key developments in 2014:

On 1 January 2014, the Group integrated the Dansk Lift group, with 85% of its securities acquired at the end of December 2013 and 15% in December 2014. This group comprises:

- Dansk Lift A/S, company operating six branches in Denmark
- Safelift AS, company operating four branches in Norway
- Safelift AB, company operating one branch in Sweden.

The three companies have been consolidated in Loxam's consolidated accounts since 1 January 2014. Their contribution to the Group's consolidated financial statements represents €17.6 million in revenue and €21.4 million in property, plant and equipment. In accordance with IFRS 3 (revised), Loxam has measured the fair value of the identifiable assets and liabilities acquired. The goodwill associated with the acquisition of the Dansk Lift group is valued at €1.5 million at 31 December 2014.

On 4 July 2014, the Group acquired a 100% stake in the Workx group, with 42 branches in the Netherlands. This group comprises:

- Workx Holding BV, holding company
- Workx BV, holding company
- Workx Materieelverhuur BV, operating company
- Workx Sloop-en Graafdiensten BV, operating company.

The four companies have been consolidated in Loxam's consolidated accounts since 1 July 2014. Their contribution to the Group's consolidated financial statements represents €16.9 million in revenue and €22.3 million in property, plant and equipment. In accordance with IFRS 3 (revised), Loxam has measured the fair value of the identifiable assets and liabilities acquired. The goodwill linked to the acquisition of the Workx group is valued at €24.0 million at 31 December 2014.

At the end of the year, the Group acquired two businesses in Spain and purchased the business of Phocomex, which was in liquidation, in France. This concerns the acquisition of isolated assets, which are not in the scope of IFRS 3.

In July 2014, the Group refinanced its syndicated debt and almost all the bilateral debt lines of Loxam SAS with a €660 million bond issue. This issue is comprised of €410 million of secured senior bonds maturing in 2021, with a fixed coupon of 4.875%, and €250 million of subordinated senior bonds maturing in 2022, with a fixed coupon of 7.0%.

Highlights of 2015:

On 14 April 2015, the Group acquired a 25% stake in Degraus, which operates 20 branches in Brazil. This interest enables the Group to exercise a significant influence over Degraus, and is therefore classified as an associate. As a result, Loxam SAS' investment in Degraus is accounted for using the equity method of accounting. The goodwill associated with the acquisition of Degraus is valued at €0.9 million and is included in investments in associates.

In June 2015, our 51%-owned Moroccan subsidiary Atlas Rental acquired a 100% interest in Maroc Elevation. Maroc Elevation has been consolidated in Loxam's consolidated accounts since 1 July 2015. Its contribution to the Group's consolidated financial

statements was not significant for the period. In accordance with IFRS 3 (revised), Loxam is currently measuring the fair value of the identifiable assets and liabilities acquired.

The provisional goodwill associated with the acquisition of Maroc Elevation is valued at €0.9 million at 31 December 2015.

On 31 October 2015, the Group acquired a 100% interest in Hertz Equipement France and Hertz de Alquiler de Maquinaria in Spain. These two companies have been consolidated in Loxam's consolidated accounts since 1 November 2015. Their contribution to the Group's consolidated financial statements represents €11.0 million in revenue and €73.3 million in property, plant and equipment. If the companies had been consolidated from 1 January 2015, the contribution to revenue over 12 months would have represented €69.5 million. In accordance with IFRS 3 (revised), Loxam is currently measuring the fair value of the identifiable assets and liabilities acquired. The provisional goodwill associated with the acquisition of Hertz Equipement France is valued at €30.3 million at 31 December 2015, while the amount for Hertz de Alquiler de Maquinaria in Spain is negative and represents €50 K.

In 2015, several mergers took place without any impact on the consolidated accounts:

- Merger of Dansk Lift with Loxam Danemark A/S on 30 April 2015, effective retroactively to 1 January 2015
- Merger of Workx BV with Workx Holding BV on 31 August 2015, effective retroactively to 1 January 2015
- Merger of Hertz Equipement France SAS with Loxam SAS at 31 December 2015, effective retroactively to 1 January 2015.

## Note 3 - Accounting principles

### 3.1 DECLARATION OF COMPLIANCE

The Loxam Group has prepared its consolidated financial statements at 31 December 2015, approved by the Chairman on 18 March 2016, in accordance with International Financial Reporting Standards (IFRS) adopted in the European Union at 31 December 2015 with mandatory compliance at this date, with comparative information presented for 2014 and 2013, established with the same reporting standards.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).

These standards are available on the European Commission site:  
[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm)

The consolidated financial statements include the financial statements of Loxam SAS and its subsidiaries for the financial year from 1 January 2015 to 31 December 2015.

The list of consolidated companies is presented in Note 4.

### 3.2 APPLICATION AND INTERPRETATION OF STANDARDS AND REGULATIONS

New mandatory IFRS standards, IFRIC interpretations or amendments to be applied from 1 January 2015:

<b>Standards, amendments or interpretations</b>	<b>Dates adopted by the European Union</b>	<b>Application dates: financial years starting on or after</b>
IFRIC 21 – Levies.....	13/06/2014	01/01/2015
Annual improvements for 2011-2013 .....	18/12/2014	01/01/2015

The application of IFRIC 21 did not have a material impact on the consolidated financial statements at 31 December 2015.  
The IFRS annual improvements (2011-2013) have not had any impact on the Loxam Group's accounts.

New mandatory IFRS standards, IFRIC interpretations or amendments to be applied in the European Union from 1 January 2016:

<b>Standards, amendments or interpretations</b>	<b>Dates published in EU Official Journal</b>	<b>Application dates in Europe : financial years starting on or after</b>
Amendments to IAS 1: Presentation of Financial Statements in connection with the “disclosures” initiative. ....	19/12/2015	01/01/2016
Amendment to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation .....	03/12/2015	01/01/2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants .....	24/11/2015	01/01/2016
IAS 19 – Employee Contributions .....	09/01/2015	01/02/2015
Annual improvements for 2010-2012 .....	09/01/2015	01/02/2015
Amendments to IFRS 11 – Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations .....	25/11/2015	01/01/2016
Annual improvements for 2012-2014 .....	16/12/2015	01/01/2016
Amendments to IAS 27 - Equity Method in Separate Financial Statements.....	23/12/2015	01/01/2016

These standards, amendments or interpretations have not been applied early. Their potential impact is currently being analysed.

IFRS standards or interpretations published but not yet applicable:

<b>Standards, amendments or interpretations</b>	<b>Adoption in Europe</b>	<b>IASB application dates: financial years starting on or after</b>
IFRS 9 Financial Instruments – Classification and Measurement - Amendments to IFRS 9, IFRS 7 and IAS 39 – General Hedge Accounting .....	Expected H1 2016	01/01/2018
IFRS 14 – Regulatory Deferral Accounts .....	Will not be adopted by the EU	01/01/2016
IFRS 15 - Revenue from Contracts with Customers .....	Expected Q2 2016	01/01/2018
Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception .....	Expected Q2 2016	01/01/2016
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.....	Deferred	Deferred indefinitely
IFRS 16 - Leases.....	Expected H1 2016	01/01/2019

### **3.3 PRESENTATION OF THE FINANCIAL STATEMENTS**

The Group's consolidated financial statements are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes.

The financial year-end for all the Group's subsidiaries and entities is 31 December.

### **3.4 CONSOLIDATION PRINCIPLE**

A subsidiary is an entity controlled by Loxam SAS. An entity's control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity's variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.

The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests.

Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity in which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate's assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

### **3.5 ACCOUNTING JUDGMENTS AND ESTIMATES**

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill) (Note 5),
- Measurement of obligations relating to defined benefit plans (Note 16),
- Measurement of financial instruments at fair value (Note 14),
- Qualification of leases (Note 3.12)

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

### **3.6 BUSINESS COMBINATIONS**

#### **a) Business combinations**

In accordance with IFRS 3R, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

The conditions for these tests are presented in Section 3.13.

b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits :

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations :

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, unchanged.

### **3.7 FOREIGN CURRENCY TRANSLATION METHODS**

a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date. Profit and loss data denominated in foreign currencies are converted using the average rate for the period. The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at 31 December 2015 (euro vs. currency):

<b>1 EUR =</b>	<b>GBP</b>	<b>CHF</b>	<b>DKK</b>	<b>MAD</b>	<b>SEK</b>	<b>NOK</b>	<b>BRL</b>
Reporting date rate.....	0.73395	1.08350	7.46260	10.79350	9.18950	9.60300	4.31170
Average rate.....	0.72601	1.06763	7.45865	10.81945	9.35448	8.94171	3.84867

### **3.8 BREAKDOWN OF CURRENT / NON-CURRENT ASSETS AND LIABILITIES**

Under IAS 1, assets and liabilities are classified as “current” or “non-current”.

Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as “non-current”
- Assets and liabilities included in working capital requirements in connection with the business’ normal operating cycle are classified as “current”
- All deferred tax assets and liabilities are presented as “non-current”
- All provisions are classified as “current”
- Financial liabilities are classified as “current” or “non-current”, depending on whether they are due within or later than one year after the reporting date.

### **3.9 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 3.17 Cash and cash equivalents and Note 3.18 Financial instruments.

### **3.10 INTANGIBLE ASSETS AND GOODWILL**

#### **a) Goodwill**

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the valuation of goodwill, see Note 3.6.

#### **b) Other intangible assets**

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.

The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.

These other intangible assets are primarily software products, amortized over one to three years.

### **3.11 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not remeasured.

The cost includes the expenditure directly attributable to the asset’s acquisition.



Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated:

Buildings.....	10 to 20 years
Building fixtures and fittings .....	5 to 20 years
Plant and equipment .....	1 to 7 years
Other property, plant and equipment .....	2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.

### **3.12 LEASES**

The Group holds finance leases in accordance with IAS 17.

Finance-leased fixed assets, transferring substantially all the risks and rewards of ownership of the leased asset to the Group, are recorded as assets on the balance sheet at the lower of the fair value of the equipment leased and the present value of minimum future lease payments. The corresponding liability is recorded as financial liabilities.

Lease payments are apportioned between financial expense and the reduction of the liability in order to obtain a constant periodic rate of interest on the remaining liability.

Finance-leased assets are depreciated over their useful life in accordance with the accounting policy applicable to the other property, plant and equipment (cf. Note 3.11- Property, plant and equipment).

Leases under which the lessor retains substantially all the risks and rewards of ownership of the asset are operating leases. Payments for these leases are recorded as expenses on a straight-line basis over the term of the lease.

### **3.13 IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset's recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.

To be tested, the assets that do not generate independent cash inflows are grouped in cash generating units (CGU), which correspond to the countries in which the Group operates. These countries may be grouped together by geographic area (aggregation of CGU's), particularly for financial reporting. For impairment testing, the CGUs which the goodwill is allocated to are grouped together to ensure that the level at which impairment tests are carried out reflects the lowest level at which goodwill is monitored for internal management requirements. Goodwill acquired in connection with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination.

The CGU's recoverable amount is the higher of its fair value less costs of disposal and the value in use.

The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset or the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.

### **3.14 FINANCIAL ASSETS**

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 39.

Financial assets are initially recognised at their fair value.

Financial assets maturing in under one year are classified as current financial assets.

### **3.15 INVENTORIES**

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.

An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

### **3.16 TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

### **3.17 CASH MANAGEMENT ASSETS AND CASH AND CASH EQUIVALENTS**

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.

Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- ✓ The capital is guaranteed even in the event of early withdrawal,
- ✓ No penalties are due in the form of payments to the financial institution managing the investment, or non payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.

Purchases and sales of cash management financial assets are recognised on the transaction date.

Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

### **3.18 DERIVATIVE FINANCIAL INSTRUMENTS – RELATING TO THE INTEREST RATE RISK**

The Group holds interest rate swaps to reduce its net interest rate risk exposure.

These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 3.9. Since the hedging relationship is not documented, changes in fair value are recognised in profit or loss.

The swaps that were eligible for hedge accounting on the transition date have been recognised in other comprehensive income on the opening balance sheet. This reserve is amortized over the term of the swap agreements. With the refinancing in July 2014, virtually all the variable-rate loans held by Loxam SAS were repaid and fixed-rate bonds were subscribed to. Since July 2014, the swaps retained are no longer effective. As a result, the remaining reserve was fully recycled to profit or loss when the underlyings disappeared.

### **3.19 DERIVATIVE FINANCIAL INSTRUMENTS – RELATING TO THE FOREIGN EXCHANGE RISK**

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure. The Group primarily uses forward currency sales options.

As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

### **3.20 FINANCIAL INSTRUMENTS - EQUITY WARRANTS**

#### **a) Equity warrant features**

Under the terms of a delegation of authority granted by the Company's General Meeting on 29 July 2011, the Chairman, as decided on 28 February 2012, issued 3,165,713 BSA 1 equity warrants and 22,391,550 BSA 2 equity warrants to shareholders.

The BSA 1 and BSA 2 equity warrants were subscribed for in full by beneficiaries and both subscription agreements acknowledging the operation's completion were closed on 2 April 2012.

The BSA 1 and BSA 2 equity warrants were issued freely and concomitantly. The BSA 1 and 2 equity warrants may be exercised until 31 December 2022.

As a result of the conditions for exercising the BSA1 and BSA2 equity warrants, and variable future target yields, they can be assimilated with derivative instruments to be measured at fair value in profit or loss under IAS 39.

#### **b) Accounting treatment**

In accordance with IAS 32, these equity warrants have been classified as derivatives and recorded as liabilities. They are measured at fair value through profit or loss, in accordance with IAS 39. This fair value corresponds to Category 3, in line with the definitions given in Note 3.9. The fair value of the BSA 1 and 2 warrants is determined by applying a model incorporating, on the one hand, transaction and market data to determine the value of Loxam's share (underlying for BSA 1 and 2 warrants), and on the other hand, market data for equity warrants with comparable maturities to estimate the discount reflecting the lock-up period to be taken into consideration.

### **3.21 EMPLOYEE BENEFITS**

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.

In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

#### **a) Defined contribution plans**

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

#### **b) Defined benefits plans**

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).

To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.

An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.

The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.

Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

#### c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.

These benefits primarily concern long-service awards (*médailles du travail*). Remeasurements of the obligation are recognised in profit or loss.

### **3.22 PROVISIONS**

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.

These provisions are estimated taking into account the most probable assumptions on the reporting date.

### **3.23 BORROWINGS AND FINANCIAL DEBT**

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortised cost using with the effective interest rate method.

### **3.24 TRADE PAYABLES AND RELATED**

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

### **3.25 TAX**

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

There are three tax consolidations within the Group: one for the French companies, with Loxam SAS as head of the group, one for the Danish companies and one for the Workx group companies in the Netherlands.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realised or the liabilities settled, based on the tax rates - and tax regulations - that have been enacted or substantively enacted at the reporting date.

In the event of deductible temporary differences and tax losses, deferred tax assets are recognized for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.

Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.

Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group does not consider the French CVAE business value-added tax to be an income tax under IAS 12 and accounts for it as taxes other than on income.

### **3.26 REVENUE**

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labour charges invoiced for repairs) and sales of goods.

Income is recognised over the period services are provided.

### **3.27 OTHER INCOME**

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

### **3.28 OTHER CURRENT EXPENSES**

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals, and general administrative costs), in addition to losses on receivables net of changes in provisions.

### **3.29 OTHER OPERATING INCOME AND EXPENSES**

Other operating income and expenses concern items that involve a very limited number of instances, that are unusual, abnormal and uncommon, that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

### **3.30 FINANCIAL INCOME AND EXPENSES**

Financial income primarily concerns interest on investments.

Financial expenses primarily concern interest on bank borrowings and bonds, adjustments to the fair value of financial instruments, and the amortization of the recyclable reserve included in other comprehensive income for swaps classified as hedging on the transition date, then disqualified due to a lack of documentation.

Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

## Note 4 - Scope of consolidation

Legal entities	SIREN number (France) or country	% control	% interest	Consolidation method
SAS LOXAM .....	450776968	100%	100%	Full
SAS LOXAM MODULE .....	433911948	100%	100%	Full
SAS LOXAM POWER.....	366500585	100%	100%	Full
LOXAM ACCESS UK.....	United Kingdom	100%	100%	Full
LOXAM GMBH.....	Germany	100%	100%	Full
LOXAM S.A.....	Switzerland	100%	100%	Full
LOXAM S.A .....	Belgium	100%	100%	Full
LOXAM RENTAL SARL.....	Luxembourg	100%	100%	Full
LOXAM LTD .....	Ireland	100%	100%	Full
LOXAM ALQUILER.....	Spain	100%	100%	Full
HERTZ DE ALQUILER DE MAQUINARIA SLU .....	Spain	100%	100%	Full
LOXAM BV .....	Netherlands	100%	100%	Full
WORKX HOLDING BV.....	Netherlands	100%	100%	Full
WORKX MATERIEELVERHUUR BV ....	Netherlands	100%	100%	Full
WORKX SLOOP EN GRAAFDIENSTEN BV .....	Netherlands	100%	100%	Full
ATLAS RENTAL.....	Morocco	100%	51%	Full
LOXAM HOLDING A/S .....	Denmark	100%	100%	Full
LOXAM A/S.....	Denmark	100%	100%	Full
SAFELIFT AS .....	Norway	100%	100%	Full
SAFELIFT AB.....	Sweden	100%	100%	Full
DEGRAUS .....	Brazil	25%	25%	Equity
SCI AVENUE ARISTIDE BRIAND .....	384564472	100%	100%	Full
SCI EST POSE .....	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE.....	572045953	100%	100%	Full
EURL NORLEU.....	409981024	100%	100%	Full
SCI TARTIFUME .....	328948013	100%	100%	Full
SCI THABOR.....	332962125	100%	100%	Full
LOXAMAM .....	799097944	100%	100%	Full

## Note 5 – Intangible assets and goodwill

### Change in intangible assets in 2013

€'000	Intangible assets	Goodwill	Total
Gross value at year-start.....	11,982	923,651	935,633
Changes in scope .....			-
Increase .....	1,162	9	1,171
Definitive allocation of goodwill .....			-
Decrease / disposals .....	(167)		(167)
Contingent consideration .....			-
Reclassification .....	239		239
Exchange gains or losses .....	(3)		(3)
<b>Gross value at year-end .....</b>	<b>13,213</b>	<b>923,660</b>	<b>936,873</b>
Depreciation and amortisation at year-start .....	(8,574)	-	(8,574)
Changes in scope .....			-
Depreciation and amortisation for the year.....	(2,366)		(2,366)
Withdrawals / reversals on withdrawals .....	167		167
Reclassification .....			-
Exchange gains or losses .....	3		3
<b>Depreciation and amortisation at year-end .....</b>	<b>(10,770)</b>	<b>-</b>	<b>(10,770)</b>
<b>Net value at year-start .....</b>	<b>3,408</b>	<b>923,651</b>	<b>927,059</b>
<b>Net value at year-end .....</b>	<b>2,444</b>	<b>923,660</b>	<b>926,103</b>

### Change in intangible assets in 2014

€'000	Intangible assets	Goodwill	Total
Gross value at year-start..... t	13,213	923,660	936,873
Changes in scope .....		25,545	25,545
Increase .....	1,667	878	2,545
Decrease / disposals .....	(2,262)		(2,262)
Contingent consideration .....			-
Reclassification .....	497		497
Exchange gains or losses .....	2		2
<b>Gross value at year-end .....</b>	<b>13,118</b>	<b>950,083</b>	<b>963,200</b>
Depreciation and amortisation at year-start .....	(10,770)	-	(10,770)
Changes in scope .....			-
Depreciation and amortisation for the year.....	(3,018)		(3,018)
Withdrawals / reversals on withdrawals .....	2,254		2,254
Reclassification .....	(19)		(19)
Exchange gains or losses .....	(2)		(2)
<b>Depreciation and amortisation at year-end .....</b>	<b>(11,555)</b>	<b>-</b>	<b>(11,555)</b>
<b>Net value at year-start .....</b>	<b>2,444</b>	<b>923,660</b>	<b>926,103</b>
<b>Net value at year-end .....</b>	<b>1,563</b>	<b>950,083</b>	<b>951,645</b>

## Change in intangible assets in 2015

€'000	Intangible assets	Goodwill	Total
<b>Gross value at year-start</b> .....	<b>13,118</b>	<b>950,083</b>	<b>963, 200</b>
Changes in scope .....	1,216	31,230	<b>32,446</b>
Increase .....	1,488	150	<b>1,638</b>
Decrease / disposals .....	(1,013)		<b>(1,013)</b>
Contingent consideration .....			<b>-</b>
Reclassification .....	870		<b>870</b>
Exchange gains or losses .....	5		<b>5</b>
<b>Gross value at year-end</b> .....	<b>15,682</b>	<b>981,462</b>	<b>997,145</b>
Depreciation and amortisation at year-start .....	<b>(11,555)</b>	-	<b>(11,555)</b>
Changes in scope .....	(1, 205)		<b>(1, 205)</b>
Depreciation and amortisation for the year .....	(1,831)		<b>(1,831)</b>
Withdrawals / reversals on withdrawals .....	1,012		<b>1,012</b>
Reclassification .....	(546)		<b>(546)</b>
Exchange gains or losses .....	(5)		<b>(5)</b>
<b>Depreciation and amortisation at year-end</b> .....	<b>(14,130)</b>	<b>-</b>	<b>(14,130)</b>
<b>Net value at year-start</b> .....	<b>1,563</b>	<b>950,083</b>	<b>951,645</b>
<b>Net value at year-end</b> .....	<b>1,552</b>	<b>981,462</b>	<b>983,015</b>

## Impact of changes in scope on goodwill:

The impact of the changes in scope concerned the following companies at 31 December 2014:

€'000	Total
Dansk Lift .....	1,496
Workx .....	24,050
<b>FY 2014</b> .....	<b>25,545</b>

The impact of the changes in scope concerned the following companies at 31 December 2015:

€'000	Total
Maroc Elevation .....	886
Hertz Equipement France .....	30,344
<b>FY 2015</b> .....	<b>31,230</b>

## Goodwill impairment tests:

Goodwill and other intangible assets with an indefinite useful life acquired through business combinations are allocated to the CGUs for impairment testing. The CGUs correspond to the countries where the Group operates. For financial reporting, the Group has consolidated its CGUs for each region: France and International.



Allocation of goodwill for each CGU group:

€'000	31.12.15	31.12.14	31.12.13
France .....	819,442	788,948	788,215
International .....	162,020	161,135	135,445
<b>FY 2015 .....</b>	<b>981,462</b>	<b>950,083</b>	<b>923,660</b>

Goodwill is tested once a year and whenever indications of impairment arise.

The last test was performed in December 2015. In these tests, the book value of the net asset, including goodwill allocated to a CGU, is compared with its recoverable amount. The recoverable amount is determined using the Discounted Cash Flow method. The cash flow forecasts used for the calculations are based on amounts from the following year's budget and forecasts for the next four years approved by top management.

The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which the Group operates. Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows. The discount rates correspond to the weighted average cost of capital (WACC) calculated for each CGU, in line with the sector's financial structure and market data.

No impairments were recorded as a result of this test since the recoverable amount exceeds the book value for each CGU.

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the CGUs:

	31.12.15		31.12.14		31.12.13	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France .....	1.5%	5.9%	1.5%-2.0%	7.0%	2.0%	7.6%
International .....	1.5%-3.0%	5.1%-8.2%	1.5%	6.7%-8.1%	2.0%	6.8%-8.7%

Perpetuity growth rate: The perpetuity growth rate reflects a moderate level of inflation expected for the entire region in which the Group operates.

Discount rate: The cash flow forecasts are discounted with a specific rate for each CGU. The weighted average cost of capital (WACC) represents the discount rate. To determine the specific rate for each CGU, the specific risk for each country is taken into account, including assumptions for fluctuations in inflation and/or exchange rates.

Sensitivity analysis regarding the key assumptions: the amounts presented below include the value assigned to the main parameters, for each assumption taken separately, for which the book value is equal to its recoverable amount. In the sensitivity analysis, the parameters for the perpetuity growth rate and discount rate are modified independently, while holding the other assumptions constant.

Sensitivity tests: value of the parameter to reach the book value:

	31.12.15		31.12.14		31.12.13	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France .....	-1.5%	8.0%	-0.1%	8.3%	n.d.	n.d.
International .....	-3.6%	9.4%	-0.9%	8.9%	n.d.	n.d.

