

# CONSTELLIUM SE

## FORM 20-F

(Annual and Transition Report (foreign private issuer))

Filed 03/11/19 for the Period Ending 12/31/18

Telephone	31-20-654-97-80
CIK	0001563411
Symbol	CSTM
SIC Code	3341 - Secondary Smelting and Refining of Nonferrous Metals
Industry	Aluminum
Sector	Basic Materials
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 20-F**

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- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2018  
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission File Number 001-35931

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**Constellium N.V.**

(Exact Name of Registrant as Specified in its Charter)

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**Constellium N.V.**

(Translation of Registrant's name into English)

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**The Netherlands**

(Jurisdiction of incorporation or organization)

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Tupolevlaan 41-61,  
1119 NW Schiphol-Rijk  
The Netherlands  
(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class  
Ordinary Shares

Name of each exchange on which registered  
New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the period covered by the annual report:

135,999,394 Class A Ordinary Shares, Nominal Value €0.02 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the  
International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

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## SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F (this “Annual Report”) contains “forward-looking statements” with respect to our business, results of operations and financial condition, and our expectations or beliefs concerning future events and conditions. You can identify certain forward-looking statements because they contain words such as, but not limited to, “believes,” “expects,” “may,” “should,” “approximately,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” “likely,” “will,” “would,” “could” and similar expressions (or the negative of these terminologies or expressions). All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in our industry and markets. Others are more specific to our business and operations. The occurrence of the events described and the achievement of the expected results depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from the forward-looking statements contained in this Annual Report.

Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements are disclosed under “Item 3. Key Information—D. Risk Factors” and elsewhere in this Annual Report, including, without limitation, in conjunction with the forward-looking statements included in this Annual Report and including with respect to our estimated and projected earnings, income, equity, assets, ratios and other estimated financial results. All forward-looking statements in this Annual Report 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 materially affect our results include:

- we may be unable to compete successfully in the highly competitive markets in which we operate;
- the highly competitive nature of the beverage can sheet industry
- the advantages our competitors have over us with respect to beverage can production;
- the substantial capital investment requirements of our business;
- difficulties in the launch or production ramp-up of our existing or new products;
- unplanned business interruptions and equipment failure;
- failure of our production capacity to meet demand or changing market conditions;
- labor disputes and work stoppages that could disrupt our business;
- our dependence on a limited number of customers for a substantial portion of our sales;
- consolidation among our customers and its impact on our business;
- the failure of our products to meet customer requirements;
- delays caused by the lengthy and unpredictable qualification process for our new products;
- our dependence on a limited number of suppliers for a substantial portion of our aluminium supply;
- loss of certain key members of our management team;
- failure to implement our business strategy, including our productivity improvement initiatives;
- our inability to execute an effective hedging policy;
- maturity mismatch between certain of our derivative instruments and the underlying exposure;
- risks associated with the acquisition of UACJ Corporation’s (“UACJ”) interest in our joint venture;
- failure to successfully develop and implement new technology initiatives and other strategic investments;
- interruptions or failures in our information technology (“IT”) systems;

- disruptions caused by upgrading our IT infrastructure;
- severance-related or other costs associated with potential restructuring;
- risks inherent in international operations;
- unexpected requirements to make contributions to our defined benefit pension plans;
- failure to protect proprietary rights to our technology;
- costs associated with legal proceedings or investigations;
- compliance with environmental, health and safety laws;
- costs associated with product liability claims against us;
- risk of injury or death as a result of our operations;
- failure of our insurance to cover all potential exposures;
- risks related to the industries in which we operate;
- risks related to our indebtedness;
- risks related to our corporate structure and ownership of our ordinary shares;
- risks related to the taxation statutes and regulations, and their interpretations, in the jurisdictions in which we have operations; and
- the other factors presented under “Item 3. Key Information—D. Risk Factors.”

We caution you that the foregoing list may not contain all of the factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Annual Report may not in fact occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law.

**PART I****Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not applicable.

**Item 3. Key Information****A. Selected Financial Data**

The following tables set forth our selected historical financial and operating data.

The selected historical financial information as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 has been derived from our audited consolidated financial statements (the “Consolidated Financial Statements”) included elsewhere in this Annual Report. The selected historical financial information as of December 31, 2016, 2015 and 2014 and for each of the two years in the period ended December 31, 2015 have been derived from our audited consolidated financial statements not included in this Annual Report.

The audited Consolidated Financial Statements included elsewhere in this Annual Report have been prepared in a manner that complies, in all material respects, with the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (the “IASB”), and as endorsed by the European Union (“EU”).

In fiscal year 2018, we changed the presentation of our pension and other benefit expense. The interest component of the pension and other benefit expense, which was previously presented within income from operations, is now presented in finance costs. Comparative financial information for prior years has been reclassified accordingly to conform to the current year’s presentation. See Note 2.6 in the Consolidated Financial Statements attached hereto starting on Page F-1 in this Annual Report.

References to “tons” throughout this Annual Report are to metric tons.

References to the Wise Acquisition refer to our January 5, 2015 acquisition of Wise Metals Intermediate Holdings LLC and its subsidiaries, which companies we refer to collectively as “Wise.”

(€ in millions other than per share and per ton data)	As of and for the year ended December 31,				
	2018	2017	2016	2015	2014
<b>Statement of income data:</b>					
Revenue	5,686	5,237	4,743	5,153	3,666
Gross profit	538	555	535	468	501
Income/(Loss) from operations	404	338	267	(406)	170
Net income/(loss) for the period	190	(31)	(4)	(552)	54
Earnings/(loss) per share—basic	1.40	(0.28)	(0.04)	(5.27)	0.48
Earnings/(loss) per share—diluted	1.37	(0.28)	(0.04)	(5.27)	0.48
Weighted average number of shares outstanding (diluted)	138,145,914	110,164,320	105,500,327	105,097,442	105,326,872
Dividends per ordinary share (Euro)	—	—	—	—	—

(€ in millions other than per share and per ton data)	As of and for the year ended December 31,				
	2018	2017	2016	2015	2014
<b>Balance sheet data:</b>					
Total assets	3,901	3,711	3,787	3,628	3,012
Net (liabilities)/assets or total invested equity	(114)	(319)	(570)	(540)	(37)
Share capital	3	3	2	2	2
<b>Other operational and financial data (unaudited):</b>					
Net trade working capital <sup>(1)</sup>	456	232	199	149	210
Capital expenditure <sup>(2)</sup>	277	276	355	350	199
Volumes (in kt)	1,534	1,482	1,470	1,478	1,062
Revenue per ton (€ per ton)	3,707	3,534	3,227	3,486	3,452

(1) Net trade working capital, a measurement not defined by IFRS, represents total inventories plus trade receivables less trade payables.