## Note 6 – Property, plant and equipment

### Change in property, plant and equipment in 2013

€'000	Rental equipment	Other	Total
<b>Gross value at beginning of year</b> .....	1,409,915	171,157	<b>1,581,072</b>
Changes in scope .....			-
Acquisitions .....	189,781	10,865	<b>200,646</b>
Disposals.....	(98,007)	(4,696)	<b>(102,703)</b>
Reclassification .....	(466)	226	<b>(240)</b>
Exchange gains or losses .....	(949)	(93)	<b>(1,042)</b>
<b>Gross value at end of year</b> .....	<b>1,500,274</b>	<b>177,459</b>	<b>1,677,733</b>
<b>Cumulative depreciation at beginning of year</b> .....	<b>(1,108,329)</b>	<b>(129,549)</b>	<b>(1,237,878)</b>
Changes in scope .....			
Depreciation for the year .....	(120,269)	(10,445)	<b>(130,714)</b>
Disposals.....	95,248	4,293	<b>99,541</b>
Reclassifications .....	393	(393)	-
Exchange gains or losses .....	819	66	<b>885</b>
<b>Cumulative depreciation at end of year</b> .....	<b>(1,132,138)</b>	<b>(136,029)</b>	<b>(1,268,167)</b>
<b>Net value at beginning of year</b> .....	<b>301,586</b>	<b>41,607</b>	<b>343,193</b>
<b>Net value at end of year</b> .....	<b>368,136</b>	<b>41,430</b>	<b>409,566</b>

### Change in property, plant and equipment in 2014

€'000	Rental equipment	Other	Total
<b>Gross value at beginning of year</b> .....	1,500,274	177,459	<b>1,677,733</b>
Changes in scope .....	87,271	17,691	<b>104,962</b>
Acquisitions .....	233,845	15,394	<b>249,239</b>
Disposals.....	(184,386)	(8,680)	<b>(193,066)</b>
Reclassification .....	(2,143)	2,356	<b>213</b>
Exchange gains or losses .....	2,859	122	<b>2,981</b>
<b>Gross value at end of year</b> .....	<b>1,637,720</b>	<b>204,341</b>	<b>1,842,061</b>
<b>Cumulative depreciation at beginning of year</b> .....	<b>(1,132,138)</b>	<b>(136,029)</b>	<b>(1,268,167)</b>
Changes in scope .....	(47,368)	(12,531)	<b>(59,899)</b>
Depreciation for the year .....	(150,205)	(11,100)	<b>(161,305)</b>
Disposals.....	176,385	8,008	<b>184,393</b>
Reclassifications .....	892	(1,582)	<b>(691)</b>
Exchange gains or losses .....	(2,018)	(137)	<b>(2,155)</b>
<b>Cumulative depreciation at end of year</b> .....	<b>(1,154,451)</b>	<b>(153,372)</b>	<b>(1,307,824)</b>
<b>Net value at beginning of year</b> .....	<b>368,136</b>	<b>41,430</b>	<b>409,566</b>
<b>Net value at end of year</b> .....	<b>483,268</b>	<b>50,969</b>	<b>534,237</b>

### Change in property, plant and equipment in 2015

€'000	Rental equipment	Other	Total
<b>Gross value at beginning of year</b> .....	1,637,720	204,341	<b>1,842,061</b>
Changes in scope .....	175,739	40,843	<b>216,583</b>
Acquisitions .....	123,642	23,350	<b>146,992</b>
Disposals.....	(173,366)	(17,751)	<b>(191,117)</b>
Reclassification .....	(2,228)	1,359	<b>(870)</b>
Exchange gains or losses .....	4,731	326	<b>5,057</b>
<b>Gross value at end of year</b> .....	<b>1,766,238</b>	<b>252,468</b>	<b>2,018,706</b>
<b>Cumulative depreciation at beginning of year</b> .....	<b>(1,154,451)</b>	<b>(153,372)</b>	<b>(1,307,824)</b>
Changes in scope .....	(108,152)	(34,638)	<b>(142,790)</b>
Depreciation for the year .....	(174,751)	(10,745)	<b>(185,495)</b>
Disposals.....	164,813	15,763	<b>180,576</b>
Reclassifications .....	1,711	(1,165)	<b>546</b>
Exchange gains or losses .....	(3,260)	(365)	<b>(3,625)</b>
<b>Cumulative depreciation at end of year</b> .....	<b>(1,274,090)</b>	<b>(184,522)</b>	<b>(1,458,612)</b>
<b>Net value at beginning of year</b> .....	<b>483,268</b>	<b>50,969</b>	<b>534,237</b>
<b>Net value at end of year</b> .....	<b>492,149</b>	<b>67,946</b>	<b>560,095</b>

## Note 7 - Financial assets

Gross and net values <sup>(1)</sup>

€'000	Loans and other borrowings	Other non- current financial assets	Gross value
<b>Value at 01 Jan 2013</b> .....	<b>5031</b>	<b>1</b>	<b>5032</b>
Changes in scope .....			-
Increase .....	359	2148	2507
Decrease .....	(235)		(235)
Exchange gains or losses .....		(1)	(1)
<b>Value at 31 Dec 2013</b> .....	<b>5,155</b>	<b>2,148</b>	<b>7,303</b>
Changes in scope .....	177	(2,148)	(1,971)
Increase .....	1,010		1,010
Decrease .....	(328)		(328)
Exchange gains or losses .....	4		4
<b>Value at 31 Dec 2014</b> .....	<b>6,018</b>	<b>1</b>	<b>6,019</b>
Changes in scope .....	1,896		1,896
Increase .....	2,104		2,104
Decrease .....	(572)		(572)
Exchange gains or losses .....	(21)		(21)
<b>Value at 31 Dec 2015</b> .....	<b>9,424</b>	<b>1</b>	<b>9,425</b>

(1) No provisions were recorded at 31 Dec 2013, 31 Dec 2014 and 31 Dec 2015.

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

## Note 8 - Investments in associates

Gross and net values <sup>(1)</sup>

€'000

	Associates
<b>Value at 01 Jan 2013</b> .....	-
<b>Value at 31 Dec 2013</b> .....	-
<b>Value at 31 Dec 2014</b> .....	-
Increase in capital of associates .....	-
Group share in earnings for the year .....	(397)
Dividends paid .....	(45)
Changes in scope .....	10,928
Exchange gains or losses .....	(2,020)
<b>Value at 31 Dec 2015</b> .....	<b>8,465</b>

(1) No provisions were recorded at 31 Dec 2015.

## Note 9 - Inventories

€'000 - Net value	31.12.15	31.12.14	31.12.13
Trade .....	11,509	11,352	11,009
Parts and consumables .....	6,855	5,854	5,932
<b>Total .....</b>	<b>18,364</b>	<b>17, 207</b>	<b>16,940</b>

## Note 10 – Trade and other receivables

€'000	31.12.15	31.12.14	31.12.13
Gross value .....	232,154	208,932	226,062
Impairment.....	(25,793)	(23,439)	(23,092)
<b>Total trade and other receivables .....</b>	<b>206,361</b>	<b>185,492</b>	<b>202,970</b>
Not past due .....	67%	65%	64%
Past Due < 30 days.....	21%	20%	20%
Past Due 30 to 60 days.....	6%	8%	7%
Past Due > 60 days.....	6%	7%	9%

## Note 11 – Income tax receivables and other current assets

€'000	31.12.2015	31.12.2014	31.12.2013
Income tax receivables.....	3,865	10,979	4,334
Non-Group cash advances(1).....			9,188
Prepaid expenses.....	3,923	2,872	2,604
Other receivables .....	17,845	18,767	20,324
Other current assets.....	21,767	21,639	32,115
<b>Total income tax receivables and other current assets .....</b>	<b>25,632</b>	<b>32,618</b>	<b>36,449</b>

(1) The non-Group cash advances concerned the company Dansk Lift at 31 Dec 2013

## Note 12 – Cash management assets, cash and cash equivalents

€'000	31.12.2015	31.12.2014	31.12.2013
Cash management assets.....	-	5,000	48,550
Other marketable securities.....	86,429	109,269	79,416
Cash .....	71,782	30,154	12,692
<b>Total .....</b>	<b>158,211</b>	<b>144,423</b>	<b>140,659</b>

Marketable securities comprise cash investment funds (SICAV) included in the AMF's "short-term money market" category, as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (cf. Note 3.17).

The cash management financial assets comprise money-market securities, bonds and shares in UCITS invested with a short-term management horizon that do not satisfy the criteria for classification as cash equivalents under IAS 7 (cf. Note 3.17).

## Note 13 – Shareholders' equity

The share capital amounts to €258,222,630, split into 25,822,263 shares with a par value of €10. It is fully paid up.

The dividend per share for 2015 is €0.19, as in 2014 and 2013.

## Note 14 – Financial risk management - Financial instruments

### Financial instruments relating to interest rate risk:

As indicated in Note 3.18, the interest rate swaps entered into by the Group are classified as derivative financial instruments. At 31 December 2015, these agreements relate to a notional amount of €167,700 K against the 3-month Euribor, with a maximum maturity date of July 2022. At 31 December 2014, these agreements related to a notional amount of €188,100 K. At 31 December 2013, they related to a notional amount of €328,500 K.

At 31 December 2015, the fair value of these derivative instruments amount to €6,613 K, compared with €9,153 K at 31 December 2014 and €7,239 K at 31 December 2013. Fair value adjustments are accounted for in financial expenses in an amount of €2,540 K in 2015, €1,914 K in financial income for 2014 and €13,749 K in financial income for 2013.

The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 3.9.

#### Financial instruments relating to foreign exchange risk:

As indicated in Note 3.19, foreign currency put options entered into by the Group are classified as derivative financial instruments.

The Group held options on the Pound Sterling for GBP 16,535 K at 31 December 2015, GBP 13,860 K at 31 December 2014, and GBP 12,410 K at 31 December 2013, and on the Danish Krone for DKK 29,500 K at 31 December 2015, DKK 33,000 K at 31 December 2014 and DKK 20,000 K at 31 December 2013.

The fair value of these derivative instruments represents €175 K at 31 December 2015, €156 K at 31 December 2014 and €70 K at 31 December 2013. Fair value adjustments are accounted for in financial expenses for €19 K in 2015, €85 K in 2014 and €70 K in 2013.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 3.9.

#### Financial instruments relating to the equity warrants:

These financial instruments and their accounting treatment are presented in Note 3.20.

The fair value of these derivative instruments represents €2,744 K at 31 December 2015, €2,523 K at 31 December 2014, and €3,179 K at 31 December 2013. Fair value adjustments are accounted for in financial expenses in the amount of €221 K for 2015, €656 K in financial income for 2014, and €1,850 K in financial income for 2013.

These financial instruments are valued using an option model based on the following assumptions. This valuation of equity warrants is classified as Level 3 in accordance with the classification presented in Note 3.9.

Main assumptions for the valuation of equity warrants:

	31.12.2015	31.12.2014	31.12.2013
Illiquidity discount.....	30.0%	30.0%	30.0%
Volatility.....	35.5%	32.2%	36.2%
Exit horizon.....	6years	5years	5years
Risk-free rate.....	0.0%	0.4%	1.2%

€'000	Interest Rate swaps Level2	Equity warrants Level3	Exchange rate hedging Level2	Financial instruments
Fair value level.....				
<b>Value at 31 Dec 2013.....</b>	<b>7,239</b>	<b>3,179</b>	<b>70</b>	<b>10,488</b>
Changes in scope .....				-
Value adjustment .....	1,914	(656)	85	<b>1,344</b>
Other .....				-
<b>Value at 31 Dec 2014.....</b>	<b>9,153</b>	<b>2,523</b>	<b>156</b>	<b>11,832</b>
Changes in scope .....				-
Value adjustment .....	(2,540)	221	19	<b>(2,300)</b>
Other .....				-
<b>Value at 31 Dec 2015.....</b>	<b>6,613</b>	<b>2,744</b>	<b>175</b>	<b>9,532</b>

#### Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities.

The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).

Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.

In 2013, the Group issued a bond in the amount of €300 million, in which €150 million had been used to pay down part of its syndicated debt.

In 2014, the Group refinanced its syndicated debt and virtually all the bilateral debt lines of Loxam SAS through a €660 million bond issue.

## Credit risk information

The Loxam Group put in place a credit management policy enabling it to ensure its customers' financial solvency.

Outstanding balances are monitored with regular reports and financial information concerning customers is tracked daily. Provisions are recorded in the accounts for uncollectible amounts at each month-end.

## Note 15 – Borrowings and financial debt

### Breakdown of current and non-current financial debt:

€'000	31.12.2015	31.12.2014	31.12.13
Bonds <sup>(1)</sup> .....	944,840	942,260	288,894
Syndicated loans .....	-	-	162,252
Bilateral loans .....	100,187	20,979	253,605
Lease debt .....	64,010	81,984	62,850
<b>Non-current financial debt</b> .....	<b>1,109,036</b>	<b>1,045,223</b>	<b>767,600</b>
Short-term syndicated loans .....	-	-	45,314
Short-term bilateral loans .....	25,356	7,751	125,239
Short-term lease debt .....	36,789	33,027	20,233
Other financial debt .....	11,368	10,235	9,682
Current bank borrowings .....	168	170	378
<b>Current financial debt</b> .....	<b>73,680</b>	<b>51,183</b>	<b>200,846</b>
<b>Financial debt</b> .....	<b>1,182,717</b>	<b>1,096,406</b>	<b>968,446</b>

(1) Net of bond issue costs.

### Breakdown of financial debt by interest rate

€'000	31.12.2015	31.12.2014	31.12.2013
Variable-rate debt .....	115,967	33,038	586,514
Fixed-rate debt .....	1,066,259	1,062,865	381,222
Bank overdrafts .....	168	170	378
Other .....	323	333	332
<b>TOTAL</b> .....	<b>1,182,717</b>	<b>1,096,406</b>	<b>968,446</b>

### Breakdown of financial debt by maturity

€'000	31.12.2015	31.12.2014	31.12.2013
< 1 year .....	73,378	50,581	200,191
1 to 5 years <sup>(1)</sup> .....	451,653	102,228	479,008
> 5 years .....	657,686	943,596	289,247
<b>TOTAL</b> .....	<b>1,182,717</b>	<b>1,096,406</b>	<b>968,446</b>

(1) Including other financial debt due in more than one year (classified as current liabilities)

### Change in borrowings and financial debt

## Changes in 2013

31.12.13						
€'000	Beginning of year	Change in scope	Increase	Decrease	Other	Year-end
Bond issues .....	-		294,844		(5,950)	288,894
Syndicated loans .....	387,300			(182,000)	2,266	207,566
Bilateral loans .....	391,169		138,140	(150,408)	(58)	378,843
Lease debt .....	44,606		54,384	(15,902)	(5)	83,083
Other financial debt .....	11,265				(1, 204)	10,061
<b>TOTAL .....</b>	<b>834,340</b>	<b>-</b>	<b>487,368</b>	<b>(348,310)</b>	<b>(4,952)</b>	<b>968,446</b>

## Changes in 2014

31.12.14						
€'000	Beginning of Year	Change in scope	Increase	Decrease	Other	Year-end
Bond issues .....	288,894		651,474		1,892	942,260
Syndicated loans .....	207,566			(211,000)	3,434	-
Bilateral loans .....	378,843	2,285	124,159	(476,581)	25	28,730
Lease debt .....	83,083	11,061	53,800	(32,907)	(26)	115,011
Other financial debt .....	10,061				344	10,405
<b>TOTAL .....</b>	<b>968,446</b>	<b>13,346</b>	<b>829,432</b>	<b>(720,489)</b>	<b>5,669</b>	<b>1,096,406</b>

## Changes in 2015

31.12.15						
€'000	Beginning of Year	Change in scope	Increase	Decrease	Other	Year-end
Bond issues .....	942,260				2,580	944,840
Syndicated loans .....	-					-
Bilateral loans .....	28,730		105,197	(8,334)	(50)	125,543
Lease debt .....	115,011		20,685	(34,906)	9	100,799
Other financial debt .....	10,405				1,131	11,536
<b>TOTAL .....</b>	<b>1,096,406</b>	<b>-</b>	<b>125,882</b>	<b>(43,240)</b>	<b>3,669</b>	<b>1,182,717</b>



## Note 16 - Employee benefits

€'000	31.12.15	31.12.14	31.12.13
<b>Net Defined Benefit Obligation</b> .....	<b>15,044</b>	<b>15,085</b>	<b>10,289</b>
<b>Reconciliation of the commitment and provisions</b> .....			
Commitment .....	27,022	27,447	18,559
Plan assets .....	11,977	12,333	8,270
Amount paid in advance .....		(29)	
<b>Net Defined Benefit Obligation at year-end</b> .....	<b>15,044</b>	<b>15,114</b>	<b>10,289</b>
<b>Movement in Defined Benefit Liability</b>			
Net Defined Benefit Liability at beginning of year .....	15,085	10,289	10,189
Expense for the year .....	1,406	668	978
Recognition of actuarial gains or losses through OCI .....	(2,419)	3,947	(879)
Changes in scope .....	973	182	-
Other .....			
<b>Net Defined Benefit Obligation at year-end</b> .....	<b>15,044</b>	<b>15,085</b>	<b>10,289</b>
<b>Breakdown of the expense for the year</b>			
Current service cost .....	1,616	1,150	1,071
Benefits or contributions paid by the employer .....	(744)	(829)	(386)
Other .....	182	(6)	-
Interest cost .....	248	338	304
Exchange gains or losses .....	103	14	(10)
<b>Expense for the year</b> .....	<b>1,406</b>	<b>668</b>	<b>989</b>

Provisions for employee benefits concern retirement benefits for €13,880 K at 31 December 2015, €14,112 K at 31 December 2014 and €9,618 K at 31 December 2013, and long-service awards (*médailles du travail*) for €1,164 K at 31 December 2015, €973 K at 31 December 2014 and €670 K at 31 December 2013.

	31.12.15		31.12.14		31.12.13	
<b>Actuarial assumptions used</b>	<b>France</b>	<b>International</b>	<b>France</b>	<b>International</b>	<b>France</b>	<b>International</b>
Discount rate (a) .....	2.25	0.75 to 2.75	1.50	1.20 to 3.40	3.25	2.00 to 3.50
Salary increase rate .....	2.00	0.00 to 2.50	2.00	0.00 to 2.50	2.00 to 3.00	1.00 to 2.50
Inflation rate .....	2.00	1.00 to 2.00	2.00	1.80 to 2.00	2.00	1.00 to 2.00
Mortality table .....	INSEE TH TF 07-09	Depending on the country	INSEE TH TF 07-09	Depending on the country	INSEE TH TF 07-09	Depending on the country
Retirement age .....	65	62 to 70	63 to 65	62 to 70	63 to 65	62 to 70

(a) Discount rate retained at 31 December 2015 : Mercer Pension Yield Curve Eurozone; rate retained for valuations at 31 December 2014 and 31 December 2013 : Iboxx Corporate AA 10+.

<b>Schedule of future payments over four years</b>	<b>31.12.15</b>	<b>31.12.14</b>	<b>31.12.13</b>
Less than 1 year	453	377	299
1 to 4 years	2,483	1,492	1,228
<b>Sensitivity Analysis - Changes in the defined benefit obligation as %</b>	<b>31.12.15</b>	<b>31.12.14</b>	<b>31.12.13</b>
Discount rate +0.5% .....	-9%	-11%	-9%
Discount rate -0.5% .....	11%	13%	10%

## Note 17 - Provisions

€'000	Provisions for contingencies	Provisions for charges	Total
<b>Balance at 1 Jan 2013</b>	<b>2,668</b>	<b>599</b>	<b>3,267</b>
Changes in scope	-	-	-
Allocations	1,683	850	2,533
Reversals	(1,025)	(504)	(1,529)
Reclassifications	(1)	(1)	(2)
<b>Balance at 31 Dec 2013</b>	<b>3,325</b>	<b>945</b>	<b>4,270</b>
Changes in scope	105	32	137
Allocations	2,165	1,166	3,331
Reversals	(1,225)	(938)	(2,163)
Reclassifications	(4)	(0)	(4)
<b>Balance at 31 Dec 2014</b>	<b>4,366</b>	<b>1,206</b>	<b>5,572</b>
Changes in scope	512	2,435	2,947
Allocations	1,272	1,340	2,613
Reversals	(2,451)	(1,621)	(4,072)
Reclassifications	4	1	4
<b>Balance at 31 Dec 2015</b>	<b>3,703</b>	<b>3,361</b>	<b>7,064</b>

## Note 18 – Trade payables and other current liabilities

€'000	31.12.15	31.12.14	31.12.13
Trade payables	65,813	62,905	75,827
Payables to fixed asset suppliers	23,572	27,218	23,666
<b>Trade payables and related</b>	<b>89,386</b>	<b>90,123</b>	<b>99,493</b>
<b>Corporate income tax liabilities</b>	<b>80</b>	<b>272</b>	<b>695</b>
Tax and social security liabilities	87,350	77,134	80,582
Other liabilities (1)	15,880	14,718	17,766
Accrued income	2,024	1,354	1,422
<b>Other liabilities and accruals</b>	<b>105,254</b>	<b>93,207</b>	<b>99,769</b>
<b>Total current liabilities</b>	<b>194,720</b>	<b>183,601</b>	<b>199,957</b>

(1) Of which, €2,148 K relates to the put option on non-controlling interests in the Dansk Lift subgroup at 31 Dec 2013

## Note 19 - Personnel expenses

€'000	31.12.15	31.12.14	31.12.13
Salaries	164,993	158,299	145,938
Payroll taxes	59,118	56,751	58,243
Employee profit-sharing	446	448	3,860
<b>Total personnel expenses</b>	<b>224,557</b>	<b>215,498</b>	<b>208,041</b>
Average headcount	4,659	4,544	4,325

The French tax credit, “Crédit d’Impôt Compétitivité Emploi (C.I.C.E.)”, is deducted from payroll taxes.

## Note 20 – Other operating income and expenses

In 2015, other operating income includes the recognition in profit or loss of the goodwill generated by the acquisition of Hertz Spain.

In 2014, other operating expenses includes non-recurring costs primarily relating to the reorganisation of the branch network.

## Note 21 - Financial income (expense)

€'000	31.12.15	31.12.14	31.12.13
Interest and financing-related expenses .....	(69,397)	(58,018)	(49,944)
Income from cash and cash equivalents.....	1,183	1,851	1,903
<b>Net finance costs</b> .....	<b>(68,213)</b>	<b>(56,167)</b>	<b>(48,040)</b>
Fair value adjustments for financial instruments .....	2,300	(1,344)	15,529
Recycling of reserves from OCI upon transition to IFRS for swaps initially designated as hedges .....	-	(8,896)	(3,945)
Other financial expenses .....	(1,921)	(964)	(728)
Other financial income.....	1,209	447	536
Financial provisions, net of reversals.....	32	-	-
<b>Financial income (expense)</b> .....	<b>(66,593)</b>	<b>(66,925)</b>	<b>(36,648)</b>

## Note 22 - Corporate income tax

### Analysis of tax expense

€'000	31.12.15	31.12.14	31.12.13
Current tax .....	(17,918)	(6,400)	(24,665)
Deferred tax .....	2,633	(4,498)	(3,205)
<b>Total</b> .....	<b>(15,286)</b>	<b>(10,898)</b>	<b>(27,870)</b>

### Reconciliation between actual tax and the theoretical tax expense

€'000	31.12.15	31.12.14	31.12.13
Consolidated income before tax and "CICE" French tax credit.....	17,775	17,011	71,317
Tax rate (parent).....	34.43%	38.00%	38.00%
<b>Theoretical tax expense</b> .....	<b>(6,120)</b>	<b>(6,464)</b>	<b>(27,101)</b>
Difference in parent / subsidiary rates .....	(1,589)	72	1,739
Unused tax losses for the year.....	(1,383)	(461)	(371)
Use of previously unused losses .....	19	251	118
Permanent differences.....	(5,787)	(4,291)	(2,061)
French tax on dividends .....	(147)	(147)	(147)
Tax credits and other.....	(280)	142	(47)
<b>Actual tax expense</b> .....	<b>(15,286)</b>	<b>(10,898)</b>	<b>(27,870)</b>

### Deferred tax assets and liabilities

€'000	31.12.15	31.12.14	31.12.13
<b>Opening balance</b> .....	(15,261)	(12,469)	(7,698)
Income (expense) .....	2,633	(4,498)	(3,205)
Change in scope .....	52	3,964	-
Recognised in equity.....	(703)	(2,244)	(1,565)
Other changes .....	(7)	(14)	(1)
<b>Closing balance</b> .....	<b>(13,287)</b>	<b>(15,261)</b>	<b>(12,469)</b>

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The unrecognised deferred tax assets relating to unused losses amounts to €14.4 million at 31 December 2015, €12.5 million at 31 December 2014 and €11.8 million at 31 December 2013.

The deferred tax liabilities relate to temporary differences, primarily linked to accelerated tax depreciation charges.

## Note 23 – Operating lease commitments

€'000	31.12.15	31.12.14	31.12.13
Future minimum lease payments by maturity: .....			
Less than 1 year .....	50,518	51,265	45,740
1 to 5 years.....	103,338	94,648	72,887
Over 5 years .....	8,513	15,262	5,490
<b>Total future minimum lease payments (-undiscounted)</b> .....	<b>161,369</b>	<b>161,175</b>	<b>124,117</b>

## Note 24 - Off-balance sheet commitments

€'000	31.12.15	31.12.14	31.12.13
Guarantee given to banks for payment of real estate rentals.....	2,106	9,780	9,780
Pledging of business assets as collateral .....	360	360	-
<b>Total commitments given .....</b>	<b>2,466</b>	<b>10,140</b>	<b>9,780</b>
Bank guarantee received for payment of real estate rentals.....	7,308	6,919	6,919
Other bank guarantees received .....	450	200	200
<b>Total commitments received .....</b>	<b>7,758</b>	<b>7,119</b>	<b>7,119</b>

### Other commitments given to guarantee bank borrowings recorded on the balance sheet:

- Guarantee from the Loxam parent company on subsidiaries' borrowings for €8,084 K at 31 December 2015.
- Pledging of Loxam Power shares, Loxam Module shares and the Loxam brand as collateral guaranteeing €410 million of secured senior bonds.
- Transfer under the Dailly Act as a guarantee: 120% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The revolving loan was not drawn down at 31 December 2015 or during 2015, 2014 and 2013.

## Note 25 – Related-party transactions

Key management personnel compensation for the management bodies is comprised of the following :

€'000	31.12.15	31.12.14	31.12.13
Executive Committee compensation.....	2,533	2,680	2,324
Executive Committee benefits in kind .....	38	27	23
Attendance fees paid to directors .....	40	40	40
<b>Total amount of compensation and benefits paid to executives and directors .....</b>	<b>2,611</b>	<b>2,747</b>	<b>2,387</b>

The Loxam SAS parent company has entered into a service delivery agreement with DPZ Partners, which holds part of the share capital of Loxam SAS. This agreement has been entered into under normal market conditions. Services provided under this agreement were invoiced to Loxam for an amount of €1.3 million in 2013, €1.5 million in 2014 and €1.2 million in 2015.

The Group does not have any significant transactions with related parties that have not been entered into under normal market conditions.

## 26.1 CONTEXT

The Group's first consolidated financial statements published under IFRS, as adopted by the European Union, concern the year ended 31 December 2015, presented with two years of comparative figures for 2013 and 2014 based on the same reporting standards. The IFRS transition date is 1 January 2013.

In accordance with IFRS 1, the Loxam Group has prepared an opening balance sheet at 1 January 2013, as well as a transition statement presenting the impact of the changeover from French accounting standards (CRC regulation 99-02) to International Financial Reporting Standards (IFRS). The transition statement is presented for the opening shareholders' equity at 1 January 2013 and 31 December 2013, as well as at 31 December 2014, which represent the Group's last financial closing under French GAAP (Regulation 99-02).

The financial information has been prepared by applying to the 2013 data the IFRS standards and interpretations that the Loxam Group applies to prepare its consolidated financial statements at 31 December 2015.

As a result, the basis for preparing the financial information presented below includes the mandatory IFRS standards and interpretations adopted by the European Union at 1 January 2015.

## 26.2 RECONCILIATION OF CONSOLIDATED SHAREHOLDERS' EQUITY AT 1 JANUARY 2013

The Loxam Group has presented consolidated financial statements for the period from 1 January 2013 to 31 December 2013, prepared in accordance with French accounting standards board (CRC) regulation 99-02.

To prepare its opening balance sheet at 1 January 2013, the Group has applied the principles for the first-time adoption of IFRS as defined by IFRS 1.

In general, the IFRS standards are applied retrospectively. However, IFRS 1 has introduced certain exceptions to this retrospective approach:

- Business combinations (IFRS 3): a first-time adopter may decide to not apply IFRS 3 retrospectively for business combinations preceding the transition date. However, if a first-time adopter restates a business combination to comply with IFRS 3, it must restate all subsequent business combinations from this same date. The Group has chosen to not restate the business combinations prior to the transition date.
- Use of fair value or remeasurement as the presumed cost of property, plant and equipment (IAS 16): the Group has not chosen to use this option.
- Aggregate amount of currency translation differences (IFRS 1): the Group has chosen to set the amount of currency translation differences at zero for all international activities at 1 January 2013.

The reconciliation between shareholders' equity under French GAAP and shareholders' equity under IFRS is as follows at 1 January 2013 and 31 December 2013:

€'000	Note	Shareholders' equity at 1 Jan 2013	Net income at 31 Dec 2013	IAS 19 actuarial gains and losses	Financial instruments	Dividends paid	Other	Shareholders' equity at 31 Dec 2013
<b>Shareholders' equity, Group share under French GAAP .....</b>		<b>503,565</b>	<b>38,513</b>			<b>(4,906)</b>	<b>97</b>	<b>537,269</b>
Reclassification of non-controlling interests .....	3.1	359	(75)				(2)	283
<b>Total shareholders' equity under French GAAP .....</b>		<b>503,924</b>	<b>38,439</b>	<b>-</b>		<b>(4,906)</b>	<b>95</b>	<b>537,552</b>
Business combinations .....	3.2		(451)					(451)
Elimination of amortisation of goodwill .....	3.3		42					42
Employee benefits .....	3.4	(4,525)	(428)	879				(4,074)

€'000	Note	Share- holders' equity at 1 Jan 2013	Net income at 31 Dec 2013	IAS 19 actuarial gains and losses	Financial instruments	Dividends paid	Other	Share- holders' equity at 31 Dec 2013
Financial instruments:								
swaps .....	3.5	(20,988)	9,734		3,945			(7,309)
Borrowing issue costs .....	3.5	12,925	1,616					14,541
Financial instruments:								
equity warrants .....	3.6	(5,029)	1,850					(3,179)
Lease incentives .....	3.7	(4, 201)	867					(3,334)
IFRIC 21 - French Organic levies .....	3.8	1,263	(167)					1,096
Other IFRS restatements .....		72	159				(159)	72
Impact of deferred tax on restatements .....	3.7	5,166	(4,484)	(310)	(1,255)			(883)
<b>Shareholders' equity under IFRS .....</b>		<b>488,606</b>	<b>47,177</b>	<b>569</b>	<b>2,690</b>	<b>(4,906)</b>	<b>(63)</b>	<b>534,072</b>

## 26.3 REVIEW OF KEY DIFFERENCES

### 26.3.1 NON-CONTROLLING INTERESTS

In the consolidated financial statements prepared under French GAAP, minority interests are not included in shareholders' equity. In accordance with IFRS 10, Consolidated Financial Statements, minority interests have been reclassified under shareholders' equity on the consolidated balance sheet, presented as "non-controlling interests" (a non-controlling interest is the percentage interest in a subsidiary that is not directly or indirectly attributable to a parent company).

### 26.3.2 BUSINESS COMBINATIONS

IFRS 1 offers the option to not restate business combinations prior to the transition date, i.e. 1 January 2013. The Group has chosen to apply this option, and acquisitions entered into before 1 January 2013 have not been restated in the opening balance sheet under IFRS.

Under IFRS 3, the additional costs incurred in the acquisition of a new entity are recognised as expenses as incurred. Previously, these costs were included in the acquisition cost.

This results in a –€451 K impact on profit or loss for 2013 relating to the acquisition costs for Dansk Lift securities.

### 26.3.3 INTANGIBLE ASSETS AND DEPRECIATION OF GOODWILL

In accordance with IAS 38, market shares have been reclassified as goodwill.

In the consolidated financial statements prepared under French GAAP, goodwill is systematically amortised over a period that reflects the underlying assumptions, the objectives set and the prospects considered at the time of the acquisition.

In accordance with IFRS 3 Business Combinations and IAS 38 Intangible Assets, goodwill is no longer amortised, but subject to impairment tests at least once a year. The principles applied by the Group for conducting impairment tests on its assets are compliant with the principles set out by IAS 36, *Impairment of Assets*.

The impact of the elimination of goodwill amortisation for 2013 represents +€42 K.

### 26.3.4 IAS 19 - EMPLOYEE BENEFITS

IFRS 1 offers the option to not present comparative information for the disclosures about the sensitivity of the defined benefit obligation. The Group has chosen this option.

Furthermore, under IAS 19, certain employee benefit arrangements that were previously classified as defined contribution plans are reclassified as defined benefit plans. Additional benefit obligations have been recognized for this reclassification based on the following amounts:

€'000	01.01.13	31.12.13
<b>End-of-career benefits:</b> .....	<b>+4,343</b>	<b>+3,899</b>
France .....	+483	-115
International .....	+3,860	+4,014
<b>Long-service awards (« médailles du travail ») .....</b>	<b>+180</b>	<b>+173</b>
France .....	+100	+84
International .....	+80	+89

The impact on profit or loss before tax for all employee benefits represents -€428 K for 2013.

Actuarial gains or losses are recognised directly in other comprehensive income, within equity and represents +€879 K at 31 December 2013.

## 26.3.5 DERIVATIVE FINANCIAL INSTRUMENTS AND APPLICATION OF THE AMORTISED COST METHOD

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, all derivative instruments must be reflected on the balance sheet at their fair value. If derivative instruments are classified as a fair value hedge, changes in the value of the derivative and the hedged element are recognised in profit or loss over the same period. If the derivative instrument is classified as a cash flow hedge, the effective portion of changes in the value of the derivative are recognised in other comprehensive income. The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss. However, any ineffective portion of changes in the fair value of the derivative is recognised directly in profit or loss.

In the consolidated financial statements prepared under French GAAP, interest and exchange rate derivative instruments classified as hedging are treated as off-balance sheet commitments.

In connection with the transition to IFRS, certain derivative financial instruments are eligible for hedge accounting and must be classified as hedging in the opening balance sheet, with reference given to the notes under French GAAP. If sufficient documentation has not been put in place (prospective and retrospective effectiveness tests), the hedges cease to exist from the day after the opening balance sheet and the OCI reserve must be amortised over the term of the swaps.

At 1 January 2013, the recognition of derivative financial instruments at their fair value on the balance sheet has a pre-tax impact of: -€12,841 K on the OCI reserve and -€8,147 K on consolidated equity.

In 2013, the recycling of the OCI reserve to profit or loss has a pre-tax impact of -€3,945 K.

The changes in the fair value of these derivative instruments are recognised in profit or loss for a pre-tax total of +€13,679 K. At 31 December 2013, the pre-tax impact on consolidated shareholders' equity represents -€7,309 K.

In addition, IAS 39 requires certain financial assets and liabilities to be recognised using the amortised cost method, based on the effective interest rate, with the debt issue costs deducted from the amount borrowed. They are amortized over the term of the loan at the effective interest rate.

At 1 January 2013 and 31 December 2013, the amortised cost method has a pre-tax impact respectively of +€12,925 K and +€14,541 K on consolidated shareholders' equity.

The pre-tax impact of this restatement represents +€1,616 K for 2013.

## 26.3.6 EQUITY WARRANTS

In the consolidated financial statements prepared under French GAAP, equity warrants are not valued and do not have any impact on the consolidated accounts.

In accordance with IAS 32, *Financial Instruments: Presentation* and IAS 39, *Financial Instruments: Recognition and Measurement*, equity warrants awarded to shareholders must be measured at fair value and accounted for as financial instruments on the balance sheet as liabilities over the period during which shareholders exercise rights become vested. The fair value of equity warrants is determined based on the Monte Carlo method by an independent expert.

At 1 January 2013 and 31 December 2013, this results in a reduction in equity by -€5,029 K and -€3,179 K, with an increase in financial instruments under liabilities on the balance sheet. The fair value adjustment for 2013 was recognised in profit or loss for +€1,850 K.

## 26.3.7 LEASE INCENTIVES

In accordance with IAS 17, *Leases* and SIC 15, *Operating Leases: Incentives*, when the lease charges indicated in the contract are uneven without any technical or economic reasons justifying such a difference, the lease charges are spread to accurately reflect the economic benefits provided by the asset for each period, using the straight line method by default.

This results in a pre-tax impact of -€4, 201 K at 1 January 2013 and -€3,334 K at 31 December 2013 respectively on equity.

The impact on profit or loss before tax for 2013 represents +€867 K.

#### **26.3.8 IFRIC 21**

On 13 June 2014, the European Union published IFRIC 21, *Levies*, setting its mandatory application date for the first financial year starting after its publication. In connection with a transition to IFRS, IFRIC 21 must be applied from the opening balance sheet.

This interpretation concerns the levies due by an entity to a public authority in accordance with regulations, other than levies covered by the scope of IAS 12, *Income Taxes*. IFRIC 21 states that the obligating event for a levy is the latest activity that makes it payable; the application of this interpretation changes the method for recognising certain levies. In particular, levies that become due when certain conditions are met on a given date are recognised for their full amount on this date and cannot be spread over a period.

At 1 January 2013 and 31 December 2013, the application of IFRIC 21 had a pre-tax impact of €1,263 K and €1,096 K, respectively on consolidated equity, and concerns only the “*Contribution Sociale de Solidarité des Sociétés*” levy (also referred to as “Organic”).

The impact of this restatement on profit or loss before tax represents -€167 K for 2013.

#### **26.3.9 DEFERRED TAX**

In the accounts prepared under French GAAP, deferred tax is recorded on the balance sheet as other receivables (assets) and provisions for liabilities and charges (liabilities) without considering the timeframe.

In accordance with IAS 1, *Presentation of Financial Statements* (§70) and IAS 12, *Income Taxes*, all deferred tax assets and liabilities must be classified as non-current items and presented as a separate line item.

Net deferred tax assets reclassified as non-current items represented €1,238 K at 1 January 2013 and €935 K at 31 December 2013 under French GAAP.

Net deferred tax liabilities reclassified as non-current items represented €14,174 K at 1 January 2013 and €12,593 K at 31 December 2013 under French GAAP.

Deferred tax relating to the IFRS restatements had an impact of +€5,693 K and -€395 K respectively on consolidated shareholders' equity at 1 January 2013 and 31 December 2013.

The impact on profit or loss represents -€5,779 K for 2013.

#### **26.3.10 PRESENTATION OF NON-RECURRING ITEMS**

In the consolidated financial statements prepared under French GAAP, non-recurring items are excluded from operating income and presented on a separate line in profit or loss.

In accordance with IAS 1, *Presentation of Financial Statements*, non-recurring items cannot be presented separately.

In addition, the Group presents income from ordinary operations excluding “other operating income” and “other operating expenses”. Other operating income and expenses relate to items that are very limited in number, which are unusual, abnormal and infrequent, that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

On the transition date, and for the period from 1 January 2013 to 31 December 2013, the Group did not record any other operating income or expenses.

#### **26.3.11 OTHER RECLASSIFICATIONS OF INCOME AND EXPENSES**



## Transferred expenses

In the consolidated financial statements prepared by the Group under French GAAP, a certain number of reimbursements are recorded under transferred expenses:

- Reimbursements for insurance on utility vehicles and heavy trucks,
- Reimbursements for disability and death benefits,
- Reimbursements for training.

In the financial statements prepared under IFRS, transferred expenses are deducted from the corresponding expenses.

## Reversals of provisions in operating profit

In the consolidated financial statements prepared by the Group under French GAAP, reversals of provisions are presented under “other income”.

In the financial statements prepared under IFRS, reversals of provisions do not meet the definition of income and are deducted against corresponding expenses.

## 26.4 TRANSITION AT 31 DECEMBER 2014 FROM FRENCH GAAP TO IFRS

### 26.4.1 TRANSITION OF CONSOLIDATED SHAREHOLDERS' EQUITY

€'000	Shareholders' equity 31.12.14	Incl. Net income 2014
<b>Shareholders' equity / Net Profit, Group share under French GAAP</b> .....	<b>541,745</b>	<b>9,403</b>
Reclassification of non-controlling interests.....	476	(126)
<b>Total shareholders' equity / Net Income under French GAAP</b> .....	<b>542,221</b>	<b>9,278</b>
Business combination and elimination of goodwill amortisation .....	(535)	(185)
Employee benefits.....	(7,227)	793
Financial instruments: swaps .....	(156)	(1,741)
Financial instruments: equity warrants .....	(2,523)	656
Debt issue costs.....	17,740	3,199
Lease incentives .....	(2,467)	867
IFRIC 21 - French Organic levies.....	1,137	41
Impact of deferred tax on restatements .....	(4,306)	(1,191)
Subtotal for IFRS impac .....	1,663	2,437
<b>Shareholders' equity / Net Income under IFRS</b> .....	<b>543,883</b>	<b>11,715</b>

## 26.4.2

## TRANSITION OF CONSOLIDATED INCOME STATEMENT

€'000	99-02 31.12.14	IFRS impact	IFRS 31.12.14
<b>Revenue</b> .....	<b>812,329</b>	-	<b>812,329</b>
Other income.....	67,427	(16,837)	50,590
<b>Operating income</b> .....	<b>879,756</b>	<b>(16,837)</b>	<b>862,919</b>
Purchases consumed .....	(92,078)	-	(92,078)
Personnel expenses .....	(220,222)	4,724	(215,498)
Other current expenses.....	(308,326)	24,151	(284,175)
Taxes and duties.....	(14,755)	48	(14,707)
Depreciation and amortisation .....	(164,323)	-	(164,323)
<b>Profit from ordinary operations</b> .....	<b>80,053</b>	<b>12,085</b>	<b>92,138</b>
Other operating income.....	-	-	-
Other operating expenses .....	-	(2,601)	(2,601)
<b>Operating profit</b> .....	<b>80,053</b>	<b>9,484</b>	<b>89,537</b>
Interest and financing-related expenses .....	(52,692)	(5,326)	(58,018)
Other financial expenses .....	(9,765)	(1,439)	(11, 204)
Financial income.....	2,298	-	2,298
<b>Financial income (expense)</b> .....	<b>(60,159)</b>	<b>(6,765)</b>	<b>(66,925)</b>
Exceptional income (expense) .....	(867)	867	-
<b>Profit before tax</b> .....	<b>19,027</b>	<b>3,586</b>	<b>22,613</b>
Amortization of goodwill and intangible assets.....	(42)	42	-
Income tax expense .....	(9,707)	(1,191)	(10,898)
<b>Net profit</b> .....	<b>9,278</b>	<b>2,437</b>	<b>11,715</b>
Non-controlling interests .....	(126)	-	(126)
<b>Net profit, Groupe share</b> .....	<b>9,403</b>	<b>2,437</b>	<b>11,841</b>

## 26.4.3

## TRANSITION OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	99-02		IFRS
	31.12.14	IFRS impact	31.12.14
<b>ASSETS (€ '000)</b>			
Intangible assets and goodwill .....	952,181	(536)	951,645
Property, plant and equipment .....	534,237	-	534,237
Financial assets .....	6,019	-	6,019
Investment in associates .....		-	
Deferred tax assets .....	6,251	2,779	9,030
<b>Non-current assets</b> .....	<b>1,498,688</b>	<b>2,243</b>	<b>1,500,931</b>
Inventories .....	17, 207	-	17, 207
Trade and other receivables .....	185,492	-	185,492
Other current assets .....	21,273	366	21,639
Corporate income tax receivables .....	10,979	-	10,979
Cash management assets .....		5,000	5,000
Cash and cash equivalents .....	144,423	(5,000)	139,423
<b>Current assets</b> .....	<b>379,374</b>	<b>366</b>	<b>379,739</b>
<b>Total assets</b> .....	<b>1,878,062</b>	<b>2,609</b>	<b>1,880,671</b>

	99-02		IFRS
	31.12.14	IFRS impact	31.12.14
<b>LIABILITIES (€ '000)</b>			
Share capital .....	258,223	-	258,223
Additional paid-in capital .....	1,882	-	1,882
Consolidated reserves .....	272,238	(775)	271,463
Net Profit for the year .....	9,403	2,437	11,841
<b>Shareholders' equity (Group share)</b> .....	<b>541,745</b>	<b>1,663</b>	<b>543,408</b>
Non-controlling interests .....	476	(0)	476
<b>Total equity</b> .....	<b>542,221</b>	<b>1,663</b>	<b>543,883</b>
Employee benefits .....	7,858	7,227	15,085
Deferred tax liabilities .....	17, 207	7,084	24,291
Borrowings and financial debt .....	1,062,963	(17,740)	1,045,223
Financial derivatives .....		11,832	11,832
<b>Non-current liabilities</b> .....	<b>1,088,028</b>	<b>8,403</b>	<b>1,096,431</b>
Provisions .....	14,725	(9,153)	5,572
Borrowings and financial debt .....	51,183	-	51,183
Trade and other payables .....	90,123	-	90,123
Other liabilities .....	91,510	1,697	93, 207
Corporate income tax liabilities .....	272	-	272
<b>Current liabilities</b> .....	<b>247,813</b>	<b>(7,457)</b>	<b>240,356</b>
<b>Total shareholders' equity and liabilities</b> .....	<b>1,878,062</b>	<b>2,609</b>	<b>1,880,671</b>

## **LOXAM**

Simplified Joint Stock Company

256 rue Nicolas Coatanlem  
56850 — CAUDAN

### **Statutory Auditors' report on the consolidated financial statements**

Year ended December 31, 2016

**CONSTANTIN ASSOCIES**

*Member of Deloitte Touche Tohmatsu Limited*  
185 avenue Charles de Gaulle

92524 Neuilly-sur-Seine Cedex

**KPMG Audit**

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*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the Group's management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**LOXAM**

Simplified Joint Stock Company

256 rue Nicolas Coatanlem  
56850 — CAUDAN

**STATUTORY AUDITOR'S REPORT  
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Loxam;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Chairman. Our role is to express an opinion on these consolidated financial statements based on our audit.

## **1. Opinion on the consolidated financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit so as to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2016 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the European Union.

## **2. Justification of our assessments**

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

### **Goodwill**

Notes 3.7 “Business Combination” and 3.14 “Impairment of intangible and tangible fixed assets” to the consolidated financial statements set out the principle of allocation of the identifiable assets and liabilities of the entities included in the scope of consolidation, together with the methods for determining the recoverable value of the intangible assets thus identified.

Impairment tests have been performed, in accordance to the methods set out in Note 3.14 “Impairment of intangible and tangible fixed assets” and Note 5 “Intangible assets and Goodwill” to the consolidated financial statements, on the Goodwill, recognised on the balance sheet at December 31, 2016 for a net amount of €967,517 thousands euros.

We have reviewed the details of implementation for these tests and the overall consistency of the assumptions used; we have reviewed the calculations and have verified that Notes to the consolidated financial statements provides appropriate information.

## **Change accounting estimate**

Note 3.5 “Comparability of the financial statements” to the consolidated financial statements details the reasons which led the company to change the useful life of “materiel Parc” and apply a residual value on certain categories of its rental fleet, and specifies the impact of these changes on the consolidated financial statements.