(€ in millions)	As of December 31,				
	2018	2017	2016	2015	2014
Trade receivables—net	481	306	235	264	436
Inventories	660	643	591	542	436
Trade payables	(685)	(717)	(627)	(657)	(662)
<b>Net trade working capital</b>	<u>456</u>	<u>232</u>	<u>199</u>	<u>149</u>	<u>210</u>

(2) Represents purchases of property, plant, and equipment.

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**D. Risk Factors**

*You should carefully consider the risks and uncertainties described below and the other information in this Annual Report. Our business, financial condition or results of operations could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our ordinary shares could decline. This Annual Report also contains forward-looking statements that involve risks and uncertainties. See "Special Note About Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors.*

**Risks Related to Our Business**

**We may not be able to compete successfully in the highly competitive markets in which we operate, and new competitors could emerge, which could negatively impact our share of industry sales, sales volumes and selling prices. In particular, beverage can sheet industry is competitive, and our competitors have greater resources and product and geographic diversity than we do.**

We are engaged in a highly competitive industry and compete in the production and sale of rolled and extruded aluminium products with a number of other producers, some of which are larger and have greater

financial and technical resources than we do. Producers with a different cost basis may, in certain circumstances, have a competitive pricing advantage. Our competitors may be better able to withstand reductions in price or other adverse industry or economic conditions. In addition, a current or new competitor may also add or build new capacity, which could diminish our profitability by decreasing prices in our markets. New competitors could emerge from within Europe or North America or globally, and could include existing producers and sellers of steel and other products that may seek to compete in our industry. Emerging or transitioning markets in these regions with abundant natural resources, low-cost labor and energy, and lower environmental and other standards may pose a significant competitive threat to our business. In addition, technological innovation is important to our customers who require us to lead or keep pace with new innovations to address their needs. If we do not compete successfully, our share of industry sales, sales volumes and selling prices may be negatively impacted. Our competitive position may also be affected by exchange rate fluctuations that may make our products less competitive. Changes in regulation that have a disproportionately negative effect on us or our methods of production may also diminish our competitive advantage and industry position.

Our competitors in the market for beverage can sheet products have market presence, operating capabilities, product and geographic diversity and financial and other resources that are greater than ours. As a result, these competitors may have an advantage over us in their abilities to research and develop technology, pursue acquisition, investment and other business opportunities, market and sell their products and services, capitalize on market opportunities, enter new markets and withstand business interruptions or adverse global economic conditions. There are no assurances that we will be able to compete successfully in these circumstances. In addition, we are subject to competition from non-aluminium sources of packaging, such as plastics and glass. Consumer demand and preferences also impact customer selection of packaging materials. While we believe that the recyclability of aluminium, coupled with increasing consumer focus on resource conservation, may reduce the impact of competition from certain alternative packaging sources, there is no guarantee that such competition will be reduced.

In addition, the aluminium industry has experienced consolidation over the past years and there may be further industry consolidation in the future. Although industry consolidation has not yet had a significant negative impact on our business, if we do not have sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete successfully against other companies. If as a result of consolidation, our competitors are able to obtain more favorable terms from suppliers or otherwise take actions that could increase their competitive strengths, our competitive position and therefore our business, results of operations and financial condition may be materially adversely affected.

**Our business requires substantial capital investments that we may be unable to fulfill. We may be unable to timely complete our expected capital investments, including in Auto Body Sheet (“ABS”), or may be unable to achieve the anticipated benefits of such investments.**

Our operations are capital intensive. Our total capital expenditures were €277 million for the year ended December 31, 2018, and €276 million and €355 million for the years ended December 31, 2017 and 2016, respectively.

There can be no assurance that we will be able to complete our capital investments, including our expected investments in ABS, on schedule, or that we will be able to achieve the anticipated benefits of such capital investments. In addition, we are under no legal obligation to complete the expansion of our ABS program and we may at any time determine not to complete such expansion. Additionally, we may not generate sufficient operating cash flows and our external financing sources may not be available in an amount sufficient to enable us to make anticipated capital expenditures (including completing our expected ABS investments), service or refinance our indebtedness or fund other liquidity needs, including additional investments. We may experience delays in materializing demand for our ABS products, and we may not receive customer orders for ABS products as quickly as we had anticipated. Delays in materializing demand or revenue from our ABS investments could adversely affect our results of operations.



If we are unable to make upgrades, repairs or purchase new plants and equipment, our financial condition and results of operations could be materially adversely affected by higher maintenance costs, lower sales volumes due to the impact of reduced product quality, reduced production capacity and other competitive factors. In addition, if we are unable to, or determine not to, complete our expected or additional ABS investments, or such investments are delayed, we will not realize the anticipated benefits of such investments, which may adversely affect our results of operations.

**We may experience difficulties in the launch or production ramp-up of our existing or new products, which could adversely affect our business.**

As we begin manufacturing processes in our new locations or for newly introduced products, we may experience difficulties, including operational and manufacturing disruptions, delays or other complications, which could adversely affect our ability to timely launch or ramp-up productions and serve our customers, our reputation or our costs of production and ultimately, our financial position and results of operations.

**We are subject to unplanned business interruptions that may materially adversely affect our business and financial results.**

Our operations may be materially adversely affected by unplanned business interruptions caused by events such as explosions, fires, war or terrorism, inclement weather, natural disasters, accidents, equipment failure and breakdown, IT systems and process failures, electrical blackouts or outages, transportation and supply interruptions. Operational interruptions at one or more of our production facilities could cause substantial losses and delays in our production capacity, increase our operating costs and have a negative financial impact on the company and our customers. In addition, replacement of assets damaged by such events could be difficult, lengthy or expensive, and to the extent these losses are not covered by insurance or our insurance policies have significant deductibles, our financial position, results of operations and cash flows may be adversely affected by such events. From time to time, we have similar or other equipment failures impacting our production capacity, which may adversely affect our financial results.