We have reviewed the calculation of the change in useful life and have verified that this note to the consolidated financial statements gives an appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### **3. Specific verification**

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group’s management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Rennes, March 16, 2017

The Statutory Auditors

**CONSTANTIN ASSOCIES**

*Member of Deloitte Touche Tohmatsu Limited*

**KPMG Audit**

*A Division of KPMG S.A.*

Jean Paul SEGURET

Vincent BROYE

**LOXAM GROUP**  
**IFRS FINANCIAL STATEMENTS**

**at 31 December 2015 and 2016**



**CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015 and 2016**  
**STATEMENT OF FINANCIAL POSITION**

<b>ASSETS (€'000)</b>	<b>Notes</b>	<b>31.12.15</b>	<b>31.12.16</b>
Intangible assets and goodwill .....	5	983,015	968,976
Property, plant and equipment .....	6	560,095	630,044
Investments in associates .....	7	8,465	9,738
Financial assets .....	8	9,425	9,919
Financial derivatives .....	14	0	765
Deferred tax assets .....	22	8,618	7,790
<b>Non-current assets</b> .....		<b>1,569,617</b>	<b>1,627,233</b>
Inventories .....	9	18,364	18,681
Trade and other receivables .....	10	206,361	224,636
Other current assets .....	11	21,767	26,137
Corporate income tax receivables .....	11	3,865	6,589
Cash and cash equivalents .....	12	158,211	155,857
<b>Current assets</b> .....		<b>408,569</b>	<b>431,899</b>
<b>Total assets</b> .....		<b>1,978,185</b>	<b>2,059,132</b>
<b>LIABILITIES (€'000)</b>	<b>Notes</b>	<b>31.12.15</b>	<b>31.12.16</b>
Share capital .....		258,223	232,400
Additional paid-in capital .....		1,882	1,882
Consolidated reserves .....		278,887	211,313
Net profit for the year .....		8,008	34,298
<b>Shareholders' equity (Group share)</b> .....		<b>547,000</b>	<b>479,894</b>
Non-controlling interests .....		204	938
<b>Total equity</b> .....	<b>13</b>	<b>547, 204</b>	<b>480,832</b>
Employee benefits .....	16	15,044	18,716
Deferred tax liabilities .....	22	21,904	25,396
Borrowings and financial debt .....	15	1,109,036	1,189,195
Financial derivatives .....	14	9,532	4,854
<b>Non-current liabilities</b> .....		<b>1,155,518</b>	<b>1,238,161</b>
Provisions .....	17	7,064	4,948
Borrowings and financial debt .....	15	73,680	107,442
Trade and other payables .....	18	89,386	123,129
Other liabilities .....	18	105,254	103,938
Corporate income tax liabilities .....	18	80	683
<b>Current liabilities</b> .....		<b>275,464</b>	<b>340,139</b>
<b>Total shareholders' equity and liabilities</b> .....		<b>1,978,185</b>	<b>2,059,132</b>

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

€'000	Notes	31.12.15	31.12.16
<b>Revenue</b> .....		<b>838,288</b>	<b>926,782</b>
Other income.....		57,433	56,265
<b>Operating income</b> .....		<b>895,720</b>	<b>983,047</b>
Purchases consumed .....		(91,988)	(105,482)
Personnel expenses .....	19	(224,557)	(244,362)
Other current expenses.....		(286,419)	(311,737)
Taxes and duties.....		(15,472)	(16,637)
Depreciation and amortisation .....		(187,327)	(143,705)
<b>Profit from ordinary operations</b> .....		<b>89,957</b>	<b>161,124</b>
Other operating income.....	20	50	17
Other operating expenses.....	20	-	(19,956)
<b>Operating profit</b> .....		<b>90,008</b>	<b>141,185</b>
Interest and financing-related expenses .....		(69,397)	(63,130)
Other financial expenses .....		(2,162)	(31,848)
Financial income.....		4,966	6,830
<b>Financial income (expense)</b> .....	<b>21</b>	<b>(66,593)</b>	<b>(88,148)</b>
<b>Profit before tax</b> .....		<b>23,415</b>	<b>53,037</b>
Share of profit of associates .....		(397)	(1,002)
Income tax expense.....	22	(15,286)	(17,649)
<b>Net profit</b> .....		<b>7,732</b>	<b>34,386</b>
Non-controlling interests .....		(276)	87
<b>Net profit, Group share</b> .....		<b>8,008</b>	<b>34,298</b>
		<b>31.12.15</b>	<b>31.12.16</b>
<b>Net profit</b> .....		<b>7,732</b>	<b>34,386</b>
Exchange gains or losses (1).....		(1,221)	1,469
Value adjustments linked to hedging derivatives.....		-	-
Tax .....		-	-
<b>Items recycled to profit or loss</b> .....		<b>(1,221)</b>	<b>1,469</b>
Remeasurement of liabilities for defined benefit retirement plans .....		2,419	(3,291)
Tax .....		(703)	858
<b>Items not recycled to profit or loss</b> .....		<b>1,716</b>	<b>(2,434)</b>
<b>Other comprehensive income</b> .....		<b>495</b>	<b>(964)</b>
<b>Comprehensive income</b> .....		<b>8,227</b>	<b>33,421</b>
(1) including associates:.....		(2,020)	2,090

## CONSOLIDATED CASH-FLOW STATEMENT

€'000	Notes	31.12.2015	31.12.2016
Net profit.....		7,732	34,386
Share of profit of associates .....	7	397	1,002
Income tax expense.....	22	15,286	17,649
(including deferred tax).....	21	66,593	88,148
Net finance costs .....		186,871	157,809
Depreciation and provisions, net of reversals .....		(47,565)	(45,686)
Capital gains on asset disposals .....		229,314	253,308
Cash flow from operations (before cost of financing and tax) .....		(17,918)	(12,710)
Income tax paid.....		(66,413)	(83,128)
Financial interest paid .....		2,393	1,293
Financial interest received .....		5,878	6,804
Change in working capital requirements.....			

€'000	Notes	31.12.2015	31.12.2016
Cash flow from operating activities .....	A	153,254	165,566
Impact of changes in scope .....		(125,081)	(2,019)
Acquisitions of fixed assets .....		(150,756)	(230,857)
Disposals of fixed assets .....		58,580	54,578
Cash flow from investing activities .....	B	(217,257)	(178,298)
Dividends paid .....		(4,906)	(4,906)
Capital decrease .....		-	(95,542)
Proceeds from loans and borrowings .....	15	125,882	485,483
Repayment of loans and borrowings .....	15	(43,240)	(377,989)
Cash flow from financing activities .....	C	77,736	7,046
Change in cash and cash equivalents .....	A+B+C	13,733	(5,686)
Cash and cash equivalents at beginning of period .		144,253	158,043
Cash and cash equivalents at end of period .....		158,043	155,677
Impact of exchange rate fluctuations .....		(57)	(3,320)
Change in cash and cash equivalents .....		13,733	(5,686)
Other marketable securities .....		86,429	65,262
Cash at bank and on hand .....		71,782	90,595
Current bank borrowings .....		(168)	(180)
Cash and cash equivalents .....		158,043	155,677

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€'000	Share capital	Additional paid-in capital	Consolidated reserves	Reserves to be recycled (OCI)	Shareholder s' equity (Group share)	Non-controlling interests	Total equity
<b>At 1 January 2014</b>	<b>258,223</b>	<b>1,882</b>	<b>278,693</b>	<b>(5,009)</b>	<b>533,789</b>	<b>283</b>	<b>534,072</b>
Net profit for the period .....			11,841		11,841	(126)	11,715
Derivatives .....				5,515	5,515	-	5,515
Employee benefits .....				(2,810)	(2,810)	-	(2,810)
Exchange gains or losses .....				(20)	(20)	10	(10)
<b>Comprehensive income .....</b>			<b>11,841</b>	<b>2,685</b>	<b>14,525</b>	<b>(116)</b>	<b>14,409</b>
Capital increase .....					-	308	308
Dividends .....			(4,906)		(4,906)	-	(4,906)
<b>At 31 December 2014 .....</b>	<b>258,223</b>	<b>1,882</b>	<b>285,628</b>	<b>(2,324)</b>	<b>543,408</b>	<b>476</b>	<b>543,884</b>
Net profit for the period .....			8,008		8,008	(276)	7,732
Employee benefits .....				1,716	1,716	-	1,716
Exchange gains or losses .....				(1,226)	(1,226)	5	(1,221)
<b>Comprehensive income .....</b>			<b>8,008</b>	<b>490</b>	<b>8,498</b>	<b>(271)</b>	<b>8,227</b>
Dividends .....			(4,906)		(4,906)	-	(4,906)
At 31 December 2015 .....	258,223	1,882	288,730	(1,834)	547,000	204	547,204
Net profit for the period .....			34,298		34,298	87	34,386
Employee benefits .....				(2,434)	(2,434)	-	(2,434)
Exchange gains or losses .....			5	1,450	1,455	14	1,469
<b>Comprehensive income .....</b>			<b>34,303</b>	<b>(984)</b>	<b>33,320</b>	<b>102</b>	<b>33,421</b>
Capital movements .....	(25,822)		(69,720)		(95,542)	633	(94,910)
Dividends .....			(4,884)		(4,884)	-	(4,884)
<b>At 31 December 2016 .....</b>	<b>232,400</b>	<b>1,882</b>	<b>248,430</b>	<b>(2,818)</b>	<b>479,894</b>	<b>938</b>	<b>480,832</b>

### 1.1. Presentation of the Group

Loxam is a French simplified joint stock company (“Société par actions simplifiée”) with a capital of €232,400,370 at 31 December 2016, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code (“Code de commerce”). Its registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Group is the European equipment rental market leader, with its business focused primarily on construction and civil engineering professionals. The Group operates mainly in Europe, as well as in North Africa, and has a 25.7% stake in a company in Brazil.

### 1.2. Context for the preparation of the IFRS consolidated financial statements

The consolidated financial statements for the period from 1 January to 31 December 2016 include Loxam and its subsidiaries (the whole referring to “the Group”), and the Group’s share in equity affiliates and joint ventures.

### 1.3. Functional and reporting currency

The consolidated financial statements are prepared and presented in euros, which is the parent company’s functional currency. All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

### Overview of key developments in 2016:

On March 31, 2016, Loxam Alquier merged with Hertz Alquier de Maquinaria with an accounting and tax effect from January 1, 2016. This merger has no consequences on Loxam's financial consolidated accounts.

In April 2016, Loxam increased its stake in the company Degraus, buying 0.7% of additional shares for a total consideration of €0.3 million, to reach a total control interest of 25.7%. In May 2016, Loxam refinanced its €300 million senior subordinated notes due in January 2020, thanks to the issue of €250 million of senior secured notes due in May 2023.

On May 31, 2016, Safelift AB Sweden was liquidated, and removed from the scope of consolidation.

On October 28, 2016, Loxam SAS acquired 100% of the share capital of Salmat Nord; this entity is now included within the scope of consolidation.

Loxam SAS decreased its capital by 2,582,226 shares in December, by launching a share buy back on minority shareholders, which resulted in a capital decrease of €95.5 million.

The Group changed its accounting estimate of the average depreciation lengths of rental fleet equipment effective from January 1, 2016.

### Overview of key developments in 2015:

On 14 April 2015, the Group acquired a 25% stake in Degraus, which operates 20 branches in Brazil. This interest enables the Group to exercise a significant influence over Degraus, and is therefore classified as an associate. As a result, Loxam SAS' investment in Degraus is accounted for using the equity method of accounting. The goodwill associated with the acquisition of Degraus is valued at €4.4 million and is included in investments in associates.

In June 2015, our 51%-owned Moroccan subsidiary Atlas Rental acquired a 100% interest in Maroc Elevation. Maroc Elevation has been consolidated in Loxam's consolidated accounts since 1 July 2015. Its contribution to the Group's consolidated financial statements was not significant for the period. In accordance with IFRS 3 (revised), Loxam is currently measuring the fair value of the identifiable assets and liabilities acquired.

The provisional goodwill associated with the acquisition of Maroc Elevation is valued at €0.9 million at 31 December 2015.

On 31 October 2015, the Group acquired a 100% interest in Hertz Equipement France and Hertz de Alquier de Maquinaria in Spain. These two companies have been consolidated in Loxam's consolidated accounts since 1 November 2015. Their contribution to the Group's consolidated financial statements represents €11.0 million in revenue and €73.3 million in property, plant and equipment. If the companies had been consolidated from 1 January 2015, the contribution to revenue over 12 months would have represented €69.5 million. In accordance with IFRS 3 (revised), Loxam is currently measuring the fair value of the identifiable assets and liabilities acquired. The provisional goodwill associated with the acquisition of Hertz Equipement France is valued at €30.3 million at 31 December 2015, while the amount for Hertz de Alquier de Maquinaria in Spain is negative and represents €50 K.

In 2015, several mergers took place without any impact on the consolidated accounts:

- Merger of Dansk Lift with Loxam Danemark A/S on 30 April 2015, effective retroactively to 1 January 2015
- Merger of Workx BV with Workx Holding BV on 31 August 2015, effective retroactively to 1 January 2015
- Merger of Hertz Equipement France SAS with Loxam SAS at 31 December 2015, effective retroactively to 1 January 2015.

### Subsequent events to the closing

Salmat Nord which was acquired in 2016 was merged into Loxam SAS as at January 1, 2017.

In January 2017, Loxam effected a share buy back on 258,222 shares, retained 100,000 shares according to L.225-228 and cancelled 158,222 shares by capital decrease.

On February 6, 2017, Loxam took a 100% interest in the Spanish company Hune rental S.L., that operates on the equipment rental market in Spain, Portugal, and France and has two joint-ventures in Saudi Arabia and Colombia.

On February 13, 2017, Loxam took the control of Lavendon Group, which has its registered office in the UK. This Group consists of 70 branches located in the UK, Germany, France, Belgium and the Middle East. .

## Note 3 – Accounting principles

### 3.1 DECLARATION OF COMPLIANCE

The Loxam Group has prepared its consolidated financial statements at 31 December 2016, approved by the Chairman on 15 March 2017, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at 31 December 2016, with mandatory compliance at this date, with comparative information presented for 2015, established with the same reporting standards.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).

These standards are available on the European Commission site:  
[http://ec.europa.eu.internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu.internal_market/accounting/ias/index_fr.htm)

The consolidated financial statements include the financial statements of Loxam SAS and its subsidiaries for the financial year from January 1, 2016 to December 31, 2016.

The list of consolidated companies is presented in Note 4.

### 3.2 APPLICATION AND INTERPRETATION OF STANDARDS AND REGULATIONS

New mandatory IFRS standards, IFRIC interpretations or amendments to be applied from January 1, 2016:

<b>Standards, amendments or interpretations</b>	<b>Dates adopted by the European Union</b>	<b>Application dates: financial year starting on or after</b>
Amendments to IAS 1: Presentation of financial statements as part of the Disclosure Initiative.	19.12.2015	01.01.2016
Amendment to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation .....	03.12.2015	01.01.2016
Amendments to IAS 16 and IAS 41 – Agriculture: bearer plants assets .....	24.11.2015	01.01.2016
IAS 19 – Defined benefit plans: .....		
Employee Contributions .....	09.01.2015	01.02.2015
Annual improvements for 2010-2012 .....	09.01.2015	01.02.2015
Amendments to IFRS 11 – Joint arrangements: acquisition of an interest in a joint operation ..	25.11.2015.	01.01.2016
Annual improvements for 2012-2014 .....	16.12.2015	01.01.2016
Amendments to IAS 27 – Equity method in separate financial statements .....	23.12.2015	01.01.2016
Amendments to IFRS 10, IFRS 12, and IAS 28 – Clarifications to apply the consolidation Exemption .....	22.09.2016	01.01.2016

The application of the standards and amendments did not have a material impact on the consolidated financial statements.

Amendment published by the IASB and applicable by anticipation:

<b>Standards, amendments or interpretations</b>	<b>Dates adopted by the European Union</b>	<b>Application dates: financial year starting on or after</b>
IFRS 15 – Revenue from ordinary activities from contracts with customers .....	22.09.2016	01.01.2018
IFRS 9 Financial Instruments – Classification and measurement - amendments to IFRS 9, IFRS 7 and IAS 39 – general hedge accounting .....	22.11.2016	01.01.2018

These standards, amendments or interpretations have not been applied early. Their potential impact is currently being analysed.

New standards, reviews of IFRS regulatory and statutory framework, as well as interpretations published by the IASB, but not yet applicable, or not applied in advance by the Group:

<b>Standards, amendments or interpretations</b>	<b>Adoption in Europe</b>	<b>IASB application dates: financial years starting on or after</b>
Amendments to IAS 7: Disclosure initiative .....	Not adopted	01.01.2017
Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses.....	Not adopted	01.01.2017
Annual improvements for 2014-2016 .....	Not adopted	01.01.2017 or 01.01.2018
Amendments to IAS 40 – Investment property...	Not adopted	01.01.2018
IFRIC 22 Interpretation – Foreign currency transactions and advance consideration .....	Not adopted	01.01.2018
IFRS 14 – Regulatory deferral accounts .....	Will not be adopted by the EU	01.01.2016
Amendment to IFRS 15 – Clarification .....	Not adopted	01.01.2018
Amendments to IFRS 2 – Classification and measurement of transactions which payment is based on shares.....	Not adopted	01.01.2018
Amendments to IFRS 4 – For insurance contracts: <b>“Apply IFRS 9 financial instruments with IFRS 4”</b> .....	Not adopted	01.01.2020
Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture .....	Postponed	Postponed
IFRS 16 – Leases contracts.....	Not adopted	01.01.2019.

### 3.3 PRESENTATION OF THE FINANCIAL STATEMENTS

The Group's consolidated financial statements are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes.

The financial year-end for all the Group's subsidiaries and entities is December 31.

### 3.4 CONSOLIDATION PRINCIPLE

A subsidiary is an entity controlled by Loxam SAS. An entity's control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity's variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.

The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests.

Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity in which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate's assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

### 3.5 COMPARABILITY OF THE FINANCIAL STATEMENTS

In 2016, the Group carried out an assessment of the useful life of its equipment for rent on the basis of internal statistics. The review resulted in the extension of the average length of our depreciation on certain fleet equipment as a result of new maintenance practices, higher quality of the materials used by our suppliers, and preventive maintenance. Also a residual value was introduced for certain fleet equipment to reflect the capital gains on equipment disposals on the second-hand market. In accordance with IAS 8, the impact of the change in depreciation estimate was recorded according to a prospective approach since the beginning of the year 2016.

This change of estimate was applied to the net book value of the assets at December 31, 2015 over the remaining depreciation period, that now ranges between 3 and 10 years vs 2 and 7 years before.

The impact of this change resulted in an improvement of the net result after tax by €47.6 million, and an improvement in operating profit by €67.7 million.

Furthermore, the consolidated financial statements included 2 months of Hertz (France + Spain) at December 31, 2015, compared to 12 months at December 31, 2016.



### 3.6 ACCOUNTING JUDGMENTS AND ESTIMATES

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill) (Note 5),
- Measurement of obligations relating to defined benefit plans (Note 16),
- Measurement of financial instruments at fair value (Note 14),
- Qualification of leases (Note 3.13),
- The revision of depreciation periods, and new management rules on the Group's fleet.

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

### 3.7 BUSINESS COMBINATIONS

#### a) Business combinations

In accordance with IFRS 3, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

The conditions for these tests are presented in Section 3.14.

- b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits :

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

- c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

- d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations:

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, unchanged.

### **3.8 FOREIGN CURRENCY TRANSLATION METHODS**

- a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.

Profit and loss data denominated in foreign currencies are converted using the average rate for the period.

The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

- b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at 31 December 2016 (euro vs. currency):

<b>1 EUR =</b>	<b>GBP</b>	<b>CHF</b>	<b>DKK</b>	<b>MAD</b>	<b>SEK</b>	<b>NOK</b>	<b>BRL</b>
Reporting date							
rate.....	0.85618	1.07390	7.43440	10.65860	9.55250	9.08630	3.43050
Average rate.....	0.81894	1.09017	7.44534	10.84364	9.46718	9.29367	3.86118

### **3.9 BREAKDOWN OF CURRENT / NON-CURRENT ASSETS AND LIABILITIES**

Under IAS 1, assets and liabilities are classified as “current” or “non-current”.

Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as “non-current”
- Assets and liabilities included in working capital requirements in connection with the business’ normal operating cycle are classified as “current”
- All deferred tax assets and liabilities are presented as “non-current”
- All provisions are classified as “current”
- Financial liabilities are classified as “current” or “non-current”, depending on whether they are due within or later than one year after the reporting date.

### **3.10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 3.18 Cash and cash equivalents and Note 3.19 Financial instruments.

### **3.11 INTANGIBLE ASSETS AND GOODWILL**

#### **a) Goodwill**

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the valuation of goodwill, see Note 3.7.

#### b) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.

The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.

These other intangible assets are primarily software products, amortized over one to three years.

### 3.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not remeasured.

The cost includes the expenditure directly attributable to the asset's acquisition.

Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated:

Buildings.....	10 to 20 years
Building fixtures and fittings .....	5 to 20 years
Tools .....	3 to 5 years
Fleet equipment.....	3 to 10 years
Other property, plant and equipment .....	2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.

A residual value is applied to some categories of equipment, in order to take the resale value of this equipment at the end of its life into account.

### 3.13 LEASES

The Group holds finance leases in accordance with IAS 17.

Finance-leased fixed assets, transferring substantially all the risks and rewards of ownership of the leased asset to the Group, are recorded as assets on the balance sheet at the lower of the fair value of the equipment leased and the present value of minimum future lease payments.

The corresponding liability is recorded as financial liabilities.

Lease payments are apportioned between financial expense and the reduction of the liability in order to obtain a constant periodic rate of interest on the remaining liability.

Finance-leased assets are depreciated over their useful life in accordance with the accounting policy applicable to the other property, plant and equipment (cf. Note 3.12- Property, plant and equipment).

Leases under which the lessor retains substantially all the risks and rewards of ownership of the asset are operating leases.

Payments for these leases are recorded as expenses on a straight-line basis over the term of the lease.

### 3.14 IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset's recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.

To be tested, the assets that do not generate independent cash inflows are grouped in cash generating units (CGU), which correspond to the countries in which the Group operates. These countries may be grouped together by geographic area (aggregation of CGU's), particularly for financial reporting. For impairment testing, the CGUs which the goodwill is allocated to are grouped together to ensure that the level at which impairment tests are carried out reflects the lowest level at which goodwill is monitored for internal management requirements. Goodwill acquired in connection with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination.

The CGU's recoverable amount is the higher of its fair value less costs of disposal and the value in use.

The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,

- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset or the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.

### **3.15 FINANCIAL ASSETS**

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 39.

Financial assets are initially recognised at their fair value.

Financial assets maturing in under one year are classified as current financial assets.

### **3.16 INVENTORIES**

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.

An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

### **3.17 TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

### **3.18 CASH MANAGEMENT ASSETS AND CASH AND CASH EQUIVALENTS**

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.

Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,
- No penalties are due in the form of payments to the financial institution managing the investment, or non payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.

Purchases and sales of cash management financial assets are recognised on the transaction date.

Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

### **3.19 DERIVATIVE FINANCIAL INSTRUMENTS – RELATING TO THE INTEREST RATE RISK**

The Group holds interest rate swaps to reduce its net interest rate risk exposure.

These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 3.10. Since the hedging relationship is not documented, changes in fair value are recognised in profit or loss.

The swaps that were eligible for hedge accounting on the transition date have been recognised in other comprehensive income on the opening balance sheet. This reserve is amortized over the term of the swap agreements. With the refinancing in July 2014, virtually all the variable-rate loans held by Loxam SAS were repaid and fixed-rate bonds were subscribed to. Since July 2014, the swaps retained are no longer effective. As a result, the remaining reserve was fully recycled to profit or loss when the underlyings disappeared.

### **3.20 DERIVATIVE FINANCIAL INSTRUMENTS – RELATING TO THE FOREIGN EXCHANGE RISK**

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure. The Group primarily uses forward currency sales options.

As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

Furthermore, the Group bought a currency £/€ call option as part of its external development projects. This instrument is valued at fair value on the balance sheet. Changes in fair value are recognised in the income statement. This fair value corresponds to Category 2, according to the definition specified in Note 3.10.

### **3.21 FINANCIAL INSTRUMENTS - EQUITY WARRANTS**

Along with the capital decrease that occurred during the last quarter of 2016 and in January 2017, Loxam cancelled all existing equity warrants and incurred a profit of €2,744k as at December 31, 2016.

#### **a) Equity warrant features**

Under the terms of a delegation of authority granted by the Company's General Meeting on 29 July 2011, the Chairman, as decided on 28 February 2012, issued 3,165,713 BSA 1 equity warrants and 22,391,550 BSA 2 equity warrants to shareholders.

The BSA 1 and BSA 2 equity warrants were subscribed for in full by beneficiaries and both subscription agreements acknowledging the operation's completion were closed on 2 April 2012.

The BSA 1 and BSA 2 equity warrants were issued free of charge and concomitantly.

#### **b) Accounting treatment**

In accordance with IAS 32, these equity warrants have been classified as derivative and recorded as liabilities. They were measured at fair value through profit or loss, in accordance with IAS 39. This fair value corresponds to Category 3, in line with the definitions given in Note 3.10.

### 3.22 EMPLOYEE BENEFITS

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.

In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

#### a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

#### b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).

To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.

An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.

The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.

Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

#### c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.

These benefits primarily concern long-service awards (*médailles du travail*). Remeasurements of the obligation are recognised in profit or loss.



### **3.23 PROVISIONS**

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.

These provisions are estimated taking into account the most probable assumptions on the reporting date.

### **3.24 BORROWINGS AND FINANCIAL DEBT**

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortised cost using with the effective interest rate method.

The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group's Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.

From 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.

### **3.25 TRADE PAYABLES AND RELATED**

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

### **3.26 TAX**

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

There are three tax consolidations within the Group: one for the French companies, with Loxam SAS as head of the group, one for the Danish companies and one for the Workx group companies in the Netherlands.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realised or the liabilities settled, based on the tax rates - and tax regulations - that have been enacted or substantively enacted at the reporting date.

In the event of deductible temporary differences and tax losses, deferred tax assets are recognized for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.

Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.

Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group does not consider the French CVAE business value-added tax to be an income tax under IAS 12 and accounts for it as taxes other than on income.

### **3.27 REVENUE**

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labour charges invoiced for repairs) and sales of goods.

Income is recognised over the period services are provided.

### **3.28 OTHER INCOME**

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

### **3.29 OTHER CURRENT EXPENSES**

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals, and general administrative costs), in addition to losses on receivables net of changes in provisions.

### **3.30 OTHER OPERATING INCOME AND EXPENSES**

Other operating income and expenses concern items that involve a very limited number of instances, that are unusual, abnormal and uncommon, that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

### **3.31 FINANCIAL INCOME AND EXPENSES**

Financial income primarily concerns interest on investments.

Financial expenses primarily concern interest on bank borrowings and bonds, adjustments to the fair value of financial instruments, and the amortization of the recyclable reserve included in other comprehensive income for swaps classified as hedging on the transition date, then disqualified due to a lack of documentation.

Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

#### Note 4 – Scope of consolidation

Legal entities	SIREN number (France) or country	% control	% interest	Consolidation method
<b>SAS LOXAM</b>	<b>450776968</b>	<b>100%</b>	<b>100%</b>	<b>Parent</b>
SAS LOXAM MODULE	433911948	100%	100%	Full
SAS LOXAM POWER	366500585	100%	100%	Full
SARL SALMAT NORD	383562493	100%	100%	Full
LOXAM ACCESS UK	United Kingdom	100%	100%	Full
LOXAM GMBH	Germany	100%	100%	Full
LOXAM S.A.	Switzerland	100%	100%	Full
LOXAM S.A.	Belgium	100%	100%	Full
LOXAM RENTAL SARL	Luxembourg	100%	100%	Full
LOXAM LTD	Ireland	100%	100%	Full
LOXAM ALQUILER	Spain	100%	100%	Full
LOXAM BV	Netherlands	100%	100%	Full
WORKX HOLDING BV	Netherlands	100%	100%	Full
WORKX MATERIEELVERHUUR BV	Netherlands	100%	100%	Full
WORKX SLOOP EN GRAAFDIENSTEN BV	Netherlands	100%	100%	Full
ATLAS RENTAL	Morocco	100%	51%	Full
LOXAM HOLDING A/S	Denmark	100%	100%	Full
LOXAM A/S	Denmark	100%	100%	Full
LOXAM AS NORVEGE	Norway	100%	100%	Full
DEGRAUS	Brazil	25.7%	25.7%	Equity
SCI AVENUE ARISTIDE BRIAND	384564472	100%	100%	Full
SCI EST POSE	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE	572045953	100%	100%	Full
EURL NORLEU	409981024	100%	100%	Full
SCI TARTIFUME	328948013	100%	100%	Full
SCI THABOR	332962125	100%	100%	Full
LOXAMAM	799097944	100%	100%	Full

## Note 5 – Intangible assets and goodwill

### Changes in intangible assets and goodwill in 2016

€'000	Intangible assets	Goodwill	Total
<b>Gross value at year-start</b> .....	<b>15,682</b>	<b>981,462</b>	<b>997,145</b>
Changes in scope .....	2	744	746
Increase .....	1,544	300	1,844
Decrease / disposals .....	(543)		(543)
Reclassification .....	221		221
Exchange gains or losses .....	(1)	11	11
<b>Gross value at year-end</b> .....	<b>16,906</b>	<b>982,517</b>	<b>999,423</b>
<b>Depreciation and amortisation at year-start</b> .....	<b>(14,130)</b>	<b>-</b>	<b>(14,130)</b>
Changes in scope .....	(2)		(2)
Depreciation and amortisation for the year .....	(1,828)	(15,000)	(16,828)
Withdrawals / reversals on withdrawals .....	543		543
Reclassification .....	(29)		(29)
Exchange gains or losses .....	0		0
<b>Depreciation and amortisation at year-end</b> .....	<b>(15,447)</b>	<b>(15,000)</b>	<b>(30,447)</b>
<b>Net value at year-start</b> .....	<b>1,552</b>	<b>981,462</b>	<b>983,015</b>
<b>Net value at year-end</b> .....	<b>1,459</b>	<b>967,517</b>	<b>968,976</b>

### Changes in intangible assets and goodwill in 2015

€'000	Intangible assets	Goodwill	Total
<b>Gross value at year-start</b> .....	<b>13,118</b>	<b>950,083</b>	<b>963, 200</b>
Changes in scope .....	1,216	31,230	32,446
Increase .....	1,488	150	1,638
Decrease / disposals .....	(1,013)		(1,013)
Contingent consideration .....			-
Reclassification .....	870		870
Exchange gains or losses .....	5		5
<b>Gross value at year-end</b> .....	<b>15,682</b>	<b>981,462</b>	<b>997,145</b>
Depreciation and amortisation at year-start .....	<b>(11,555)</b>	<b>-</b>	<b>(11,555)</b>
Changes in scope .....	(1, 205)		(1, 205)
Depreciation and amortisation for the year .....	(1,831)		(1,831)
Withdrawals / reversals on withdrawals .....	1,012		1,012
Reclassification .....	(546)		(546)
Exchange gains or losses .....	(5)		(5)
<b>Depreciation and amortisation at year-end</b> .....	<b>(14,130)</b>	<b>-</b>	<b>(14,130)</b>
<b>Net value at year-start</b> .....	<b>1,563</b>	<b>950,083</b>	<b>951,645</b>
<b>Net value at year-end</b> .....	<b>1,552</b>	<b>981,462</b>	<b>983,015</b>

**Impact of changes in scope on goodwill ::**

The entity below has been impacted by the change of scope at December 31, 2016:

€'000	Total
Salmat Nord .....	744
<b>FY 2016</b> .....	<b>744</b>

The entities below have been impacted by the change of scope at December 31, 2015:

€'000	Total
Maroc Elevation.....	886
Hertz Equipement France .....	30,344
<b>FY 2015</b> .....	<b>31,230</b>

**Goodwill impairment tests:**

Goodwill and other intangible assets with an indefinite useful life acquired through business combinations are allocated to the CGUs for impairment testing. The CGUs correspond to the countries where the Group operates. For financial reporting, the Group has combined its CGUs for each region: France and International.

Allocation of goodwill for each CGU group:

€'000	31.12.15	31.12.16
France .....	819,442	820,486
International.....	162,020	147,031
<b>FY 2016</b> .....	<b>981,462</b>	<b>967,517</b>

Goodwill is tested once a year and whenever indications of impairment arise.

The last test was performed in December 2016. In these tests, the book value of the net asset, including goodwill allocated to a CGU, is compared with its recoverable amount. The recoverable amount is determined using the Discounted Cash Flow method. The cash flow forecasts used for the calculations are based on amounts from the following year's budget approved by management, and forecasts for the next four years.

The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which the Group operates. Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows. The discount rates correspond to the weighted average cost of capital (WACC) calculated for each CGU, in line with the sector's financial structure and market data.

The book value of the Denmark CGU has been compared with its value-in-use calculated based on the method of discounted future cash flows. This resulted in a loss of €15 million as at 31 December 2016. This impairment charge was allocated to the goodwill value and disclosed under "other operating expenses".

The operating assumptions are based on forecasts related to the activity and EBITDA targets. These were revised based on past performances and market forecasts for Denmark.

The upward adjustment of the budget data as well as of the discount rate explain the impairment that was recorded as a result. The assumptions used were as follows:

%	31.12.15	31.12.16
Discount rate .....	5.72%	6.94%
Compound annual growth rate (CAGR) .....	5.2%	4.1%
Perpetual growth rate .....	1.5%	1.5%

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the CGUs:

	31.12.15		31.12.16	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France .....	1.50%	5.90%	1.50%	6.82%
International .....	1.5% to 3.0%	5.1% to 8.2%	1.5% to 3.0%	6.1% to 7.5%

Perpetuity growth rate: The perpetuity growth rate reflects a moderate level of inflation expected for the entire region in which the Group operates.

Discount rate: The cash flow forecasts are discounted with a specific rate for each CGU. The weighted average cost of capital (WACC) represents the discount rate. To determine the specific rate for each CGU, the specific risk for each country is taken into account, including assumptions for fluctuations in inflation and/or exchange rates.

Sensitivity analysis regarding the key assumptions: the amounts presented below include the value assigned to the main parameters, for each assumption taken separately, for which the book value is equal to its recoverable amount. In the sensitivity analysis, the parameters for the perpetuity growth rate and discount rate are modified independently, while holding the other assumptions constant.

Sensitivity tests: value of the parameter to reach the book value:

	31.12.2015		31.12.2016	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France .....	-1.5%	8.0%	-1.4%	8.8%
International .....	-3.6%	9.4%	-5.4%	10.9%

## Note 6 – Property, plant and equipment

### Change in property, plant and equipment in 2016

€'000	Rental equipment	Other	Total
<b>Gross value at beginning of year</b> .....	1,766,238	252,468	<b>2,018,706</b>
Changes in scope .....	8,141	195	<b>8,337</b>
Acquisitions .....	197,631	22,750	<b>220,381</b>
Disposals (a) .....	(179,589)	(21,503)	<b>(201,091)</b>
Reclassification .....	(3,033)	3,397	<b>364</b>
Exchange gains or losses .....	(6,321)	(113)	<b>(6,433)</b>
<b>Gross value at end of year</b> .....	<b>1,783,068</b>	<b>257,195</b>	<b>2,040,264</b>
<b>Cumulative depreciation at beginning of year</b> .....	<b>(1,274,090)</b>	<b>(184,522)</b>	<b>(1,458,612)</b>
Changes in scope .....	(5,960)	(136)	<b>(6,097)</b>
Depreciation for the year .....	(127,338)	(14,546)	<b>(141,884)</b>
Disposals .....	173,453	19,255	<b>192,708</b>
Reclassifications .....	(573)	18	<b>(555)</b>
Exchange gains or losses .....	4,162	58	<b>4,220</b>
<b>Cumulative depreciation at end of year</b> .....	<b>(1,230,346)</b>	<b>(179,874)</b>	<b>(1,410,219)</b>
<b>Net value at beginning of year</b> .....	<b>492,149</b>	<b>67,946</b>	<b>560,095</b>
<b>Net value at end of year</b> .....	<b>552,722</b>	<b>77,322</b>	<b>630,044</b>

(a) Including the rental equipment write-offs for an original gross book value of €8.2 million subsequent to the acquisition of Hertz Equipment.

### Change in property, plant and equipment in 2015

€'000	Rental equipment	Other	Total
<b>Gross value at beginning of year</b> .....	1,637,720	204,341	<b>1,842,061</b>
Changes in scope .....	175,739	40,843	<b>216,583</b>
Acquisitions .....	123,642	23,350	<b>146,992</b>
Disposals .....	(173,366)	(17,751)	<b>(191,117)</b>
Reclassification .....	(2,228)	1,359	<b>(870)</b>
Exchange gains or losses .....	4,731	326	<b>5,057</b>
<b>Gross value at end of year</b> .....	<b>1,766,238</b>	<b>252,468</b>	<b>2,018,706</b>
<b>Cumulative depreciation at beginning of year</b> .....	<b>(1,154,451)</b>	<b>(153,372)</b>	<b>(1,307,824)</b>
Changes in scope .....	(108,152)	(34,638)	<b>(142,790)</b>
Depreciation for the year .....	(174,751)	(10,745)	<b>(185,495)</b>
Disposals .....	164,813	15,763	<b>180,576</b>
Reclassifications .....	1,711	(1,165)	<b>546</b>
Exchange gains or losses .....	(3,260)	(365)	<b>(3,625)</b>
<b>Cumulative depreciation at end of year</b> .....	<b>(1,274,090)</b>	<b>(184,522)</b>	<b>(1,458,612)</b>
<b>Net value at beginning of year</b> .....	<b>483,268</b>	<b>50,969</b>	<b>534,237</b>
<b>Net value at end of year</b> .....	<b>492,149</b>	<b>67,946</b>	<b>560,095</b>

## Note 7 – Investments in associates

Gross and net values

	Associates	Associates
€'000	31.12.15	31.12.16
<b>Value at beginning of year</b> .....	-	8,465
Increase in capital of associates .....	-	-
Group share in earnings for the year .....	(397)	(1,002)
Dividends paid .....	(45)	(70)
Changes in scope .....	10,928	254
Exchange gains or losses .....	(2,020)	2,090
<b>Value at end of year</b> .....	<b>8,465</b>	<b>9,738</b>

## Note 8 – Financial assets

### Financial assets movements in 2016

€'000	Loans and other borrowings	Other non-current financial assets	Total
<b>Gross and net value at beginning of year</b> .....	<b>9,424</b>	<b>1</b>	<b>9,425</b>
Changes in scope .....	1	11	12
Increase .....	1,142		1,142
Decrease .....	(646)		(646)
Exchange gains or losses .....	(13)		(13)
<b>Gross and net value at end of year</b> .....	<b>9,907</b>	<b>12</b>	<b>9,919</b>

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

### Financial assets movements in 2015

€'000	Loans and other borrowings	Other non-current financial assets	Total
<b>Gross and net value at beginning of year</b> .....	<b>6,018</b>	<b>1</b>	<b>6,019</b>
Changes in scope .....	1,896		1,896
Increase .....	2,104		2,104
Decrease .....	(572)		(572)
Exchange gains or losses .....	(21)		(21)
<b>Gross and net value at end of year</b> .....	<b>9,424</b>	<b>1</b>	<b>9,425</b>



## Note 9 – Inventories

€'000 - Net value	31.12.15	31.12.16
Trade .....	11,509	12,705
Parts and consumables .....	6,855	5,976
<b>Total .....</b>	<b>18,364</b>	<b>18,681</b>

## Note 10 – Trade and other receivables

€'000	31.12.15	31.12.16
Gross value .....	232,154	248,962
Impairment .....	(25,793)	(24,326)
<b>Total trade and other receivables .....</b>	<b>206,361</b>	<b>224,636</b>
Not past due .....	67%	68%
Past Due < 30 days .....	21%	20%
Past Due 30 to 60 days .....	6%	6%
Past Due > 60 days .....	6%	6%

## Note 11 – Income tax receivables and other current assets

€'000	31.12.15	31.12.16
Income tax receivables .....	3,865	6,589
Prepaid expenses .....	3,923	6,923
Other receivables .....	17,845	19,214
Other current assets .....	21,767	26,137
<b>Total income tax receivables and other current assets .....</b>	<b>25,632</b>	<b>32,726</b>

## Note 12 – Cash management assets, cash and cash equivalents

€'000	31.12.15	31.12.16
Other marketable securities .....	86,429	65,262
Cash .....	71,782	90,595
<b>Total .....</b>	<b>158,211</b>	<b>155,857</b>

Marketable securities comprise cash investment funds (SICAV) included in the AMF's "short-term money market" category, as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (cf. Note 3.18).

### Note 13 – Shareholders' equity

The share capital amounts to €232,400,370 split into 23,240,037 shares with a par value of €10. It is fully paid up.

The capital decrease of December related to 2,582,226 shares.

The dividend per share is €0.19 in 2016, same as in 2015.

### Note 14 – Financial risk management - Financial instruments

#### Financial instruments relating to interest rate risk:

As indicated in Note 3.19, the interest rate swaps entered into by the Group are classified as derivative financial instruments.

No new contracts were entered into 2015 and 2016.

At 31 December 2016, these agreements relate to a notional amount of €82,300k against the 3-month Euribor, with next maturity date in September 2018 and a maximum maturity date of July 2022. At 31 December 2015, these agreements related to a notional amount of €167,700k.

At 31 December 2016, the fair value of these derivative instruments amount to €4,854k, compared with €6,613k at 31 December 2015. Fair value adjustments are accounted for in financial incomes for an amount of €1,759k in 2016, €2,540k in financial expenses for 2015.

The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 3.10.

#### Financial instruments relating to foreign exchange risk:

As specified in Note 3.20, foreign currency put options entered into by the Group are classified as derivative financial instruments.

The Group held options on the Pound Sterling for GBP 14,845k at 31 December 2016, GBP 16,535k at 31 December 2015, and on the Danish Krone for DKK 20,000k at 31 December 2016, DKK 29,500k at 31 December 2015.

The fair value of these derivative financial instruments is -€24k at 31 December 2016, €175k at 31 December 2015. The fair value adjustments are accounted for in financial income for an amount of €200k in 2016, compared with a financial expense of €19k in 2015.

Financial hedging instruments relating to the GBP were put in place for a nominal amount of GBP 490,000k which generated a premium payment of €7,490k. The fair value of the option amounted to €741k at 31 December 2016. The fair value adjustment was recorded as a financial expense for an amount of €6,749k.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 3.10.

#### Financial instruments relating to the equity warrants:

These financial instruments and their accounting treatment are presented in Note 3.21.

These financial instruments are valued using an option model based on the following assumptions. This valuation of equity warrants is classified as Level 3 in accordance with the classification presented in Note 3.10.

The fair value of these derivatives instruments amounted to €2,744k at 31 December 2015. The cancellation of these equity warrants in December 2016 led to a reversal of fair value, which was recognised in financial income for an amount of €2,744k.

#### Change in the valuation of financial instruments in 2016:

€'000	Interest Rate swaps	Equity warrants	Exchange rate hedging	GBP Option	Financial instruments
Fair value level.....	Level 2	Level 3	Level 2	Level 2	
<b>Value at beginning of year .....</b>	<b>6,613</b>	<b>2,744</b>	<b>175</b>	<b>0</b>	<b>9,532</b>
Changes in scope .....					<b>0</b>
Acquisition.....				(7,490)	<b>(7,490)</b>
Value adjustment .....	(1,759)	(2,744)	(200)	6,749	<b>2,047</b>
Other .....					<b>0</b>
<b>Value at end of year .....</b>	<b>4,854</b>	<b>0</b>	<b>(24)</b>	<b>(741)</b>	<b>4,089</b>
<b>Derivatives instruments included in the assets</b>					<b>765</b>
<b>Derivatives instruments included in the liabilities</b>					<b>4,854</b>

**Change in the valuation of financial instruments in 2015:**

€'000	Interest Rate swaps	Equity warrants	Currency hedge	Financial instruments
Fair value level.....	Level 2	Level 3	Level 2	
<b>Value at beginning of year .....</b>	<b>9,153</b>	<b>2,523</b>	<b>156</b>	<b>11,832</b>
Changes in scope .....				<b>0</b>
Value adjustment .....	(2,540)	221	19	<b>(2,300)</b>
Other .....				<b>0</b>
<b>Value at end of year .....</b>	<b>6,613</b>	<b>2,744</b>	<b>175</b>	<b>9,532</b>
<b>Derivatives instruments included in the assets</b>				<b>-</b>
<b>Derivatives instruments in the liabilities</b>				<b>9,532</b>

## Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities.

The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).

Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.

## Credit risk information

The Loxam Group put in place a credit management policy enabling it to ensure its customers' financial solvency.

Outstanding balances are monitored with regular reports and financial information concerning customers is tracked daily.

Provisions are recorded in the accounts for uncollectible amounts at each month-end.

## Note 15 – Borrowings and financial debt

### Breakdown of current and non-current financial debt:

€'000	31.12.15	31.12.16
Bond (1) .....	944,840	901,969
Bilateral loans .....	100,187	191,638
Lease debt .....	64,010	95,589
<b>Non-current financial debt .....</b>	<b>1,109,036</b>	<b>1,189,195</b>
Short-term bilateral loans .....	25,356	53,041
Short-term lease debt .....	36,789	48,148
Other financial debt .....	11,368	6,073
Current bank borrowings .....	168	180
<b>Current financial debt .....</b>	<b>73,680</b>	<b>107,442</b>
<b>Financial debt .....</b>	<b>1,182,717</b>	<b>1,296,637</b>
(1) net of bond issue costs.		

### Breakdown of financial debt by interest rate

€'000	31.12.15	31.12.16
Variable-rate debt .....	115,967	227,780
Fixed-rate debt .....	1,066,259	1,068,382
Bank overdrafts .....	168	180
Other .....	323	295
<b>TOTAL .....</b>	<b>1,182,717</b>	<b>1,296,637</b>

### Breakdown of financial debt by maturity

€'000	31.12.15	31.12.16
< 1 year .....	73,378	107,442
1 to 5 years (1) .....	451,653	687,411
> 5 years .....	657,686	501,785
<b>TOTAL .....</b>	<b>1,182,717</b>	<b>1,296,637</b>

(1) Including other financial debt due in more than one year (classified as current liabilities)

**Change in borrowings and financial debt**  
**Changes in 2016**

€'000	Beginning of year	Change in scope	Increase	Decrease	Other	Year-end
Bond issues .....	944,840		247,029	(300,000)	10,100	901,969
Bilateral loans .....	125,543		147,178	(28,094)	52	244,679
Lease debt .....	100,799	1,509	91,277	(49,895)	48	143,737
Other financial debt .....	11,536				(5,283)	6,252
<b>TOTAL .....</b>	<b>1,182,717</b>	<b>1,509</b>	<b>485,483</b>	<b>(377,989)</b>	<b>4,916</b>	<b>1,296,637</b>

**Changes in 2015**

€'000	Beginning of year	Change in scope	Increase	Decrease	Other	Year-end
Bond issues .....	942,260				2,580	944,840
Bilateral loans .....	28,730		105,197	(8,334)	(50)	125,543
Lease debt .....	115,011		20,685	(34,906)	9	100,799
Other financial debt .....	10,405				131	11,536
<b>TOTAL .....</b>	<b>1,096,406</b>	<b>-</b>	<b>125,882</b>	<b>(43,240)</b>	<b>3,669</b>	<b>1,182,717</b>

## Note 16 – Employee benefits

€'000	31.12.15	31.12.16
.	15,044	18,716
<b>Reconciliation of the commitment and the provision</b>		
Commitment .....	27,022	31,012
Plan assets .....	11,977	12,296
Amount paid in advance .....		
<b>Net Defined Benefit Obligation at year-end.....</b>	<b>15,044</b>	<b>18,716</b>
<b>Movement in Defined Benefit Liability</b>		
<b>Net Defined Benefit Liability at beginning of year.....</b>	<b>15,085</b>	<b>15,044</b>
Expense for the financial year.....	1,406	380
Recognition of actuarial gains or losses through OCI.....	(2,419)	3,291
Changes in scope .....	973	
Other .....		
<b>Net Defined Benefit Obligation at year-end.....</b>	<b>15,044</b>	<b>18,716</b>
<b>Breakdown of the expense for the financial year</b>		
Current service cost .....	1,616	1,268
Benefits or contributions paid by the employer .....	(744)	(799)
Other .....	182	(442)
Interest cost.....	248	341
Exchange gains or losses .....	103	12
<b>Expense for the year .....</b>	<b>1,406</b>	<b>380</b>

The provisions for employee benefits concern retirement benefits for €17,897k at 31 December 2016 vs €13,880k at December 31, 2015, and long-service awards (“médailles du travail”) for €818k at December 31, 2016 vs €1,164k at December 31, 2015.

Actuarial assumptions used	31.12.15		31.12.16	
	France	International	France	International
Discount rate (a)	2.25	0.75 to 2.75	1.50	0.60 to 2
Salary increase rate	2.00	0.00 to 2.50	1.50	1.75 to 2
Inflation rate	2.00	1.00 to 2.00	1.75	0.6 to 1.75
Mortality table	INSEE TH TF 07-09	Depending on the country	INSEE TH TF 07-09	Depending on the country
Retirement age	65	62 to 70	65	62 to 67

(a) Discount rate retained at 31/12/2016 : Mercer Pension Yield Curve Eurozone.