Furthermore, because customers may be dependent on planned deliveries from us, customers that have to reschedule, delay or cancel their own production due to our delivery delays or operational challenges, may be able to pursue financial and legal claims against us, and we may incur costs to correct such problems in addition to any liability resulting from such claims. Interruptions may also harm our reputation among actual and potential customers, and the reputation of our customers, potentially resulting in a loss of business, operational shutdowns or other adverse consequences for us and our customers. In addition, because in many cases we have dedicated facilities and arrangements with customers, production outages or other business operations at an isolated facility could adversely affect our ability to timely fulfill orders for the applicable customer, potentially adversely affecting our relationship with that customer or our business and results of operations.

**Our production capacity might not be able to meet customer or market demand or changing market conditions.**

We may be unable to meet customer or market demand, or changing market conditions due to production capacity constraints or operational challenges and disruptions. Meeting such demand may also require us to make substantial capital investments to repair, maintain, upgrade, and expand our facilities and equipment. Notwithstanding our ongoing plans and investments to increase our capacity, we may not be able to expand our production capacity quickly enough in response to operational challenges or changing market conditions, and there can be no assurance that our production capacity will be able to meet our existing obligations and the growing market demand for our products. If we are unable to adequately expand our production capacity, we may be unable to take advantage of improved market conditions and increased demand for our products. We may also experience loss of market share, operational challenges, increased costs, penalties for late delivery, disruption in our ability to supply our products, reduction in demand for our products, our reputation with actual

and potential customers may be harmed, and our customer's reputation may be harmed, resulting in loss of business and a negative impact on our financial performance.

**We could experience labor disputes and work stoppages, or be unable to renegotiate collective bargaining agreements, which could disrupt our business and have a negative impact on our financial condition and results of operations.**

From time to time, we may experience labor disputes and work stoppages at our facilities generally, and at times in connection with collective bargaining agreement negotiations. In 2018, no economic or labor disputes occurred in North America. In France, we experienced work stoppages and / or labor disputes in Issoire, Neuf-Brisach and Nuits-Saint-Georges. In Germany, work stoppages and / or labor disputes occurred in all of our German sites. None occurred in Switzerland. Reasons for stoppages included disapproval of governmental measures, solidarity with an employee for being dismissed, wage claims, protest against working conditions and / or work strikes. These disruptions had a duration ranging from some hours to some days.

Existing collective bargaining agreements may not prevent a strike or work stoppage at our facilities in the future. Any such stoppages or disturbances may adversely affect our financial condition and results of operations by limiting plant production, sales volumes, profitability and operating costs.

A significant number of our employees are represented by unions or equivalent bodies or are covered by collective bargaining or similar agreements that are subject to periodic renegotiation. Although we believe that we will be able to successfully negotiate new collective bargaining agreements when the current agreements expire, these negotiations may not prove successful, and may result in a significant increase in the cost of labor, or may break down and result in the disruption or cessation of our operations.

In addition, in light of demographic trends in the labor markets where we operate, we expect that our factories will be confronted with high levels of natural attrition in the coming years due to retirements. Strategic workforce planning will be a challenge to ensure a controlled exit of skills and competencies and the timely acquisition of new talent and competencies, in line with changing technological and industrial needs.

**We are dependent on a limited number of customers for a substantial portion of our sales, and a failure to successfully renew, renegotiate or re-price our long-term or other agreements with our customers may adversely affect our results of operations, financial condition and cash flows.**

Our business is exposed to risks related to existing market concentration of our customers. We estimate that our ten largest customers accounted for approximately 49% of our consolidated revenue in 2018, one of which accounted for more than 10% of our consolidated revenue over the same period. A significant downturn in the business, credit or financial condition of our significant customers exposes us to the risk of default on contractual agreements and trade receivables, and this risk is increased by weak and deteriorating economic conditions on a global, regional or industry sector level.

We have long-term contracts and related arrangements with a significant number of our customers. Some of our long-term customer contracts and related arrangements have provisions that, by their terms, may become less favorable to us over time. If we fail to successfully renegotiate or re-price these less favorable provisions, including payment terms, in our long-term agreements and related arrangements then our results of operations, financial condition and cash flows could be materially adversely affected. Furthermore, some of our long-term contracts and related arrangements are subject to renewal, renegotiation or re-pricing at periodic intervals or upon changes in competitive and regulatory supply conditions, or provide termination rights to our customers. If we fail to renew, renegotiate or re-price these long-term contracts or arrangements at all, or on favorable terms, including payment terms, then our results of operations, financial condition and cash flows could be materially adversely affected. Any of these risks, or any material deterioration in, or termination of, these customer relationships, could result in a reduction or loss in sales volume or revenue, which could adversely affect our

results of operations. If we are not successful in replacing business lost from such customers, or in negotiating favorable terms, our results of operations, financial condition and cash flows could be materially adversely affected.

In addition, our strategy of having dedicated facilities and arrangements with customers subjects us to the inherent risk of increased dependence on a single or few customers with respect to these facilities. In such cases, the loss of such a customer, or the reduction of that customer's business at one or more of our facilities, or the deterioration of such customer's credit or financial condition, could materially adversely affect our financial condition and results of operations, and we may be unable to timely replace, or replace at all, lost order volumes and revenue.

**Customer consolidation could adversely affect our financial position, results of operations and cash flows.**

Customers in our end-markets, including the can, packaging, aerospace and automotive sectors, may consolidate and grow in a manner that could affect their relationships with us. For example, if one of our competitors' customers acquires any of our customers, we may lose that acquired customer's business. Additionally, if our customers become larger and more concentrated, they could exert pressure in pricing and payment terms on all suppliers, including us. Accordingly, our ability to maintain or raise prices in the future may be limited, including during periods of raw material and other cost increases. If we are forced to reduce prices or maintain prices during periods of increased costs, or if we lose customers because of consolidation, pricing or other methods of competition, our financial position, results of operations and cash flows may be adversely affected.

**If our products fail to meet customer requirements, we could incur losses and could adversely affect our reputation, business and results of operations.**

Product manufacturing in our business is a highly complex process. Our customers specify quality, performance and reliability standards that we must meet. If our products do not meet these standards or are defective, we may be required to replace or rework the products. In some cases, our products may contain undetected defects or flaws that only become evident at a later time, including after shipment. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, supply chain interruptions, natural disasters, labor unrest and environmental factors. We have experienced product quality, performance or reliability problems and defects from time to time, and similar defects or failures may occur in the future. If these failures or defects occur, they could result in losses or product recalls, customer penalties, contract cancellation and product liability exposure. A significant product recall could adversely affect product demand, result in negative publicity, damage to our reputation and could lead to a loss of customer confidence in our products. Any of such consequences could have a material adverse effect on our reputation, business and results of operations.