<b>Schedule of future payments over four years</b>	<b>31.12.15</b>	<b>31.12.16</b>
Less than 1 year .....	453	435
1 to 4 years .....	2,483	8,692

<b>Sensitivity Analysis - Changes in the defined benefit obligation as %</b>	<b>31.12.15</b>	<b>31.12.16</b>
Discount rate +0.5% .....	-9%	-9%
Discount rate -0.5% .....	11%	11%

## **Note 17 – Provisions**

### **Change in provisions in 2016:**

€'000	<b>Provisions for contingencies</b>	<b>Provisions for charges</b>	<b>Total</b>
<b>Balance at beginning of year .....</b>	<b>3,703</b>	<b>3,361</b>	<b>7,064</b>
Changes in scope .....	28		28
Allocations .....	2,091	616	2,707
Reversals .....	(1,909)	(2,937)	(4,846)
Reclassifications .....	(5)		(5)
<b>Balance at end of year .....</b>	<b>3,909</b>	<b>1,039</b>	<b>4,948</b>

### **Change in provisions in 2015:**

€'000	<b>Provisions for contingencies</b>	<b>Provisions for charges</b>	<b>Total</b>
<b>Balance at beginning of year .....</b>	<b>4,366</b>	<b>1, 205</b>	<b>5,571</b>
Changes in scope .....	512	2,435	2,947
Allocations .....	1,272	1,340	2,613
Reversals .....	(2,451)	(1,621)	(4,072)
Reclassifications .....	4	1	4
<b>Balance at end of year .....</b>	<b>3,703</b>	<b>3,361</b>	<b>7,064</b>

#### Note 18 – Trade payables and other current liabilities

€'000	31.12.15	31.12.16
Trade payables .....	65,813	82,928
Payables to fixed asset suppliers .....	23,572	40, 201
<b>Trade payables and related .....</b>	<b>89,386</b>	<b>123,129</b>
<b>Corporate income tax liabilities .....</b>	<b>80</b>	<b>683</b>
Tax and social security liabilities .....	87,350	89,485
Other liabilities .....	15,880	12,928
Accrued income .....	2,024	1,525
<b>Other liabilities and accruals .....</b>	<b>105,254</b>	<b>103,938</b>
<b>Total current liabilities .....</b>	<b>194,720</b>	<b>227,750</b>

#### Note 19 – Personnel expenses

€'000	31.12.15	31.12.16
Salaries.....	164,993	179,723
Payroll taxes.....	59,118	63,922
Employee profit-sharing .....	446	717
<b>Total personnel expenses .....</b>	<b>224,557</b>	<b>244,362</b>
Average headcount .....	4,659	5,004

The French tax credit, “Crédit d’Impôt Compétitivité Emploi (C.I.C.E.)”, is deducted from payroll taxes.

#### Note 20 – Other operating income and expenses

At 31 December 2016, other operating income and expense amount to -€19,939k and refer to:

- ✓ The result of the liquidation of the Swedish subsidiary
- ✓ The impairment of goodwill in Denmark (-€15,000k);
- ✓ Non-recurring fees, especially related to the acquisitions.

In 2015, other operating income related to the recognition of the badwill generated by the acquisition of Hertz Spain.



## Note 21 – Financial income (expense)

€'000	31.12.15	31.12.16
Interest and financing-related expenses .....	(69,397)	(63,130)
Income from cash and cash equivalents.....	1,183	541
<b>Net finance costs</b> .....	<b>(68,213)</b>	<b>(62,589)</b>
Fair value adjustments for financial instruments .....	2,300	(2,047)
redemption costs (a).....	-	(24,023)
Other financial expenses .....	(1,921)	(1,075)
Other financial income.....	1,242	1,587
<b>Financial income (expense)</b> .....	<b>(66,593)</b>	<b>(88,148)</b>

(a) In 2016, relates to the early redemption fees and accelerated amortization of remaining issuance costs.

## Note 22 – Corporate income tax

### Analysis of tax expense

€'000	31.12.15	31.12.16
Current tax .....	(17,918)	(12,710)
Deferred tax .....	2,633	(4,939)
<b>Total</b> .....	<b>(15,286)</b>	<b>(17,649)</b>

A reduced rate of 28% was used to calculate the deferred tax on the accelerated tax depreciation and on employee benefits (French 2017 Tax Act).

### Reconciliation between actual tax and theoretical tax expense

€'000	31.12.15	31.12.16
Consolidated income before tax and “CICE” French tax credit.....	17,775	47,228
Tax rate (parent).....	34.43%	34.43%
<b>Theoretical tax expense</b> .....	<b>(6,120)</b>	<b>(16,260)</b>
Difference in parent / subsidiary rates .....	(1,589)	4,948
Unused tax losses for the year.....	(1,383)	(525)
Use of previously unused losses .....	19	391
Permanent differences.....	(5,787)	(5,606)
French tax on dividends .....	(147)	(147)
Tax credits and other.....	(280)	(450)
<b>Actual tax expense</b> .....	<b>(15,286)</b>	<b>(17,649)</b>

## Deferred tax assets and liabilities

€'000	31.12.15	31.12.16
<b>Opening balance</b> .....	<b>(15,261)</b>	<b>(13,287)</b>
Income (expense) .....	2,633	(4,939)
Change in scope .....	52	(237)
Own funds allocation .....	(703)	857
Other changes .....	(7)	1
<b>Closing balance</b> .....	<b>(13,287)</b>	<b>(17,606)</b>

Deferred tax assets mainly relate to temporary differences and to the use of loss carry forwards. The unrecognized deferred tax assets relating to unused losses amounted to €14.5 million at 31 December 2016 compared to €14.4 million at 31 December 2015. The deferred tax liabilities refer to temporary differences, mainly related to accelerated tax depreciation charges.

## Note 23 – Operating lease commitments

€'000	31.12.15	31.12.16
Future minimum lease payments by maturity:.....		
Less than 1 year .....	50,518	51,191
1 to 5 years .....	103,338	104,766
Over 5 years .....	8,513	10,346
<b>Total future minimum lease payments (undiscounted)</b> .....	<b>162,369</b>	<b>166,303</b>

## Note 24 – Off-balance sheet commitments

€'000	31.12.15	31.12.16
Guarantee given to banks for payment of real estate rentals.....	2,106	2,106
Pledging of business assets as collateral .....	360	360
<b>Total commitments given</b> .....	<b>2,466</b>	<b>2,466</b>
Bank guarantee received for payment of real estate rentals .....	7,308	7,308
Other bank guarantees received .....	450	450
<b>Total commitments received</b> .....	<b>7,758</b>	<b>7,758</b>

There was no change in the commitments between both financial years.

**Other commitments given to guarantee bank borrowings recorded on the balance sheet:**

- Guarantee from the Loxam parent company on subsidiaries' borrowings for €19,760K at 31 December 2016.
- Pledge of Loxam Power shares, Loxam Module shares and the Loxam brand as collateral to guarantee €410 million of secured senior bonds.
- Transfer under the Dailly Act as a guarantee: 120% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The revolving loan was not drawn down in 2015 and 2016

**Note 25 – Related-party transactions**

Key management personnel compensation for the management bodies is comprised of the following:

€'000	31.12.15	31.12.16
Executive Committee compensation.....	2,533	2,754
Executive Committee benefits in kind .....	38	34
Attendance fees paid to directors .....	40	40
<b>Total amount of compensation and benefits paid to executives and directors .....</b>	<b>2,611</b>	<b>2,828</b>

The Loxam SAS parent company has entered into a service delivery agreement with DPZ Partners, which holds part of the share capital of Loxam SAS. This agreement has been entered into under normal market conditions. Services provided under this agreement were invoiced to Loxam for an amount of €1.1 million in 2016 compared to €1.2 million in 2015.

The Group does not have any significant transactions with related parties that have not been entered into under normal market conditions.

**Note 26 – Statutory Auditors' Fees**

€'000	Constantin	KPMG	Other
Accounts certification .....	163	163	0
Other subsidiaries .....	84	93	283
Other services .....	166	153	45
<b>Overall fees amount paid to statutory Auditors .....</b>	<b>413</b>	<b>408</b>	<b>328</b>

## LAVENDON GROUP IFRS FINANCIAL STATEMENTS

# Independent auditors' report

## to the members of Lavendon Group plc

We have audited the financial statements of Lavendon Group plc for the year ended 31 December 2016 which comprise Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Cash Flow Statement Group Statement of Changes in Equity, Company Balance Sheet and Company Statement of Changes in Equity and the related notes 1 to 32 for the Group financial statements and 1 to 14 for the Parent Company financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

# Independent auditors' report

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Richard Knights** (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor  
Birmingham, UK

16 March 2017

# Group income statement

for the year ended 31 December 2016

	Note	2016			2015		
		Underlying £000	Non- underlying £000	Total £000	Underlying £000	Non- underlying £000	Total
£000							
<b>Revenue</b> .....		<b>282,212</b>	-	<b>282,212</b>	<b>248,649</b>		<b>248,649</b>
Cost of sales.....		(153,485)	-	(153,485)	(136,136)		(136,136)
<b>Gross profit</b> .....		<b>128,727</b>	-	<b>128,727</b>	<b>112,513</b>		<b>112,513</b>
Operating expenses.....		(79,623)	(5,647)	(85,270)	(69,451)	(22,327)	(91,778)
<b>Operating profit/(loss)</b> .....	4	<b>49,104</b>	<b>(5,647)</b>	<b>43,457</b>	<b>43,062</b>	<b>(22,327)</b>	<b>20,735</b>
Net finance expense.....	8	(5,470)	-	(5,470)	(4,579)		(4,579)
<b>Profit(loss) before taxation</b> .....		<b>43,634</b>	<b>(5,647)</b>	<b>37,987</b>	<b>38,483</b>	<b>(22,327)</b>	<b>16,156</b>
Taxation on profit/(loss).....	9	(9,641)	1,065	(8,576)	(8,084)	246	(7,838)
<b>Profit/(loss) for the year</b> .....		<b>33,993</b>	<b>(4,582)</b>	<b>29,411</b>	<b>30,399</b>	<b>(22,081)</b>	<b>8,318</b>
<b>Basic earnings per share</b> .....	10	<b>20.01p</b>		<b>17.31p</b>	<b>17.95p</b>		<b>4.91p</b>
<b>Diluted earnings per share</b> .....	10	<b>19.74p</b>		<b>17.08p</b>	<b>17.85p</b>		<b>4.88p</b>

(i) Non-underlying is defined as amortisation of intellectual property and intangibles recognised on acquisitions and exceptional items.

# Group statement of comprehensive income

for the year ended 31 December 2016

	2016 £000	2015 £000
<b>Profit for the year</b> .....	<b>29,411</b>	<b>8,318</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences .....	18,725	1,434
	18,725	1,434
<b>Total comprehensive income for the year attributable to owners of the parent</b> .....	<b>48,136</b>	<b>9,752</b>

The notes on that follow form an integral part of these financial statements.

# Group balance sheet

as at 31 December 2016

	Note	2016 £000	2015 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill .....	12	45,541	45,541
Other intangible assets.....	12	6,078	6,573
Property, plant and equipment .....	13	339,268	284,242
		390,887	336,356
<b>Current assets</b>			
Inventories .....	14	5,475	5,393
Trade and other receivables.....	15	90,940	72,482
Cash and cash equivalents.....	16	16,058	11,915
		112,473	89,790
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities - borrowings .....	20	(1,056)	(314)
Trade and other payables.....	17	(47,762)	(55,254)
Current tax liabilities .....	18	(6,251)	(4,182)
		(55,069)	(59,750)
<b>Net current assets</b> .....		<b>57,404</b>	<b>30,040</b>
<b>Non-current liabilities</b>			
Financial liabilities - borrowings .....	20	(171,649)	(130,759)
Deferred tax liabilities .....	23	(13,897)	(12,736)
		(185,546)	(143,495)
<b>Net assets</b> .....		<b>262,745</b>	<b>222,901</b>
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary shares.....	24	1,700	1,697
Share premium.....		105,411	105,284
Capital redemption reserve.....		4	4
Other reserves .....		12,115	(6,610)
Retained earnings .....		143,515	122,526
<b>Total equity</b> .....		<b>262,745</b>	<b>222,901</b>

The financial statements were approved by the Board of Directors on 16 March 2017 and were signed on its behalf by:

**John Standen**  
Chairman

**Alan Merrell**

The notes to these financial statements form an integral part of these financial statements.



# Group cash flow statement

for the year ended 31 December 2016

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities:</b>			
Profit for the year.....		29,411	8,318
Taxation charge .....	9	8,576	7,838
Net finance expense.....	8	5,470	4,579
Amortisation and depreciation .....	12,13	54,819	44,535
Exceptional impairment of goodwill.....	3	-	20,580
Gain on sale of non-fleet property, plant and equipment .....		(258)	(13)
Other non cash movements .....		1,058	702
Purchase of rental fleet.....		(84,396)	(89,917)
Net increase in working capital .....		(6,776)	(5,422)
<b>Cash generated/(used) from operations .....</b>		<b>7,904</b>	<b>(8,800)</b>
Net interest paid.....		(4,758)	(4,628)
Taxation paid .....		(5,965)	(7,646)
<b>Net cash used by operating activities .....</b>		<b>(2,819)</b>	<b>(21,074)</b>
<b>Cash flows from investing activities:</b>			
Purchase of non-rental property, plant and equipment and intangible assets.....		(6,413)	(4,452)
Proceeds from sale of non-rental property, plant and equipment .....		360	25
<b>Net cash used by investing activities.....</b>		<b>(6,053)</b>	<b>(4,427)</b>
<b>Cash flows from financing activities:</b>			
Drawdown of loans .....	19	37,509	54,171
Repayment of loans .....	19	(15,463)	(25,181)
Repayment of principal under hire purchase agreements .....	19	(986)	(925)
Equity dividends paid .....	11	(9,678)	(8,290)
Proceeds from equity shares issued.....		130	159
Fees relating to debt refinancing .....	19	(113)	
<b>Net cash generated by financing activities .....</b>		<b>11,399</b>	<b>19,934</b>
<b>Net increase/(decrease) in cash and cash equivalents before exchange differences .....</b>		<b>2,527</b>	<b>(5,567)</b>
Effects of exchange rates.....		1,616	(178)
<b>Net increase/(decrease) in cash and cash equivalents after exchange differences.....</b>		<b>4,143</b>	<b>(5,745)</b>
Cash and cash equivalents at start of year.....	16	11,915	17,660
<b>Cash and cash equivalents at end of year .....</b>	<b>16</b>	<b>16,058</b>	<b>11,915</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2016 £000	2015 £000
<b>Net increase/(decrease) in cash before exchange differences.....</b>		<b>2,527</b>	<b>(5,567)</b>
Increase in debt.....	19	(21,060)	(28,065)
Change in net debt resulting from cash flows.....		(18,533)	(33,632)
Non cash items: .....			
Hire purchase and finance lease liabilities.....	19	(4,866)	
Currency translation differences on debt .....	19	(14,001)	4,326
Movement in net debt in the year .....		(37,400)	(29,306)
<b>Net debt before unamortised debt issue costs at 1 January .....</b>		<b>(119,884)</b>	<b>(90,578)</b>
<b>Net debt before unamortised debt issue costs at 31 December .....</b>		<b>(157,284)</b>	<b>(119,884)</b>

The notes that follow form an integral part of these financial statements.

# Group statement of changes in equity

for the year ended 31 December 2016

FOR THE YEAR ENDED 31 DECEMBER 2016

	Attributable to owners of the Group						
	Share capital £000	Share premium £	Capital redemption reserve £000	Translation reserve £000	Net investment hedge reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2016.....	1,697	105,284	4	729	(7,339)	122,526	222,901
<b>Comprehensive income:</b>							
Profit for the year.....						29,411	29,411
Currency translation differences .....				33,992	(15,267)		18,725
<b>Total comprehensive income</b> .....				33,992	(15,267)	29,411	48,136
<b>Transactions with owners:</b>							
Share based payments .....						1,058	1,058
Tax movement on share based payments.....						198	198
Shares issued .....	3	127					130
Dividends paid in the year.....						(9,678)	(9,678)
<b>Total transactions with owners</b> .....	3	127				(8,422)	(8,292)
<b>Balance at 31 December 2016</b> .....	<b>1,700</b>	<b>105,411</b>	<b>4</b>	<b>34,721</b>	<b>(22,606)</b>	<b>143,515</b>	<b>262,745</b>

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to owners of the Group						
	Share capital £000	Share premium £000	Capital redemption reserve £000	Translation reserve £000	Net investment hedge reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2015.....	1,689	105,133	4	3,826	(11,870)	121,838	220,620
<b>Comprehensive income:</b>							
Profit for the year.....						8,318	8,318
Currency translation differences .....				(3,097)	4,531		1,434
<b>Total comprehensive income</b> .....				(3,097)	4,531	8,318	9,752
<b>Transactions with owners:</b>							
Share based payments .....						702	702
Tax movement on share based payments.....						(42)	(42)
Shares issued .....	8	151					159
Dividends paid in the year.....						(8,290)	(8,290)
<b>Total transactions with owners</b> .....	8	151				(7,630)	(7,471)
<b>Balance at 31 December 2015</b> .....	<b>1,697</b>	<b>105,284</b>	<b>4</b>	<b>729</b>	<b>(7,339)</b>	<b>122,526</b>	<b>222,901</b>

The notes that follow form an integral part of these financial statements.

## 1. BASIS OF PREPARATION

### General information

Lavendon Group plc ('the Company or with its subsidiaries the Group') is a European and Middle Eastern market leader in the rental of powered access equipment operating a fleet of approximately 21,700 machines through a network of 70 active depots located in Belgium, France, Germany, the UK and a number of countries in the Middle East.

The Company is incorporated and domiciled in the UK. The address of the registered office is 15 Midland Court, Central Park, Lutterworth, Leicestershire LE17 4PN.

### Basis of preparation

The Group financial statements have been prepared in accordance with EU endorsed International Financial Reporting Standards ('IFRS's') and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, the Group complies with all IFRS's including those adopted for use in the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The Group financial statements have been prepared, on a going concern basis, on a consistent basis, under the historical cost convention as modified by financial assets and liabilities (including derivative instruments) at fair value through the profit or loss. A summary of the more significant Group accounting policies is set out in note 30 on page 41.

The Parent Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Its results, reported under FRS 101, are detailed below.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

### Going concern

Following the acquisition of 100% of the ordinary share capital of the Group by Loxam SAS the Group has repaid its existing bank facilities

and US Private Placements. The Group is now supported by funding from its parent Loxam SAS.

After making appropriate enquiries, the directors have formed a judgement, at the time of approving the financial statements, that the Group can have a reasonable expectation that adequate resources will be available for it to continue its operations for the foreseeable future, and consequently it is appropriate to adopt the going concern principle in the preparation of the financial statements. In forming this judgement, the directors have reviewed the Group's budget for 2017 and the forecast for 2018 (including downside sensitivity scenarios), cash flow forecasts, contingency planning and confirmation from Loxam SAS that financial support will continue to be made available for at least 12 months from the date of signing of these financial statements.

### Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings. All material intra-group transactions, balances, income and expenses are eliminated on consolidation. Consistent accounting policies have been adopted across the Group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Acquisition costs are expensed as incurred.

Subsidiary undertakings include all entities which are controlled by the Group. Specifically the Group has control over the investee, when it has exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns from the investee.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

### Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies outlined above, the directors are required to make judgements relating to the carrying amounts of assets and liabilities that are not readily apparent from other sources. The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

### Going concern

The financial statements have been prepared on a going concern basis. Following the acquisition of the Group by Loxam SAS as disclosed in the Strategic Report the Directors' consider it appropriate to prepare the financial statements for the year ended 31 December 2016 on a going concern basis as detailed above.

## Key sources of estimation uncertainty

In the application of the Group's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

## Useful lives and residual values of fleet assets

The residual values and useful lives of property, plant and equipment are estimated based on management's historic experience of the disposal proceeds of such used equipment and their judgement of the current market conditions. Secondary market prices for used equipment are often cyclical leading to a broad range of prices being experienced over time. Management have selected prudent residual value estimates based on experience over previous cycles.

## Trade receivables

The trade receivables provision is based on management's judgement of the recoverability of specific customer balances, after taking into account the recent payment experience, the age of each element of the debt, underlying economic climate and discussions with the customers. Any debt subject to legal recovery action is fully provided.

## Taxation

The Group operates in a number of overseas territories and is subject to tax inspections and enquiries by local authorities. A provision is held to reflect the risks associated with uncertain tax positions, the determination of which necessitates management judgement. The Group recognises these uncertain tax positions based on a combination of previous knowledge, experience and consultation with external advisors.

## 2. SEGMENTAL ANALYSIS

The internal reporting arrangements for Lavendon Group plc comprises of five operating segments based on the geographical locations of the UK, the Middle East Germany, France and Belgium and one non operating Corporate cost centre. The Corporate cost centre comprises the Group directorate, statutory compliance and Group functions and holds the Group's bank borrowing facilities.

The Group's chief operating decision maker ("CODM") is the Group Board. The Group Board reviews the Group's internal reporting in order to monitor and assess performance of the operating segments for the purpose of making decisions about allocation of resources. Performance is evaluated based on actual results compared to agreed targets and performance in prior periods.

## YEAR ENDED 31 DECEMBER 2016

	UK £000	Middle East £000	Germany £000	France £000	Belgium £000	Corporate items £000	Group £000
Rental revenue .....	119,859	73,012	38,122	27,234	11,309		269,536
Sale of new equipment .....	3,345	2,595		8	358		6,306
Sale of ex-rental equipment .....	3,427	461	1,482	368	632		6,370
<b>Total revenue .....</b>	<b>126,631</b>	<b>76,068</b>	<b>39,604</b>	<b>27,610</b>	<b>12,299</b>		<b>282,212</b>
Underlying operating profit/(loss) .....	25,442	21,664	1,847	4,361	1,348	(5,558)	49,104
Amortisation* .....						(1,790)	(1,790)
Exceptional items (note 3) .....	(591)	(349)	(2,917)				(3,857)
Operating profit/(loss) .....	24,851	21,315	(1,070)	4,361	1,348	(7,348)	43,457
<b>Net finance expense .....</b>							<b>(5,470)</b>
Profit before taxation .....							37,987
Taxation on profit (note 9) .....							(8,576)
Profit for the year .....							29,411
Non current assets .....	204,650	68,295	58,270	43,445	15,919	308	390,887
Current assets .....	30,301	56,371	10,003	9,751	3,725	2,322	112,473
<b>Total assets .....</b>	<b>234,951</b>	<b>124,666</b>	<b>68,273</b>	<b>53,196</b>	<b>19,644</b>	<b>2,630</b>	<b>503,360</b>
Liabilities .....	(37,771)	(8,468)	(5,134)	(12,189)	(6,709)	(170,344)	(240,615)
<b>Net assets/(liabilities) .....</b>	<b>197,180</b>	<b>116,198</b>	<b>63,139</b>	<b>41,007</b>	<b>12,935</b>	<b>(167,714)</b>	<b>262,745</b>
Capital expenditure .....	38,946	17,341	16,077	9,820	3,239	560	85,983
Depreciation .....	20,149	17,181	6,810	5,053	2,233	102	51,528
Amortisation .....	1,211		124	150	16	1,790	3,291

## Notes:

Inter segment trading has been eliminated in the analysis presented above, so that only trading between the Group and external third parties is represented.

Included within the Middle East is external revenue of £29,727,000 (2015: £28,753,000) generated in Saudi Arabia.

\* Amortisation of intellectual property and intangibles recognised on acquisitions.

**YEAR ENDED 31 DECEMBER 2015**

	<b>UK £000</b>	<b>Middle East £000</b>	<b>Germany £000</b>	<b>France £000</b>	<b>Belgium £000</b>	<b>Corporate items £000</b>	<b>Group £000</b>
Rental revenue .....	110,218	55,928	35,301	22,038	10,047		233,532
Sale of new equipment .....	5,758	306			243		6,307
Sale of ex-rental equipment .....	5,141	967	1,976	367	359		8,810
<b>Total revenue .....</b>	<b>121,117</b>	<b>57,201</b>	<b>37,277</b>	<b>22,405</b>	<b>10,649</b>		<b>248,649</b>
Underlying operating profit/(loss) .....	22,718	18,415	2,539	3,639	1,131	(5,380)	43,062
Amortisation* .....						(1,747)	(1,747)
Exceptional impairment (note 3) .....			(15,088)		(5,492)	-	(20,580)
Operating profit/(loss) .....	22,718	18,415	(12,549)	3,639	(4,361)	(7,127)	20,735
<b>Net finance expense .....</b>							<b>(4,579)</b>
Profit before taxation .....							16,156
Taxation on profit (note 9) .....							(7,838)
Profit for the year .....							8,318
Non current assets .....	188,668	56,876	43,148	32,997	13,026	1,641	336,356
Current assets .....	28,939	38,755	8,447	8,204	3,608	1,837	89,790
<b>Total assets .....</b>	<b>217,607</b>	<b>95,631</b>	<b>51,595</b>	<b>41,201</b>	<b>16,634</b>	<b>3,478</b>	<b>426,146</b>
Liabilities .....	(44,116)	(8,769)	(5,700)	(6,308)	(5,774)	(132,578)	(203,245)
Net assets/(liabilities) .....	173,491	86,862	45,895	34,893	10,860	(129,100)	222,901
Capital expenditure .....	46,587	24,192	13,232	8,877	2,467	115	95,470
Depreciation .....	18,499	11,551	5,464	3,949	1,850	103	41,416
Amortisation .....	1,108		113	135	16	1,747	3,119

**Notes:**

Inter segment trading has been eliminated in the analysis presented above, so that only trading between the Group and external third parties is represented.