**The qualification process for our products can be lengthy and unpredictable, potentially delaying adoption of our products and causing us to incur expense potentially without recovery.**

Qualification of our products by many of our customers can be lengthy and unpredictable and many of these customers have extensive sourcing and qualification processes. The qualification process requires substantial time and financial resources, with no certainty of success or recovery of our related expenses. In addition, even after an extensive qualification process, our products may fail to meet the standards sought by our customers and may not be qualified for use by such customers. Further, our continued process improvements and cost-reduction efforts may require us or our customers to re-qualify our products. Failure to qualify or re-qualify our products may result in us losing such customers or customer contracts, which could materially adversely affect our business and results of operations.

**We are dependent on a limited number of suppliers for a substantial portion of our aluminium supply and a failure to successfully renew, renegotiate or re-price our long-term agreements or other arrangements with our suppliers may adversely affect our results of operations, financial condition and cash flows.**

Our ability to produce competitively priced aluminium products depends on our ability to procure competitively priced supply of aluminium in a timely manner and in sufficient quantities to meet our production needs. We have supply arrangements with a limited number of suppliers for aluminium and other raw materials. Our top ten suppliers accounted for approximately 55% of our total raw material and consumable expense for the year ended December 31, 2018. Increasing aluminium demand levels have caused regional supply constraints in the industry, and further increases in demand levels, could exacerbate these issues. We maintain long-term contracts for a majority of our supply requirements, and for the remainder we depend on annual and spot purchases. There can be no assurance that we will be able to renew, or obtain replacements for, any of our long-term contracts or any related arrangements when they expire on terms that are as favorable as our existing agreements or at all. Additionally, if any of our key suppliers is unable to deliver sufficient quantities on a timely basis, our production may be disrupted, and we could be forced to purchase primary metal and other supplies from alternative sources, which may not be available in sufficient quantities or may only be available on terms that are less favorable to us. As a result, an interruption in key supplies required for our operations could have a material adverse effect on our ability to produce and deliver products on a timely or cost-efficient basis and therefore on our financial condition, results of operations and cash flows. In addition, a significant downturn in the business or financial condition of our significant suppliers exposes us to the risk of default by the supplier on our contractual agreements. This risk is increased by weak and deteriorating economic conditions on a global, regional or industry sector level.

We depend on scrap aluminium for our operations and acquire our scrap inventory from numerous sources. Our suppliers generally are not bound by long-term contracts and have no obligation to sell scrap metal to us. In periods of low inventory prices, suppliers may elect to hold scrap until they are able to charge higher prices. In addition, a decrease in the supply of used beverage containers (“UBCs”) available to us resulting from a decrease in the rate at which consumers consume or recycle products contained or packaged in aluminium beverage cans could negatively impact our supply of aluminium. If an adequate supply of scrap metal is not available to us, we would be unable to recycle metals at desired volumes and our results of operations, financial condition and cash flows could be materially adversely affected.

In addition, we seek to take advantage of the lower price of scrap aluminium compared to primary aluminium to provide a cost-competitive product. A decrease in the supply of scrap aluminium could increase its cost. To the extent the discount between the primary aluminium price and scrap price narrows, our competitive advantage may be reduced. We cannot make use of financial markets to effectively hedge against reductions in this discount as this market is not readily available. If the difference between the price of primary and scrap aluminium is narrow for a considerable period of time, it could adversely affect our business, financial condition and results of operations.

**The loss of certain key members of our management team may have a material adverse effect on our operating results.**

Our success will depend, in part, on the efforts of our senior management and other key employees. These individuals including our Chief Executive Officer and Chief Financial Officer, possess sales, marketing, engineering, technical, manufacturing, financial and administrative skills that are critical to the operation of our business. If we lose or suffer an extended interruption in the services of one or more of our senior officers or other key employees, our ability to operate and expand our business, improve our operations, develop new products, and, as a result, our financial condition and results of operations, may be adversely affected. Moreover, the hiring of qualified individuals is highly competitive in our industry, and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees.

**If we fail to implement our business strategy, including our productivity improvement initiatives, our financial condition and results of operations could be materially adversely affected.**

Our future financial performance and success depend in large part on our ability to successfully implement our business strategy, including investing in high-return opportunities in our core markets, focusing on higher-margin, technologically advanced products, differentiating our products, expanding our strategic relationships with customers in selected international regions, fixed-cost containment and cash management, and executing on our manufacturing productivity improvement programs. We cannot assure you that we will be able to successfully implement our business strategy or be able to continue improving our operating results.

Implementation of our business strategy could be affected by a number of factors beyond our control, such as increased competition, legal and regulatory developments, or general economic conditions. Any failure to successfully implement our business strategy could adversely affect our financial condition and results of operations. In addition, we may decide to alter or discontinue certain aspects of our business strategy at any time. Although we have undertaken and expect to continue to undertake productivity and manufacturing system and process transformation initiatives to improve performance, we cannot assure you that all of these initiatives will be completed or that any estimated cost savings from such activities will be fully realized. Even when we are able to generate new efficiencies in the short- to medium-term, we may not be able to continue to reduce costs and increase productivity over the long term.

**Our results of operations, cash flows and liquidity could be adversely affected if we are unable to execute on our hedging policy, if counterparties to our derivative instruments fail to honor their agreements or if we are unable to enter into certain derivative instruments.**

We purchase and sell LME and other forwards, futures and options contracts as part of our efforts to reduce our exposure to changes in currency exchange rates, aluminium prices and other raw materials and energy prices. If we are unable to enter into such derivative instruments to manage those risks due to the cost or availability of such instruments or other factors, or if we are not successful in passing through the costs of our risk management activities, our results of operations, cash flows and liquidity could be adversely affected. Our ability to realize the benefit of our hedging program is dependent upon many factors, including factors that are beyond our control. For example, our foreign exchange hedges are scheduled to mature on the expected payment date by the customer; therefore, if the customer fails to pay an invoice on time and does not warn us in advance, we may be unable to reschedule the maturity date of the foreign exchange hedge, which could result in an outflow of foreign currency that will not be offset until the customer makes the payment. We may realize a gain or a loss in unwinding such hedges. In addition, our metal-price hedging program depends on our ability to match our monthly exposure to sold and purchased metal, which can be made difficult by seasonal variations in metal demand, unplanned changes in metal delivery dates by either us or by our customers and other disruptions to our inventories, including for maintenance.