\* Amortisation of intellectual property and intangibles recognised on acquisitions.

**3. EXCEPTIONAL ITEMS AND AMORTISATION**

Exceptional items and amortisation incurred during the year are set out below:

	<b>2016 £000</b>	<b>2015 £000</b>
Exceptional items (i) .....	3,857	
Exceptional impairment of goodwill (ii) .....		20,580
Amortisation* .....	1,790	1,747
<b>Total exceptional items and amortisation* before tax .....</b>	<b>5,647</b>	<b>22,327</b>
Taxation: .....		
- tax credits on exceptional items .....	(1,013)	
- effect of taxation on amortisation* .....	(52)	(246)
	(1,065)	(246)
<b>Total exceptional items and amortisation* after tax .....</b>	<b>4,582</b>	<b>22,081</b>

**Notes:**

- (i) Exceptional items relate to the costs associated with insourcing the UK's transportation function; the restructuring programme being undertaken in Germany and costs related to the closure of the Group's operation in India.
- (ii) Exceptional impairment of goodwill related to the impairment of the carrying value of goodwill associated with the Group's Belgian and German businesses in 2015.
- \* Amortisation of intellectual property and intangibles recognized on acquisitions.

**4. OPERATING PROFIT**

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Operating profit is arrived at after charging/(crediting):</b>		
Amortisation of intangible assets (note 12) .....	3,291	3,119
Depreciation (note 13) .....	51,528	41,416
Staff costs (note 7) .....	77,200	61,450
Auditors' remuneration (note 5) .....	349	1,089
Hire of plant and machinery .....	26	532
Operating leases - property .....	7,270	6,636
Operating leases - other .....	4,930	2,476
Inventories recognised as an expense .....	24,498	22,007
Profit on disposal of non-fleet property, plant and equipment .....	(258)	(13)
Net foreign exchange gains .....	31	(662)

Operating expenses comprises £13,844,000 of selling and distribution costs (2015: £16,413,000) and £65,779,000 of administrative expenses (2015: £53,038,000).

## 5. AUDITORS' REMUNERATION

Services provided by the Group's auditor and its associates are as follows:

	2016 £000	2015 £000
Fees payable to Company's auditor for the audit of the Parent Company ..... and consolidated financial statements .....	93	155
Fees payable to Company's auditor for the audit of the Company's subsidiaries .....	217	234
Fees payable to Company's auditor for other services: .....		
- tax compliance services .....		387
- tax advisory services .....		168
- other advisory services .....		145
	310	1,089

Additional audit fees of £39,000 are payable to PricewaterhouseCoopers LLP for the audit of Lavendon Access Services SAS, a subsidiary company of the Group. The current year fees were earned by Deloitte LLP but the prior year fees were earned by PricewaterhouseCoopers LLP.

## 6. DIRECTORS' EMOLUMENTS

	2016 £000	2015 £000
Salaries, bonuses and benefits .....	1,549	1,125
Pension contributions .....	167	163
Long term incentive awards .....	566	59
	2,282	1,347

The highest paid director's emoluments were £1,220,000 (2015: £663,000) including pension costs.

## 7. EMPLOYEE INFORMATION

The average monthly number of employees (including executive directors) employed during the year analysed by category was:

	2016 Number	2015 Number
Operations .....	1,109	903
Selling and distribution .....	433	435
Administration .....	326	312
	<b>1,868</b>	<b>1,650</b>

Aggregate payroll costs for the above employees (including executive directors) were:

	2016 £000	2015 £000
Wages and salaries .....	66,754	52,807
Social security costs .....	8,500	7,155
Pension costs .....	888	786
Share based payments .....	1,058	702
<b>Total staff costs .....</b>	<b>77,200</b>	<b>61,450</b>

In addition to the amounts detailed above a total of £865,000 (2015: £766,000) relating to the development and deployment of the Group software has been capitalised (note 12).

## 8. FINANCE INCOME AND EXPENSE

	2016 £000	2015 £000
<b>Finance income:</b>		
- bank interest .....	1	7
<b>Finance expense:</b>		
- interest on bank loans and overdraft .....	(5,201)	(4,390)
- interest on hire purchase and finance lease agreements .....	(68)	(18)
- amortisation of loan placement fees .....	(202)	(178)
<b>Total finance expense .....</b>	<b>(5,471)</b>	<b>(4,586)</b>
<b>Net finance expense .....</b>	<b>(5,470)</b>	<b>(4,579)</b>

## 9. TAXATION ON PROFIT

Analysis of taxation charge for the year:

	2016 £000	2015 £000
<b>Corporation taxation:</b>		
- current year.....	6,993	6,492
- adjustment in respect of prior years .....	835	179
<b>Total current tax.....</b>	<b>7,828</b>	<b>6,671</b>
<b>Deferred taxation:</b>		
- origination and reversal of timing differences.....	798	1,338
- re-measurement of deferred tax due to change in UK tax rate.....	(553)	(1,002)
- potential withholding taxes on unremitted overseas earnings.....	43	105
- adjustment in respect of prior years .....	564	728
- taxation movement on share based payments.....	(104)	(2)
<b>Total deferred tax.....</b>	<b>748</b>	<b>1,167</b>
Taxation charge .....	8,576	7,838

The taxation charge on the underlying profit is £9,641,000 (2015: £8,084,000). The taxation credit on amortisation of intellectual property and intangibles recognised on acquisitions and exceptional items is £1,065,000 (2015: £246,000), see note 3.

In addition to the amount of taxation charged to the income statement, net tax of £198,000 (2015: £42,000) was credited (2015: charged) directly to reserves in respect of share based payments. This comprises a current tax credit of £1,000 (2015: £125,000) in respect of options exercised during the year and a deferred tax credit of £197,000 (2015: £167,000 charge) representing the increase (2015: reduction) in the deferred tax asset held in respect of share based payments.

Following a review of the potential for profit distributions from the Group's overseas subsidiaries a further deferred tax provision of £179,000 (2015: £172,000) including a prior year adjustment of £136,000 has been made in the financial statements for withholding tax liabilities that may arise upon any future distributions of profit to the United Kingdom from overseas subsidiaries.

The prior year corporation tax charge is the net effect of a provision for the potential withholding taxes due on settlement of intra-group liabilities in the Group's overseas territories and an over provision for corporation tax liabilities in the United Kingdom in earlier years.

### Reconciliation of taxation

The tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit before taxation.....	37,987	16,156
Profit at standard rate of corporation tax in the UK: 20% (2015: 20.25%).....	7,597	3,272
Adjustments to tax in respect of prior years - current tax.....	835	179
Adjustments to tax in respect of prior years - deferred tax.....	564	728
Effect of overseas tax rates.....	(287)	(47)
Potential withholding taxes on unremitted overseas earnings.....	43	105
Expenses not deductible for tax purposes .....	237	372
Exceptional impairment charge not deductible for tax purposes.....	-	4,167
Effect on deferred tax due to the tax rate change in the UK.....	(553)	(1,002)
Tax losses not recognised.....	140	64
	8,576	7,838

The standard rate of corporation tax applied to the Group's UK profits for the accounting period is 20% (2015: 20.25%)

In the July 2015 UK Budget Statement, it was announced that the standard rate of corporation tax in the UK will be reduced to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015. In the March 2016 UK Budget Statement, it was further announced that the standard rate of corporation tax will be reduced to 17% from 1 April 2020. This further change was substantively enacted on 6 September 2016 and is therefore reflected in these financial statements.

## 10. EARNINGS PER SHARE

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

YEAR ENDED 31 DECEMBER 2016	Profit £000	Weighted average no. of shares (in millions)	Per share amount (pence)
Basic earnings per share.....	29,411	169.9	17.31p
Effect of dilutive securities .....			
Under Long Term Incentive Plan and Approved Options.....		2.3	
Diluted earnings per share.....	29,411	172.2	17.08p
Underlying earnings per share.....			

Basic .....	33,993	169.9	20.01p
Diluted .....	33,993	172.2	19.74p

<b>YEAR ENDED 31 DECEMBER 2015</b>	<b>Profit £000</b>	<b>Weighted average no. of shares (in millions)</b>	<b>Per share amount (pence)</b>
Basic earnings per share .....	8,318	169.4	4.91p
Effect of dilutive securities .....			
Under Long Term Incentive Plan and Approved Options .....		0.9	
Diluted earnings per share .....	8,318	170.3	4.88p
Underlying earnings per share .....			
Basic .....	30,399	169.4	17.95p
Diluted .....	30,399	170.3	17.85p

Earnings per share are calculated on the 169,871,916 weighted average number of ordinary shares in issue for the year ended 31 December 2016 (year ended 31 December 2015: 169,392,703).

Diluted earnings per share assumes conversion of all potential dilutive ordinary shares which arise from share incentive scheme awards granted to employees, where the exercise price is less than the average market price of the Company's ordinary share capital during the year. The effect of this dilution is to increase the weighted average number of ordinary shares to 172,871,821 (year ended 31 December 2015: 170,262,717).

Underlying earnings per share is presented to exclude the impact of amortisation charges and exceptional items in the year and their associated tax effect. The directors believe that underlying earnings per share provides additional relevant information about underlying business performance.

## 11. DIVIDEND

	<b>2016 £000</b>	<b>2015 £000</b>
Final dividend paid in respect of 2015 of 3.70p per 1p ordinary share (2014: 3.20p) .....	6,279	5,406
Interim dividend paid in respect of 2016 of 2.00p per 1 p ordinary share (2015: 1.70p) .....	3,399	2,884
	9,678	8,290

The directors are not proposing a final dividend in respect of the financial year ended 31 December 2016.

## 12. INTANGIBLE ASSETS

	<b>Non-current intangible assets</b>				
	<b>Goodwill £000</b>	<b>Intangibles recognised on acquisitions £000</b>	<b>Computer software £000</b>	<b>Intellectual property £000</b>	<b>Total intangible assets £000</b>
<b>FOR THE YEAR ENDED 31 DECEMBER 2016</b>					
<b>Cost</b>					
At 1 January 2016 .....	98,255	17,230	10,059	9,089	36,378
Exchange movements .....	8,677	1,551	492		2,043
Additions .....			2,381	301	2,682
<b>At 31 December 2016 .....</b>	<b>106,932</b>	<b>18,781</b>	<b>12,932</b>	<b>9,390</b>	<b>41,103</b>
<b>Accumulated amortisation and impairment</b>					
At 1 January 2016 .....	52,714	17,230	4,975	7,600	29,805
Exchange movements .....	8,677	1,551	378	-	1,929
Charge for the year .....			1,501	1,790	3,291
<b>At 31 December 2016 .....</b>	<b>61,391</b>	<b>18,781</b>	<b>6,854</b>	<b>9,390</b>	<b>35,025</b>
<b>Net book amount at 31 December 2016 .....</b>	<b>45,541</b>		<b>6,078</b>		<b>6,078</b>

Included within computer software additions is £865,000 (2015: £766,000) of internal labour costs. The carrying value of internally generated computer software is £5,154,000 (2015: £3,389,000). All other intangible assets are acquired intangible assets.

Goodwill of £45,541,000 (2015: £45,541,000) relates to the United Kingdom cash generating unit.

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. For the purpose of determining potential goodwill impairment, recoverable amounts are determined from value in use calculations using cash flow projections based on financial plans covering a three year period. The growth rate assumptions used in the plans are based on past performance and management's expectations of market developments. The growth rate assumption used to determine the UK cash flows beyond the three year period was 2% (2015: 2%), and the pre-tax rate used to discount the projected cash flows for the UK was 10% (2015: 10%).

	<b>Non-current intangible assets</b>				
	<b>Goodwill £000</b>	<b>Intangibles recognised on acquisitions £000</b>	<b>Computer software £000</b>	<b>Intellectual property £000</b>	<b>Total intangible assets £000</b>
<b>FOR THE YEAR ENDED 31 DECEMBER 2015</b>					
<b>Cost</b>					
At 1 January 2015 .....	101,527	17,813	8,371	9,033	35,217
Exchange movements .....	(3,272)	(583)	(181)		(764)
Additions .....			1,869	56	1,925
<b>At 31 December 2015 .....</b>	<b>98,255</b>	<b>17,230</b>	<b>10,059</b>	<b>9,089</b>	<b>36,378</b>



**Accumulated amortisation and impairment**

At 1 January 2015.....	33,811	17,813	3,715	5,853	27,381
Exchange movements.....	(1,677)	(583)	(112)		(695)
Charge for the year.....			1,372	1,747	3,119
Exceptional impairment .....	20,580				
<b>At 31 December 2015 .....</b>	<b>52,714</b>	<b>17,230</b>	<b>4,975</b>	<b>7,600</b>	<b>29,805</b>
<b>Net book amount at 31 December 2015 .....</b>	<b>45,541</b>		<b>5,084</b>	<b>1,489</b>	<b>6,573</b>

Goodwill acquired in a business combination was allocated, at date of acquisition, to the cash generating unit that benefited from that business combination. The directors consider that a cash generating unit is generally an individual country of operation.

Where there is a change in the way the Group manages and operates the goodwill allocation to individual cash generating units is reviewed and reallocated where appropriate.

**13. PROPERTY, PLANT AND EQUIPMENT**

<b>FOR THE YEAR ENDED 31 DECEMBER 2016</b>	<b>Short leasehold properties £000</b>	<b>Rental fleet £000</b>	<b>Motor vehicles £000</b>	<b>Office fixtures and equipment £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 January 2016.....	5,321	560,109	3,245	18,524	587,199
Exchange movements.....		47,151	407	2,270	49,828
Additions .....	356	79,570	342	3,033	83,301
Disposals.....	(3)		(695)	(30)	(728)
Net transferred to inventories.....		(28,950)			(28,950)
<b>At 31 December 2016 .....</b>	<b>5,674</b>	<b>657,880</b>	<b>3,299</b>	<b>23,797</b>	<b>690,650</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2016.....	2,785	282,482	2,704	14,986	302,957
Exchange movements.....		22,063	341	1,804	24,208
Charge for the year.....	467	49,149	328	1,584	51,528
Disposals.....	(1)		(603)	(22)	(626)
Net transferred to inventories.....		(26,685)			(26,685)
<b>At 31 December 2016 .....</b>	<b>3,251</b>	<b>327,009</b>	<b>2,770</b>	<b>18,352</b>	<b>351,382</b>
<b>Net book value at 31 December 2016 .....</b>	<b>2,423</b>	<b>330,871</b>	<b>529</b>	<b>5,445</b>	<b>339,268</b>

<b>FOR THE YEAR ENDED 31 DECEMBER 2015</b>	<b>Short leasehold properties £000</b>	<b>Rental fleet £000</b>	<b>Motor vehicles £000</b>	<b>Office fixtures and equipment £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 January 2015.....	3,484	509,100	2,950	19,140	534,674
Exchange movements.....	(59)	(5,474)	(81)	(420)	(6,034)
Additions .....	1,896	91,018	504	127	93,545
Disposals.....			(128)	(323)	(451)
Net transferred to inventories.....		(34,535)			(34,535)
<b>At 31 December 2015 .....</b>	<b>5,321</b>	<b>560,109</b>	<b>3,245</b>	<b>18,524</b>	<b>587,199</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2015.....	2,022	278,448	2,547	14,623	297,640
Exchange movements.....	(51)	(3,743)	(73)	(387)	(4,254)
Charge for the year.....	814	39,183	347	1,072	41,416
Disposals.....		-	(117)	(322)	(439)
Net transferred to inventories.....	-	(31,406)	-	-	(31,406)
<b>At 31 December 2015 .....</b>	<b>2,785</b>	<b>282,482</b>	<b>2,704</b>	<b>14,986</b>	<b>302,957</b>
<b>Net book value at 31 December 2015 .....</b>	<b>2,536</b>	<b>277,627</b>	<b>541</b>	<b>3,538</b>	<b>284,242</b>

Assets held under hire purchase agreements and finance leases (which are all categorised as rental fleet assets) have the following net book value:

	2016 £000	2015 £000
Cost	8,324	5,078
Accumulated depreciation.....	(2,087)	(2,160)
<b>Net book value.....</b>	<b>6,237</b>	<b>2,918</b>

#### 14. INVENTORIES

	2016 £000	2015 £000
Ex-rental fleet equipment available for resale .....	124	204
Spares.....	5,074	3,977
Consumables.....	241	228
Third party equipment purchased for resale .....	36	984
	5,475	5,393

#### 15. TRADE AND OTHER RECEIVABLES

CURRENT	2016 £000	2015 £000
Trade receivables.....	92,812	73,776
Less: provision for impairment of trade receivables.....	(9,620)	(7,650)
Trade receivables - net .....	83,192	66,126
Other receivables.....	666	565
Accrued income.....	1,616	2,078
Prepayments .....	5,466	3,713
	90,940	72,482

#### RECONCILIATION OF MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF TRADE RECEIVABLES

	2016 £000	2015 £000
Opening impairment provision.....	7,650	9,311
Exchange movements.....	898	91
Utilised.....	(3,789)	(3,823)
Charged.....	5,250	2,737
Released.....	(389)	(666)
Closing impairment provision.....	9,620	7,650

Analysis of the ageing of the above trade receivable balance and associated provisions is given in note 22 on page 36.

#### 16. CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash at bank and in hand.....	16,058	11,915

#### 17. TRADE AND OTHER PAYABLES

CURRENT	2016 £000	2015 £000
Trade payables.....	11,988	16,115
Capital creditors.....	9,000	18,690
Other taxation and social security .....	5,291	3,403
Accruals and deferred income.....	21,483	17,046
	47,762	55,254

#### 18. CURRENT TAX LIABILITIES

	2016 £000	2015 £000
Corporation tax.....	6,251	4,182

## 19. ANALYSIS OF CHANGES IN NET DEBT DURING THE YEAR

	At 1 January 2016 £000	Cash-flows £000	Non cash items(i) £000	Currency translation differences £000	At 31 December 2016 £000
<b>Cash and cash equivalents</b> .....	<b>11,915</b>	<b>2,527</b>		<b>1,616</b>	<b>16,058</b>
Bank debt.....	(61,436)	(22,046)		(3,840)	(87,322)
Loan placements .....	(70,007)			(11,524)	(81,531)
Hire purchase and finance lease liabilities.....	(356)	986	(4,866)	(253)	(4,489)
	(131,799)	(21,060)	(4,866)	(15,617)	(173,342)
<b>Net borrowings before unamortised debt issue costs</b>	<b>(119,884)</b>	<b>(18,533)</b>	<b>(4,866)</b>	<b>(14,001)</b>	<b>(157,284)</b>
Unamortised debt issue costs .....	726	113	(202)		637
<b>Net debt</b> .....	<b>(119,158)</b>	<b>(18,420)</b>	<b>(5,068)</b>	<b>(14,001)</b>	<b>(156,647)</b>

(i) Non cash movements relate to the amortisation of debt issue costs and new hire purchase liabilities.

**Note:**

The Group's debt facilities during the year totalled c.£210 million and comprised revolving bank facilities of £75 million and €60 million together with US Private Placements with a combined value of €95 million. The revolving bank facilities mature in July 2019 and the US Private Placements mature as follows: €60 million in July 2019, €17.5 million in August 2021 and €17.5million in August 2024.

Since the year end and following the acquisition of the Group by Loxam SAS, the Group's debt facilities have been refinanced by intra-group funding made available by Loxam SAS.

## 20. FINANCIAL LIABILITIES - BORROWINGS

<b>CURRENT</b>	<b>2016 £000</b>	<b>2015 £000</b>
Hire purchase and finance lease liabilities.....	1,056	314
<b>NON-CURRENT</b>	<b>2016 £000</b>	<b>2015 £000</b>
Bank loans .....	87,322	61,436
Loan placements .....	81,531	70,007
Hire purchase and finance lease liabilities .....	3,433	42
	172,286	131,485
Unamortised debt issue costs .....	(637)	(726)
	171,649	130,759

Bank loans and the loan placements are repayable as follows:

	<b>2016 £000</b>	<b>2015 £000</b>
Between two and five years .....	153,834	105,651
More than five years.....	15,019	25,792
	168,853	131,443

Bank loans and the loan placements are secured by both fixed and floating charges on the assets of the Group.

## 21. FINANCIAL INSTRUMENTS

Primary financial instruments held or issued to finance the Group's operations:

	<b>2016</b>		<b>2015</b>	
	<b>Book value £000</b>	<b>Fair value £000</b>	<b>Book value £000</b>	<b>Fair value £000</b>
Cash and cash equivalents (note 16) .....	16,058	16,058	11,915	11,915
Short term borrowings (note 20) (Oil) .....	(1,056)	(1,032)	(314)	(326)
Trade and other payables excluding other taxes and social security (note 17) .....	(42,471)	(42,471)	(51,851)	(51,851)
Trade and other receivables excluding prepayments (note 15) .....	85,474	85,474	68,769	68,769
Long term borrowings before unamortised debt issue costs (note 20) .....	(172,286)	(172,235)	(131,485)	(140,408)
	(114,281)	(114,206)	(102,966)	(111,901)

**Note:**

- (i) Due to the short term nature of these assets and liabilities, it is considered that there is no material difference between the book value and fair value.
- (ii) Categorised as loans and receivables financial assets.
- (iii) Categorised as other financial liabilities at amortised cost.

All of the Group's financial instrument fair value measurements have been categorised as Level 2. There were no transfers between levels during the year.

The fair values above are based on cash flows discounted using a rate based on LIBOR plus 190 basis points (2015: 150 basis points) and EURIBOR plus 190 basis points (2015: 150 basis points).

## Maturity of financial liabilities

The maturity profile of the carrying amount of the Group's financial liabilities at 31 December, contractual undiscounted and assuming static LIBOR and EURIBOR rates, are as follows:

	Trade and other payables £000	Bank loans and loan placements £000	Hire purchase & finance leases £000	Total £000
<b>2016</b>				
Within 1 year or on demand .....	42,471	2,645	1,096	46,212
More than 1 year .....		179,863	3,497	183,360
	42,471	182,508	4,593	229,572
	Trade and other payables £000	Bank loans and loan placements £000	Hire purchase & finance leases £000	Total £000
<b>2015</b>				
Within 1 year or on demand .....	51,851	2,060	337	54,248
More than 1 year .....		143,989	45	144,034
	51,851	146,049	382	198,282

## Financial liabilities by currency

The Group's financial liabilities by currency at 31 December, contractual undiscounted, were as follows:

	2016				2015			
	Euro denominated £000	Sterling denominated £000	Dollar denominated £000	Total £000	Euro denominated £000	Sterling denominated £000	Dollar denominated £000	Total £000
Trade and other payables .....	10,243	24,766	7,462	42,471	13,102	30,229	8,520	51,851
Bank loans .....	26,179	50,360	13,005	89,544	8,296	50,001	5,067	63,364
Loan placements .....	92,964	-	-	92,964	82,685	-	-	82,685
Hire purchase and finance leases ....	4,593	-	-	4,593	84	298	-	382
	133,979	75,126	20,467	229,572	104,167	80,528	13,587	198,282

The dollar has been used as a proxy for the Middle East currencies.

## Borrowing facilities

The Group has the following undrawn committed borrowing facilities available at 31 December which are all on a floating rate. All conditions precedent had been met at that date:

	2016 £000	2015 £000
Expiring in less than 1 year .....	2,000	2,000
Expiring in more than 1 year and less than 5 years .....	39,171	32,779
	41,171	34,779

The minimum lease payments under hire purchase and finance leases fall due as follows:

	2016 £000	2015 £000
Not later than one year .....	1,096	337
Later than one year but not more than five years .....	3,497	45
	4,593	382
Future finance charges on hire purchase and finance leases .....	(104)	(26)
Present value of hire purchase and finance lease liabilities .....	4,489	356

Where the Group enters hire purchase and finance leases, the term is normally five years, requiring full repayment of the principal amounts over the term of the agreement.

## 22. FINANCIAL RISK MANAGEMENT

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the overall cost of capital.

There were no changes in the Group's approach to capital risk management during the year.

Consistent with other companies in the rental industry, the Group monitors capital by measuring the return on capital employed and the ratio of net debt to equity:

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Total borrowings (note 19).....	173,342	131,799
Less: unamortised debt issue costs (note 19) .....	(637)	(726)
Less: cash and cash equivalents (note 16) .....	(16,058)	(11,915)
Net debt after unamortised debt issue costs .....	156,647	119,158
Total equity.....	262,745	222,901
Debt to equity ratio.....	60%	53%
Return on capital employed.....	12.4%	12.7%

The ratio of net debt to equity increased to 60% at the year end. This reflects the increase in net debt levels as a result of the on-going investment in the Group that was partially offset by increased equity from the profits generated by the Group. During the year the Group has complied with its banking covenants, and expects to remain compliant for the foreseeable future.

The Group has exposure to the following principal risks:

- market risk;
- credit risk; and
- liquidity risk.

The Group's overall risk management policy aims to minimise the potential adverse effects of financial markets on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out centrally by the Group except for customer credit risk which is the responsibility of each operational entity.

## 1. Market risk

Market risk is the risk that the Group's income, or its financial instruments, will be affected by changes in market prices, for example interest rates or foreign exchange rates. The Group has exposure to interest rate risk on its financial liabilities. The risk is currently managed by maintaining a proportion of borrowings at fixed interest rates, principally the loan placements undertaken during 2012 and 2014.

The Group also has exposure to movements in foreign exchange rates. This risk is minimised through the use of foreign currency borrowings and net investment hedging.

The effect on the Group's 2016 results due to movements in foreign exchange rates and interest rates is presented in the Strategic Report on page 3.

## 2. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risk arises principally from the Group's receivables from customers and cash and bank balances.

The Group's maximum exposure to credit risk is shown in the table below:

	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Cash and cash equivalents (note 16) .....	16,058	11,915
Trade and other receivables excluding prepayments (note 15) .....	85,474	68,769
	101,532	80,684

### Cash and cash equivalents

Surplus cash is held in current and deposit accounts with established financial institutions. No material amounts are held in financial institutions with a Moody's credit rating below A.

### Trade and other receivables

The management of credit risk exposure to customers is the responsibility of each operation who have formal credit policies in place to mitigate this risk. The credit policies require that the credit worthiness of a customer is assessed prior to trading and that the level of exposure to that customer remains within agreed credit limits. To support these policies, the Group maintains credit insurance for certain operating subsidiaries.

The Group's only exposure to concentrations of credit risk is to geographic and industry sector risk. In particular, the construction sector is an important market for the Group and particularly sensitive to pricing levels. This construction sector exposure is actively managed with efforts being focused on widening the Group's customer base to other sectors.

No individual customer makes up more than 3% of revenue (2015: 3%).

### Analysis of trade receivables

The ageing of trade receivables at the reporting date was:

	2016		2015	
	Gross £000	Impairment £000	Gross £000	Impairment £000
Not past due .....	41,539	30	30,248	
Less than 1 month past due .....	12,193	124	12,484	69
1 to 3 months past due .....	11,362	188	10,096	82
3 to 6 months past due .....	7,341	260	6,228	225
6 to 12 months past due .....	8,559	613	6,044	578
More than 12 months past due .....	11,818	8,405	8,676	6,696
	92,812	9,620	73,776	7,650

The Group defines impaired receivables to include those subject to legal action for recovery or that are considered unrecoverable due to financial difficulties.

The carrying amount of the Group's trade and other receivables excluding prepayments are denominated in the following currencies:

	2016 £000	2015 £000
Sterling .....	23,822	22,991
Euros .....	17,636	14,480
Middle East currencies .....	44,016	31,298
	85,474	68,769

### 3. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group aims to achieve a balance between certainty of funding and a flexible, cost effective borrowing structure. During the year, the Group had committed bank facilities of £75 million and €60 million which finally mature in July 2019 and had a loan placement with a value of €60 million and two loan placements each with a value of €17.5 million that finally mature in July 2019, August 2021 and August 2024 respectively. This is supplemented by hire purchase and finance lease facilities. The Group aims to ensure that there are sufficient funds or credit lines available to supplement cash flows generated from trading to meet known obligations in the next twelve months.

Following the acquisition of 100% of the ordinary share capital of the Group by Loxam SAS the Group has repaid its existing bank facilities and US Private Placements. The Group is now supported by funding from its parent Loxam SAS.

An analysis of liquidity risk, being the maturity of financial liabilities and the undrawn committed borrowing facilities is presented in note 21. The Group's financial liabilities are analysed in note 20.

## 23. DEFERRED TAX LIABILITIES

The movement on the deferred tax account is shown below:

	2016 £000	2015 £000
At 1 January .....	12,736	11,520
Adjustment in respect of prior years .....	564	728
Charged to income statement .....	737	1,441
Tax credit from rate change in UK .....	(553)	(1,002)
Share based payments - (credited)/debited to equity .....	(197)	167
Currency translation differences .....	610	(118)
At 31 December .....	13,897	12,736

During 2016 and at the balance sheet date, a deferred tax asset was recognised relating to brought forward tax losses in Germany with a tax value of £3,944,000 (2015: £3,319,000). Following the acquisition of Lavendon Group plc by Loxam SAS in February 2017, it is understood that the on-going availability of these tax losses against future profits is uncertain following the change of control and the relevant guidance and criteria under German corporation tax laws, that may prevent these losses from being utilised prospectively.

There are no further unrecognised deferred tax assets relating to trading losses in overseas operations. Such losses which have not been recognised therefore amount to £nil (2015: £3,322,000).

Deferred tax liability/(asset)

	Share based payments £000	Accelerated tax depreciation £000	Tax losses £000	Intangible assets £000	Total £000
At 1 January 2016 .....	(208)	16,263	(3,319)		12,736
Adjustment in respect of prior years .....	(3)	362	(101)	306	564
(Credited)/debited to income statement .....	(104)	1,123	24	(306)	737
Tax credit from rate change in UK .....		(553)			(553)
Amounts taken directly to equity .....	(197)				(197)
Currency translation differences .....		1,158	(548)		610

<b>At 31 December 2016</b> .....	<b>(512)</b>	<b>18,353</b>	<b>(3,944)</b>		<b>13,897</b>
	<b>Share based payments £000</b>	<b>Accelerated tax depreciation £000</b>	<b>Tax losses £000</b>	<b>Intangible assets £000</b>	<b>Total £000</b>
At 1 January 2015 .....	(376)	17,409	(5,758)	245	11,520
Adjustment in respect of prior years .....	3	(55)	780		728
(Credited)/debited to income statement .....	(2)	395	1,293	(245)	1,441
Tax credit from rate change in UK .....		(1,002)			(1,002)
Amounts taken directly to equity .....	167				167
Currency translation differences .....		(484)	366		(118)
<b>At 31 December 2015</b> .....	<b>(208)</b>	<b>16,263</b>	<b>(3,319)</b>		<b>12,736</b>

Certain deferred tax assets and liabilities have been offset as they arise in the same jurisdiction and there is an intention to settle the balances net. The following is the analysis of the deferred tax balances prior to offset for financial reporting purposes:

	<b>2016 £000</b>	<b>2015 £000</b>
Deferred tax liabilities .....	19,428	16,263
Deferred tax assets .....	(5,531)	(3,527)
	13,897	12,736

The movements during the year in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) are shown in the table above. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

## 24. SHARE CAPITAL

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Allotted and fully paid:</b>		
169,992,243 (2015: 169,679,176) ordinary shares of 1p each .....	1,700	1,697

### Reconciliation of movement in ordinary shares

	<b>2016</b>		<b>2015</b>	
	<b>Number</b>	<b>£000</b>	<b>Number</b>	<b>£000</b>
At 1 January .....	169,679,176	1,697	168,923,634	1,689
Allotted under Long Term Incentive Plan .....	72,077	1	617,468	7
Allotted under share option schemes .....	-	-	21,414	
Allotted under deferred share option plan .....	89,971	1	17,334	
Issued and allotted under the SIP .....	151,019	1	99,326	1
At 31 December .....	169,992,243	1,700	169,679,176	1,697

## 25. SHARE BASED PAYMENTS

The Group has operated five equity settled compensation plans:

- the Lavendon Group 1996 Company Share Option Plan (the “Employee Scheme”);
- the Lavendon Group 1996 Unapproved Executive Share Option Scheme (the “Executive Scheme”;
- the Lavendon Group Share Matching Plan 2005 (the “Plan”;
- the Lavendon Group Long Term Incentive Plan (the “LTIP”);
- the Lavendon Group Deferred Bonus Share Plan (the “DBSP”); and
- the Lavendon Group Share Incentive Plan (the “SIP”).

The total charge for the year relating to the five equity settled compensation plans was £1,058,000 (2015: £702,000), all of which related to equity settled share based payment transactions. After deferred tax (debited)/credited to the income statement, the total charge was £954,000 (2015: £700,000).

### Share option schemes

The Company established two share option schemes on 10 October 1996. The Company made periodic grants of options under both schemes. Both the Employee Scheme and the Executive Scheme closed in October 2006. Consequently no further awards have been made since that date.

The fair value of the share options is based on historic volatility of the share price over the last five years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon UK government bonds of a term consistent with the assumed option life.

A reconciliation of the option movements over the year to 31 December 2016 is shown below:

	2016		2015	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January .....	54,254	185.3	85,082	167.0
Forfeited.....	(54,254)	(185.3)	(9,414)	149.5
Exercised .....	-	0.0	(21,414)	128.2
Outstanding at 31 December .....	-	0.0	54,254	185.3
Exercisable at 31 December .....	-	0.0	54,254	185.3

#### Long term incentive plan

The Lavendon Group Long Term Incentive Plan ("the LTIP") was approved at the Company's Annual General Meeting on 14 April 2015.

#### 2014 awards:

There are two performance conditions applying to the 2014 awards. 50% of the award is subject to a performance condition comparing the Group's Total Shareholder Return (TSR) against a comparator group of companies comprising the FTSE Small Cap Index (excluding investment trusts and financial services companies) over three years commencing on the date of grant of the award. The remaining 50% of the award is subject to a performance condition based on the average Return on Capital Employed (ROCE) of the Group over three financial years ending on 31 December. A general performance underpin also applies. The number of shares which vest under both performance conditions is dependent upon relative achievement of each condition against agreed criteria.

#### 2015 and 2016 awards:

There are three performance conditions applying to the 2015 and 2016 awards. 40% of the award is subject to a performance condition comparing the Group's Total Shareholder Return (TSR) against a comparator group of companies comprising the FTSE Small Cap Index (excluding investment trusts and financial services companies) over three years commencing on the date of grant of the award. 40% of the award is subject to a performance condition based on the average Return on Capital Employed (ROCE) of the Group over three financial years ending on 31 December. The remaining 20% of the award is subject to a performance condition based on the growth in EPS of the Group over three years commencing on the date of grant of the award. The number of shares which vest under both performance conditions is dependent upon relative achievement of each condition against agreed criteria.

The assumptions used to calculate the fair value of the awards made in 2016 are detailed below:

	TSR	ROCE	EPS
Share price at grant date (pence) .....	1.32	1.32	1.32
No. of employees.....	22	22	22
Rights granted.....	581,918	581,918	290,960
Vesting period (years) .....	3	3	3
Award pricing model.....	Monte Carlo	Black Scholes	Black Scholes
% expected to vest.....	100%	19%	33%
Fair value of award (pence).....	0.40	1.16	1.16

#### Share Incentive Plan ("The SIP")

In November 2007 the Group introduced the Lavendon Group plc Share Incentive Plan.

151,019 SIP shares (2015: 99,326) were issued during the year of which 57,638 shares were SIP matching shares (2015: 41,834). The fair values are calculated by applying the following models:

Share Incentive Plan - Black-Scholes option pricing model:

Share price	Price at date of grant
Exercise price	Nil pence per share
Expected share price volatility	30.6% - 39.7%

Expected share price volatility is estimated by calculating the annualised daily volatility of the share price over the preceding three years.

Expected dividends	Based on historical dividend yield
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Risk-free interest	4.5%
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Levels of early exercises and lapses are estimated using historical averages.



**26. RELATED PARTY TRANSACTIONS**

There are no related party transactions in the year (2015:£nil).

**27. LEASING COMMITMENTS - MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES**

	2016		2015	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Commitments under non-cancellable operating leases payable:				
Within one year .....	6,933	3,155	6,379	2,507
Later than one year and less than five years .....	20,075	3,897	17,678	3,844
After five years .....	6,479	-	7,622	
	33,487	7,052	31,679	6,351

**28. CAPITAL COMMITMENTS**

	2016 £000	2015 £000
Capital expenditure that has been contracted for by the Group but has not yet been provided for in the financial statements at 31 December ....	47,517	26,614

**29. CONTINGENT LIABILITIES**

The Group has no significant contingent liabilities at 31 December 2016 (2015: nil).

**30. PRINCIPAL ACCOUNTING POLICIES****Impact of new accounting standards**

There are no new standards which impact the financial statements as at 31 December 2016.

New or revised accounting standards and interpretations issued by 31 December 2016 but not yet effective or early adopted are listed below:

- IFRS 9, Financial Instruments. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group has not finalised its assessment of this standard, however it does not expect the adoption to have a material impact on the financial statements of the Group in future periods.
- IFRS15, Revenue from Contracts with Customers, replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group has not finalised its assessment of this standard, however it does not expect the adoption to have a material impact on the financial statements of the Group in future periods.
- IFRS 16, Leases, provides a new model for lease accounting under which lessees will recognise a lease liability reflecting future lease payments and a right-of-use asset on the balance sheet for all lease contracts other than certain short-term leases and leases of low-value assets. In the income statement, an interest expense will be recognised on the lease liability and depreciation on the right-of-use asset. The standard replaces IAS 17, Leases, and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted in conjunction with IFRS 15. The Group has not finalised its assessment of IFRS 16, however the standard is expected to result in a significant increase in the Group's assets and liabilities and will result in increased depreciation and interest expense and lower operating costs.

New or revised amendments to accounting standards issued by 31 December 2016 are listed below:

- Amendment to IAS 7 'Statement of cash flows' - disclosure initiative.
- Amendment to IAS 12 'Income taxes' - recognition of deferred tax assets for unrealised losses.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Group.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided to customers outside of the Group, stated net of returns, rebates and value added and other sales taxes.

Revenue from rental fleet hire is recognised on a daily basis over the period of hire when the Group can reliably measure the likely flow of economic benefits. Other revenue, including the sale of new and ex-rental fleet equipment, is recognised as at the point at which the goods or services are delivered to and accepted by the customer.

The value of any rebates due to applicable customers is estimated using latest forecasts and regularly updated during the course of the financial year.

The Group rents equipment under short term arrangements that are cancellable by the customer on demand. These are treated as operating lease arrangements.

### **Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, that is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Board.

The operating segments are the main geographic areas in which the Group operates together with one non operating corporate cost centre. The Group's main geographic areas are the UK, the Middle East, Germany, France and Belgium.

### **Foreign currencies**

#### **Functional and presentation currency**

The consolidated financial statements are presented in Sterling which is the Company's functional and presentational currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

#### **Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the balance sheet date.

Translation differences on monetary items are taken to the income statement with the exception of differences on transactions that are subject to effective cash flow or net investment hedges which are recorded in equity. Translation differences on non-monetary items are reported as part of the fair value gain or loss and are included in either equity or the income statement as appropriate.

#### **Net investment hedges**

Any gain or loss on the hedging instrument relating to the effective portion of the hedge of a net investment in a foreign operation is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

#### **Group companies**

The results and financial position of overseas Group entities are translated into Sterling as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet; and
- income and expenses are translated at the average exchange rate for the period.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, where effective, are taken to equity. Tax charges and credits attributable to those exchange differences are also taken directly to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

#### **Financial instruments**

The Group classifies its financial instruments in the following categories: financial assets and liabilities at fair value through profit or loss, loans and receivables and other liabilities at amortised cost. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this position at each reporting date.

#### **Loans and receivables and other liabilities at amortised cost**

Loans and receivables and other liabilities at amortised costs are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Loans and receivables arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are initially measured at fair value. Other liabilities at amortised cost are initially recognised at fair value. They are included in current liabilities, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current liabilities.

Gains and losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are included in the income statement in the period in which they arise. Loans and receivables and other liabilities are carried at amortised cost using the effective interest rate method.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairments of such financial assets are recorded in the income statement.

#### **Trade receivables**

Trade receivables are amounts due from customers for equipment rental or other products or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are classified as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

### **Borrowings and borrowing costs**

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowing costs are expensed in the period in which they are incurred, except for issue costs. Issue costs arising from a modification of a borrowing facility are amortised over the period of the borrowing or until the facility is considered to be “extinguished” at which point any unamortised costs are recognised immediately in the income statement. Costs associated with the re-negotiation of an existing facility, that are not separately identifiable are treated as an extinguishment and are recognised in the income statement as incurred.

### **Leases**

#### **Finance leases**

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in financial liabilities - borrowings.

The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and its lease term.

#### **Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Incentives from lessors are recognised as a systematic reduction of the charge over the periods benefiting from the incentives.

### **Provisions**

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events; and
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are recorded separately in the financial statements where material.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Where the Group expects amounts to be received in relation to a provision, the reimbursement is recognised as a separate asset when its receipt is considered certain.

### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairments in value. Cost includes the initial purchase price of the asset and any directly attributable costs of bringing it into its intended use. Additional transportation costs incurred to move existing fleet between operating segments are expensed in the year in which they are incurred. Depreciation is provided on a straight-line basis to write off the cost, less the estimated residual value, of property, plant and equipment over their estimated useful lives. Estimated useful lives and residual values are as follows:

	Useful lives	Residual values
Short leasehold properties	the lease period	nil
Rental fleet	7 to 13 years	0-20%
Office fixtures and equipment	3 to 4 years	nil
Motor vehicles	3 to 5 years	nil

Residual values and useful economic lives are reassessed annually.

## **Goodwill**

Goodwill is the excess of the fair value of the consideration payable for an acquisition over the fair value of the Group's share of identifiable net assets of a subsidiary acquired at the date of acquisition. Fair values are attributed to the identifiable assets, liabilities and contingent liabilities that existed at the date of acquisition, reflecting their condition at that date. Adjustments are made where necessary to bring the accounting policies of acquired businesses into alignment with those of the Group.

Goodwill is stated at cost less any impairment. Goodwill is not amortised but is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. An impairment charge is recognised for any amount by which the carrying value of goodwill exceeds its recoverable value.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold, allocated where necessary on the basis of relative fair value.

## **Other intangible assets**

Other intangible assets are stated at cost less accumulated amortisation and impairment. Other intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill, if those assets are separable and their fair value can be measured reliably. Intangible assets acquired separately from the acquisition of a business are capitalised at cost.

Certain costs incurred in the developmental phase of an internal project are capitalised as intangible assets provided that a number of criteria are satisfied. These include the technical feasibility of completing the asset so that it is available for use or sale, the availability of adequate resources to complete the development and to use or sell the asset and how the asset will generate probable future economic benefit.

## **Intangible assets recognised on acquisition**

Intangible assets recognised on acquisition are detailed in note 12. They are estimated to have asset lives in the range of 1 to 6 years and are amortised on a straight-line basis accordingly.

## **Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Computer software licences are held at cost and are amortised on a straight line basis over 3 to 5 years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will generate economic benefits beyond one year, are recognised as intangible assets. Computer software development costs recognised as assets are amortised on a straight line basis over 3 to 5 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

## **Intellectual property**

Intellectual property comprises trademarks and patents which are initially recognised at cost and are amortised on a straight-line basis over a period of up to 5 years.

## **Impairment of property, plant and equipment, goodwill and other intangible assets**

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). In assessing the value in use, the estimated future cash flows of the cash generating units are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and associated risks.

The directors consider that a cash generating unit is generally an individual country of operation.

## **Employee benefit costs**

The Group operates defined contribution pension schemes, the assets of which are held separately from those of the Group.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independently administered fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The cost of providing these benefits, recognised in the income statement, comprises the amount of contributions payable to the schemes in respect of the year.

Following the acquisition of the Gardemann group of companies in 2006, the Group now has an obligation to a single ex-employee of the Gardemann group under a defined benefit pension scheme. The scheme is unfunded, but a full provision of £196,000 (2015: £138,000), based on an actuarial valuation, is included

in the Group's balance sheet under accruals. Given the immateriality of this single obligation to the Group as a whole, management do not consider the full disclosure required by IAS19 (revised) "Retirement Benefits" to be appropriate in this instance.

### **Dividend distribution**

Dividend distributions to Lavendon shareholders are recognised in the Group's financial statements in the period in which the dividends are approved, or when paid in the case of an interim dividend.

### **Inventories**

Inventories, comprising ex-rental fleet equipment available for sale, third party equipment purchased for resale, machine spare parts and consumables, are stated at the lower of cost and net realisable value. The cost basis used within the Group is a 'First In First Out' or FIFO [basis. Net](#) realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Ex-rental fleet disposals are transferred to inventory prior to external sale or scrappage.

### **Taxation including deferred tax**

Provision for taxation is made using rates enacted or substantially enacted at the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided in full, using the liability method, on differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred taxation arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred taxation is calculated using tax rates that are expected to apply when the related deferred taxation asset is realised or the deferred taxation liability is settled.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the amounts can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

### **Share based payments**

The Group operates a number of equity settled, share based compensation plans. The fair value of the employee services received under such plans is recognised as an expense in the income statement. Fair value is determined by use of the Black Scholes Option Pricing Model for share option schemes and in the case of share matching plans and the long-term incentive plan, by use of a Monte Carlo simulation. The amount to be expensed over the vesting period is determined by reference to the fair value of share incentives, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are considered as part of the assumptions about the number of share incentives that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share incentives that are expected to vest. The impact of the revision on original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity, over the remaining vesting period.

Share-based transactions involving treasury shares or involving Group entities (for example, options over the Parent Company's shares) are accounted for as equity-settled share-based payment transactions in the stand-alone financial statements of the Parent Company.

The grant by the Company of options over its equity instruments to employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertaking, with a corresponding credit to equity. This does not have an impact on the Group's financial statements.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Group Balance Sheet. For the purposes of the Group cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

### **Exceptional items**

The Group defines exceptional items to be those that, by virtue of their nature, size or frequency, warrant separate disclosure in the financial statements in order to better understand the underlying performance of the Group. These include, but are not limited to, costs of reorganisation and restructuring, impairment of non-current assets, significant one-off financing costs and significant one-off claims.

## **31. ULTIMATE PARENT COMPANY**

The company's immediate and ultimate parent company is Loxam SAS, a company incorporated in France. Copies of its group accounts, which include the company are available from 256 rue Nicolas Coatanlem, Cauden, France.

## **32. SUBSEQUENT EVENTS**

On 14 February 2017, Loxam SAS announced that it had received irrevocable undertakings for the purchase of more than 75% of the issued ordinary share capital of the Group. Following the announcement the Lavendon Group applied for a delisting and cancellation of admission to trading of Lavendon shares.

On 17 February 2017, Loxam SAS announced that it had received irrevocable undertakings for the purchase of approximately 91.5% of the issued ordinary share capital of the Group and that it would now commence the compulsory acquisition of the remaining Lavendon shares held by non-assenting shareholders.

On 15 March 2017 the Lavendon Group plc was delisted and its admission to trading duly cancelled.

As a result of this change in ownership, exceptional costs of circa £12 million were incurred relating to this transaction in 2017.

In addition, since the year end and following the acquisition of the Group by Loxam SAS, the Group's debt facilities have been refinanced by intra-group funding made available by Loxam SAS.

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## OFFERING MEMORANDUM

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**€300,000,000 3.500% Senior Secured Notes due 2022**  
**€300,000,000 4.250% Senior Secured Notes due 2024**  
**€250,000,000 6.000% Senior Subordinated Notes due 2025**



*Joint Bookrunners*

**Deutsche  
Bank**

**Crédit Agricole  
CIB**

**Natixis**

**Société  
Générale**





**€300,000,000**  
**3.500 %**  
**Senior Secured**  
**Notes due 2022**

**€300,000,000**  
**4.250 %**  
**Senior Secured**  
**Notes due 2024**

**€250,000,000**  
**6.000 %**  
**Senior**  
**Subordinated**  
**Notes due 2025**