We may also be exposed to losses if the counterparties to our derivative instruments fail to honor their agreements.

To the extent our hedging transactions fix prices or exchange rates and if primary aluminium prices, energy costs or foreign exchange rates are below the fixed prices or rates established by our hedging transactions, then our income and cash flows will be lower than they otherwise would have been. Similarly, if we do not effectively manage and adequately hedge for prices and premiums (including the Midwest regional premium) of our aluminium and other raw materials, our financial results may also be adversely affected. Further, with the exception of hedge accounting on certain long-term aerospace contracts and on our net investment in certain of our subsidiaries, we do not apply hedge accounting to our forwards, futures or option contracts. Unrealized gains and losses on our derivative financial instruments that do not qualify for hedge accounting are reported in our consolidated results of operations. The inclusion of such unrealized gains and losses in earnings may produce significant period-over-period earnings volatility that is not necessarily reflective of our underlying operating

performance. In addition, in certain scenarios when market price movements result in a decline in value of our current derivatives position, our mark-to-market expense may exceed our credit line and counterparties may request the posting of cash collateral which, in turn, can be a significant demand on our liquidity.

At certain times, hedging instruments may simply be unavailable or not available on terms acceptable to us. In addition, recent legislation has been adopted to increase the regulatory oversight of over-the-counter derivatives markets and derivative transactions. The companies and transactions that are subject to these regulations may change. If future regulations subject us to additional capital or margin requirements or other restrictions on our trading and commodity positions, this could have an adverse effect on our financial condition and results of operations.

**Our cash flows and liquidity could be adversely affected as a result of the maturity mismatch between certain of our derivative instruments and the underlying exposure.**

We use financial derivatives to hedge the foreign currency risk associated with the repayment of a portion of our U.S. Dollar-denominated debt. These financial derivatives may have a shorter maturity than either the maturity or call date of the hedged debt instrument. This could result in an adverse impact on our cash flows and liquidity as the impact from changes in foreign exchange rates on the hedging instruments could result in a cash outflow before the corresponding favorable impact on the underlying hedged debt results in a positive cash flow.

**We recently completed the purchase of UACJ's 49% interest in CUA, which business may not generate the expected returns and we may be unable to execute on our business strategy.**

We recently purchased UACJ's indirectly held stake in CUA, our joint venture with UACJ to produce ABS sheet in the United States. Despite this acquisition, there can be no assurance that we will be able to successfully implement our business strategy with respect to the North American ABS market. Any inability to execute on our strategy could reduce our expected earnings and could adversely affect our operations overall. See "Item 4. Information on the Company—B. Business Overview—Recent Developments—Acquisition of UACJ's Interest in Bowling Green."

CUA's automotive line continues to undergo an extensive qualification process and production ramp up for original equipment manufacturer ("OEM") products. At the same time, our Muscle Shoals facility will be supplying an increasing share of the cold coil needs at CUA. Any significant delays incurred during this qualification process, supply and production ramp up, which would jeopardize the start of series production of OEM customer products, would be detrimental to the financial performance of CUA and would adversely affect our North American ABS strategy and our anticipated return on investments. As the sole owner of CUA following our purchase of UACJ's stake, we will be solely responsible for the management and operation of CUA's business. We may not realize the intended benefits of the acquisition of CUA, as rapidly as, or to the extent, anticipated by our management. There can be no assurance that we will be able to successfully integrate CUA's business without substantial expenses, delays or other operational or financial problems. Furthermore, there can be no assurance that CUA's business will achieve anticipated revenue and income. Our failure to manage our acquisition and integration strategy successfully could have a material adverse effect on our business, results of operations and financial condition.

**We may not be able to successfully develop and implement new technology initiatives and other strategic investments in a timely manner.**

We have invested in, and are involved with, a number of technology and process initiatives, including the development of new aluminium-lithium products. Being at the forefront of technological development is important to remain competitive. Several technical aspects of certain of these initiatives are still unproven and/or the eventual commercial outcomes and feasibility cannot be assessed with any certainty. Even if we are successful with these initiatives, we may not be able to bring them to market as planned before our competitors

or at all, and the initiatives may end up costing more than expected. As a result, the costs and benefits from our investments in new technologies and the impact on our financial results may vary from present expectations.

In addition, we have undertaken and may continue to undertake growth, streamlining and productivity initiatives to improve performance. We cannot assure you that these initiatives will be completed or that they will have their intended benefits. Capital investments in debottlenecking or other organic growth initiatives may not produce the returns we anticipate. Even if we are able to generate new efficiencies successfully in the short- to medium-term, we may not be able to continue to reduce cost and increase productivity over the long term.

**Interruptions or failures in our IT systems, or failure to protect our IT systems against cyber-attacks or information security breaches, could have a material adverse effect on our business and financial results.**

The efficient operation of our business depends on our IT systems. We rely on our IT systems to effectively manage and operate our business, including such processes as data, accounting, financial reporting, communications, supply chain, order entry and fulfillment and other business processes. The failure of our IT systems to perform as we anticipate could disrupt our business and could result in transaction errors, processing inefficiencies, and the loss of sales and customers, causing our business and results of operations to suffer.

In addition, some of our IT are nearing obsolescence, in that the software versions they are developed on are no longer fully supported or kept up-to-date by the original vendors. While day-to-day operations are not at risk, major new requirements (e.g., in legal or payroll) might require manual workarounds if the current software versions do not support those new functionalities. Information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber-attacks.

A failure in, or breach of, our IT systems as a result of cyber-attacks or information security breaches could disrupt our business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs or cause losses. As cyber threats continue to evolve, we are expending additional resources to continue to enhance our information security measures and be able to investigate and remediate promptly any information security vulnerabilities. We experienced a few security incidents in 2018, but they were successfully detected and handled. They did not have a material negative impact on the Company, our business or our operations.

We continue to make investments and adopt measures designed to enhance our protection, detection, response, and recovery capabilities, and to mitigate potential risks to our technology, products, services and operations from potential cyber-attacks. However, given the unpredictability, nature and scope of cyber-attacks, it is possible that potential vulnerabilities could go undetected for an extended period. We could potentially be subject to production downtimes, operational delays, other detrimental impacts on our operations or ability to provide products and services to our customers, the compromise of confidential or otherwise protected information, misappropriation, destruction or corruption of data, security breaches, other manipulation or improper use of our or third-party systems, networks or products, financial losses from remedial actions, loss of business or potential liability, and/or damage to our reputation, any of which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

**The process of upgrading our IT infrastructure may disrupt our operations.**

We continuously perform an evaluation of our IT systems and requirements and have implemented or plan to implement upgrades to our IT systems that support our business. These upgrades involve replacing legacy systems with state-of-the-art systems, making changes to legacy systems or acquiring new systems with new functionality. There are inherent risks associated with replacing, changing or acquiring new systems, including accurately capturing data and system disruptions. We may experience operational problems with our information

systems as a result of system failures, viruses, computer “hackers” or other causes. Any material disruption or slowdown of our systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems could cause information losses, including data related to customer orders. Such a disruption could adversely affect our business, financial condition or results of operations.

**As part of our ongoing evaluation of our operations, we may undertake additional restructuring efforts in the future, which could in some instances result in significant severance-related costs and other restructuring charges.**

We recorded restructuring charges of €1 million for the year ended December 31, 2018, €4 million for the year ended December 31, 2017 and €5 million for the year ended December 31, 2016. Restructuring costs in 2018, 2017, and 2016 were primarily related to corporate and production sites’ restructuring operations. We may pursue additional restructuring activities in the future, which could result in significant severance-related costs, restructuring charges and related costs and expenses, including resulting labor disputes, which could materially adversely affect our profitability and cash flows.

**A significant portion of our revenue is derived from our international operations, which exposes us to certain risks inherent in doing business globally.**

We have operations primarily in the United States, Germany, France, Slovakia, Switzerland, the Czech Republic and China and primarily sell our products across Europe, Asia and North America. Economic downturns in regional and global economies, including in Europe and North America, or a prolonged recession in our principal industry segments, have had a negative impact on our operations in the past by reducing overall demand of our products, and could have a negative impact on our future financial condition or results of operations.

We also continue to explore opportunities to expand our international operations. Our operations generally are subject to financial, political, economic, regulatory and business risks in connection with our global operations, including:

- changes in international governmental regulations, trade restrictions and laws, including those relating to taxes, employment and repatriation of earnings;
- compliance with sanctions regimes and export control laws of multiple jurisdictions;
- currency exchange rate fluctuations;
- tariffs and other trade barriers;
- the potential for nationalization of enterprises or government policies favoring local production;
- renegotiation or nullification of existing agreements;
- interest rate fluctuations;
- high rates of inflation;
- currency restrictions and limitations on repatriation of profits;
- differing protections for intellectual property and enforcement thereof;
- divergent environmental laws and regulations; and
- political, economic and social instability.

The occurrence of any of these events could cause our costs to rise, limit growth opportunities or have a negative effect on our operations and our ability to plan for future periods. In certain emerging markets, the degree of these risks may be higher due to more volatile economic conditions, less developed and predictable legal and regulatory regimes and increased potential for various types of adverse governmental action.



Our principal headquarters are in the European Union, and we maintain a significant presence in various European markets and the United States through our operating subsidiaries, including significant sales to customers in both Europe and the United States. If political and regulatory conditions in Europe, the United States or other key markets, remain uncertain or deteriorate, our customers may respond by suspending, delaying or reducing their capital expenditures, which may adversely affect our sales, cash flows and results of operations. For example, in June 2016, the United Kingdom held a non-binding advisory referendum in which voters voted for the United Kingdom to exit the European Union (“Brexit”). The final agreement with respect to Brexit remains under review by the parties involved. Political or geographical events, such as Brexit, or diplomatic tensions could result in changes in trade policy, taxes, market volatility or currency exchange rate fluctuations, and resulting uncertainty in the economy and markets could cause our customers and potential customers to delay or reduce spending on our products or services. Any of these effects, could adversely affect our business, results of operations and financial condition.

During periods of sustained economic downturn or significant supply/demand imbalances impacting our automotive, aerospace or beverage can businesses, our sales may be negatively impacted as our customers and consumers shift their purchases in response to such downturns. Our diversified customer base and product applications may help mitigate the effects of economic fluctuations, however, many of our customers and suppliers are reliant on liquidity from global credit markets and, in some cases, require external financing to purchase products or finance operations. Lack of liquidity or inability to access the credit markets by our customers could adversely affect our ability to collect the outstanding amounts due to us. Although we continue to seek to diversify our business on a geographic and end-market basis, the occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, and results of operations.

**We could be required to make unexpected contributions to our defined benefit pension plans as a result of adverse changes in interest rates and the capital markets.**

Most of our pension obligations relate to funded defined benefit pension plans for our employees in the United States and Switzerland, unfunded pension benefits in France and Germany, and lump sum indemnities payable to our employees in France and Germany upon retirement or termination. Our pension plan assets consist primarily of funds invested in listed stocks and bonds. Our estimates of liabilities and expenses for pensions and other post-retirement benefits incorporate a number of assumptions, including interest rates used to discount future benefits. Our liquidity or shareholders’ equity in a particular period could be materially adversely affected by capital market returns that are less than their assumed long-term rate of return or a decline in the rate used to discount future benefits. If the assets of our pension plans do not achieve assumed investment returns for any period, such deficiency could result in one or more charges against shareholders’ equity for that period. In addition, changing economic conditions, poor pension investment returns or other factors may require us to make unexpected cash contributions to the pension plans in the future, preventing the use of such cash for other purposes.

We also participate in various “multi-employer” pension plans in one of our facilities in the United States administered by labor unions representing some of our employees. Our withdrawal liability for any multi-employer plan would depend on the extent of the plan’s funding of vested benefits. In the ordinary course of our renegotiation of collective bargaining agreements with labor unions that maintain these plans, we could decide to discontinue participation in a plan, and in that event we could face a withdrawal liability. We could also be treated as withdrawing from participation in one of these plans if the number of our employees participating in these plans is reduced to a certain degree, or over certain periods of time. Such reductions in the number of our employees participating in these plans could occur as a result of changes in our business operations, such as facility closures or consolidations. Any withdrawal liability could have an adverse effect on our results of operations.

**We may not be able to adequately protect proprietary rights to our technology and legal proceedings or investigations, including enforcement of our intellectual property rights, could increase our operating costs and adversely affect our financial condition and results of operations.**

Our success depends in part upon our proprietary technology and processes. We believe that our intellectual property has significant value and is important to the marketing of our products and maintaining our competitive advantage. Although we attempt to protect our intellectual property rights both in the United States and in foreign countries through a combination of patent, trademark, trade secret and copyright laws, as well as through confidentiality and nondisclosure agreements and other measures, these measures may not be adequate to fully protect our rights. For example, we have a presence in China, which historically has afforded less protection to intellectual property rights than the United States or Europe. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, results of operations and financial condition.

We have applied for patent protection relating to certain existing and proposed products and processes. While we generally apply for patents in those countries where we intend to make, have made, use or sell patented products, we may not accurately predict all of the countries where patent protection will ultimately be desirable. If we fail to timely file a patent application in any such country, we may be precluded from doing so at a later date. Furthermore, we cannot assure you that any of our patent applications will be approved. We also cannot assure you that the patents issued as a result of our foreign patent applications will have the same scope of coverage as our United States patents. The patents we own could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Further, we cannot assure you that competitors or other third parties will not infringe our patents, or that we will have adequate resources to enforce our patents.

We also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. We cannot assure you that these agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, we could be materially adversely affected.

We rely on our trademarks, trade names and brand names to distinguish our products from the products of our competitors, and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure you that competitors or other third parties will not infringe our trademarks, or that we will have adequate resources to enforce our trademarks.

We may from time-to-time be involved in, or be the subject of, disputes, proceedings and investigations with respect to a variety of matters, including matters related to personal injury, intellectual property, employees, taxes, contracts, anti-competitive or anti-corruption practices as well as other disputes and proceedings that arise in the ordinary course of business. It could be costly to address these claims or any investigations involving them, whether meritorious or not, and legal proceedings and investigations could divert management's attention as well as operational resources, adversely affecting our financial position, results of operations and cash flows. Although the unauthorized use of our intellectual property may adversely affect our results of operations, any attempts to enforce our intellectual property rights, even if successful, could result in costly and prolonged litigation, divert management's attention and resources, and materially adversely affect our results of operations.

Furthermore, we may be subject to claims that we have infringed the intellectual property rights of another. Even if without merit, such claims could result in costly and prolonged litigation, cause us to cease making, licensing or using products or technologies that incorporate the challenged intellectual property, require us to redesign, reengineer or rebrand our products, if feasible, divert management's attention and resources, and materially adversely affect our results of operations. We may also be required to enter into licensing agreements in order to continue using technology that is important to our business, or we may be unable to obtain license agreements on acceptable terms. The requirements of such licensing agreements, failure to obtain the rights granted under such agreements, failure to conclude them on acceptable terms or litigation related to such agreements could adversely affect our financial position or results of operations.

**Current liabilities under, as well as the cost of compliance with, environmental, health and safety laws could increase our operating costs and adversely affect our financial condition and results of operations.**

Our operations are subject to international, national, state and local laws and regulations in the jurisdictions where we do business, which govern, among other things, air emissions, wastewater discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, and employee health and safety. At December 31, 2018, we had close-down and environmental remediation costs provisions of €83 million. Future environmental regulations or more aggressive enforcement of existing regulations could impose stricter compliance requirements on us and on the industries in which we operate. Additional pollution control equipment, process changes, or other environmental control measures may be needed at some of our facilities to meet future requirements. If we are unable to comply with these laws and regulations, we could incur substantial costs, including fines and civil or criminal sanctions, or costs associated with upgrades to our facilities or changes in our manufacturing processes in order to achieve and maintain compliance. Additionally, evolving regulatory standards and expectations can result in increased litigation and/or increased costs. There are also no assurances that newly discovered conditions, or new or more aggressive enforcement of applicable environmental requirements, or any failure by counterparties to perform indemnification obligations, will not have a material adverse effect on our business.

Financial responsibility for contaminated property can be imposed on us where current or former operations have had an environmental impact. Such liability can include the cost of investigating and remediating contaminated soil or ground water, financial assurance, fines and penalties sought by environmental authorities, and damages arising out of personal injury, contaminated property and other toxic tort claims, as well as lost or impaired natural resources. Certain environmental laws impose strict, and in certain circumstances joint and several, liability for certain kinds of matters, such that a person can be held liable without regard to fault for all of the costs of a matter regardless of legality at the time of conduct and even though others were also involved or responsible.

We have accrued, and expect to accrue, costs relating to the above matters that are reasonably expected to be incurred based on available information. However, it is possible that actual costs may differ, perhaps significantly, from the amounts expected or accrued. Similarly, the timing of those expenditures may occur faster than anticipated. These differences could adversely affect our financial position, results of operations and cash flows.

**Product liability claims against us could result in significant costs and could materially adversely affect our reputation and our business.**

If any of the products that we sell are defective or cause harm to any of our customers, we could be exposed to product liability lawsuits and/or warranty claims. If we were found liable under product liability claims or are obligated under warranty claims, we could be required to pay substantial monetary damages. Even if we successfully defend ourselves against these types of claims, we could still be forced to spend a substantial amount of money in litigation expenses, our management could be required to devote significant time and attention to defending against these claims, and our reputation could suffer, any of which could harm our business.

**Our operations present significant risk of injury or death.**

Because of the heavy industrial activities conducted at our facilities, there exists a risk of injury or death to our employees or other visitors, notwithstanding the safety precautions we take. Our operations are subject to regulation by national, state and local agencies responsible for employee health and safety, which has from time to time levied fines against us for certain isolated incidents. While such fines have not been material and we have in place policies to minimize such risks, we may nevertheless be unable to avoid material liabilities for any employee death or injury that may occur in the future, and any such incidents may materially adversely affect our reputation.

**The insurance level that we maintain may not fully cover all potential exposures.**

We maintain property, casualty and workers' compensation insurance in accordance with market practice, but such insurance may not fully cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including, but not limited to, liabilities for breach of contract, environmental compliance or remediation. In addition, from time to time and depending on market conditions, various types of insurance coverage for companies in our industry may not be available on commercially acceptable terms or, in some cases, may not be available at all. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain.

**Risks Related to Our Industry**

**Our financial results could be adversely affected by the volatility in aluminium prices.**

The overall price of primary aluminium consists of several components: (1) the underlying base metal component, which is typically based on quoted prices from the London Metal Exchange ("LME"); (2) the regional premium, which represents an incremental price over the base LME component that is associated with the physical delivery of metal to a particular region (e.g., the Midwest premium for metal sold in the United States or the Rotterdam premium for metal sold in Europe); and (3) the product premium, which represents a separate incremental price for receiving physical metal in a particular shape (e.g., billet, slab, rod, etc.), alloy, or purity. Each of these three components has its own drivers of variability. The LME price is typically driven by macroeconomic factors, including the global supply and demand of aluminium. Regional premiums tend to vary based on the supply and demand for metal in a particular region, changes in tariffs and associated warehousing and transportation costs. Product premiums generally are a function of supply and demand as well as production and raw material costs for a given primary aluminium shape and alloy combination in a particular region.

Speculative trading in aluminium has increased in recent years, contributing to higher levels of price volatility. During 2014, regional premiums reached levels substantially higher than historical averages, whereas, in 2015, such premiums experienced significant decreases in all regions, reverting to levels that are closer to historical averages. The Rotterdam regional premium increased to 26% of the LME base price in December 2014 and the Midwest regional premium increased to 27% of the LME base price. Sustained high aluminium prices, increases in aluminium prices, the inability to meaningfully hedge our exposure to aluminium prices, or the inability to pass through any fluctuation in regional premiums or product premiums to our customers, could have a material adverse effect on our business, financial condition, and results of operations and cash flow. In 2018, the LME cash price of aluminium reached a high of \$2,603 per metric ton and a low of \$1,870 per metric ton compared to a high of \$2,246 per metric ton and a low of \$1,701 per metric ton in 2017. In 2018, regional premiums ranged from 6% to 11% of the LME base price for the Rotterdam regional premium and from 9% to 23% of the LME base price for the U.S. Midwest regional premium.

**Aluminium may become less competitive with alternative materials, which could reduce our share of industry sales, lower our selling prices and reduce our sales volumes.**

Our fabricated aluminium products compete with products made from other materials—such as steel, glass, plastics and composite materials—for various applications. Higher aluminium prices relative to substitute materials tend to make aluminium products less competitive with these alternative materials. The willingness of customers to accept aluminium substitutes could result in reduced prices or sales volumes, either of which could materially and adversely affect our business, financial condition, results of operations and cash flows.

Environmental and other regulations may also increase our costs and may be passed on to our customers, and may restrict the use of chemicals needed to produce aluminium products. These regulations may make our products less competitive as compared to materials that are subject to fewer regulations. Certain existing regulations may make our products more attractive than competing products, including the Corporate Average Fuel Economy (“CAFE”) standards that require material improvements in the automotive and light truck miles per gallon by 2025 in the U.S. We believe such standards have increased demand for lighter materials used in the vehicle’s body in North America. The relaxation of these standards under the new Safer Affordable Fuel Efficient (SAFE) Vehicles Proposed Rule, which is being finalized by the Trump Administration, and the resulting potential litigation between California and the Federal State could reduce or delay the need for lighter materials among our customers. Any reduction in the competitiveness of our products relative to alternative materials could adversely affect our financial position, results of operations and cash flows.

Customers in our end-markets, including the can, packaging, aerospace and automotive sectors, use and continue to evaluate the further use of alternative materials to aluminium in order to reduce the weight and increase the efficiency of their products. Although trends in “light-weighting” have generally increased use of aluminium and substitution of aluminium for other materials, the willingness of customers to accept substitutions for aluminium, or the ability of large customers to exert leverage in the market to reduce the pricing for fabricated aluminium products, could adversely affect the demand for our products, and thus materially adversely affect our financial position, results of operations and cash flows.

**If we are unable to substantially pass on to our customers the cost of price increases of our raw materials, including aluminium, our profitability could be adversely affected.**

Prices for the raw materials we require are subject to continuous volatility and may increase from time to time. Although our sales are generally made on a “margin over metal price” basis, if prices increase, we may not be able to pass on the entire cost of the increases to our customers. There could also be a time lag between when changes in prices under our purchase contracts are effective and the point when we can implement corresponding changes under our sales contracts with our customers. As a result, we are exposed to fluctuations in raw materials prices, including metal, since during this time lag we may have to temporarily bear the additional cost of the price change under our purchase contracts. Further, although most of our contracts allow us to substantially pass through metal prices to our customers, we have certain contracts that are based on fixed metal pricing, where pass through is not available. Similarly, in certain contracts we have ineffective pass through mechanisms related to regional premium fluctuation. A related risk is that a sustained significant increase in raw materials prices may cause some of our customers to substitute our products with other materials. We attempt to mitigate these risks, including through hedging, but we may not be able to successfully reduce or eliminate any resulting impact, which could have a material adverse effect on our financial results.

**Significant regulatory developments stemming from the current U.S. administration could have an adverse effect on us.**

Changes or uncertainties in U.S. political and regulatory conditions or laws and policies governing foreign trade, manufacturing, and development and investment in resulting from the current U.S. administration, could adversely affect our business and financial statements. In particular, the current U.S. administration is negotiating

new trade agreements with partners such as Europe and Canada, and has implemented and/or is considering new duties and potential tariffs on selected imported goods (including aluminium products, cars and automotive components as part of ongoing or potential 232 investigations). These actions could lead to retaliatory tariffs or other adverse actions toward the United States by our customers in those countries, which could adversely affect our business, financial condition and results of operations.

**The price volatility of energy costs may adversely affect our profitability.**

Our operations use natural gas and electricity, which represent the third largest component of our cost of sales, after metal and labor costs. We purchase part of our natural gas and electricity on a market basis. The volatility in costs of fuel, principally natural gas, and other utility services, principally electricity, used by our production facilities affects operating costs. Fuel and utility prices have been, and will continue to be, affected by factors outside our control, such as supply and demand for fuel and utility services in both local and regional markets as well as governmental regulation and imposition of further taxes on energy. Although we have secured a large part of our natural gas and electricity under fixed price commitments or long-term contracts with suppliers, future increases in fuel and utility prices, or disruptions in energy supply, may have an adverse effect on our financial position, results of operations and cash flows.

**Adverse changes in currency exchange rates could adversely affect our financial results.**

The financial condition and results of operations of some of our operating entities are reported in various currencies and then translated into euros at the applicable exchange rate for inclusion in our Consolidated Financial Statements. As a result, the appreciation of the euro against the currencies of our operating local entities may have a negative impact on reported revenue and operating profit, and the resulting accounts receivable, while depreciation of the euro against these currencies may generally have a positive effect on reported revenue and operating profit. We do not hedge translation of forecasted results or actual results.

In addition, while the majority of costs incurred are denominated in local currencies, a portion of the revenue are denominated in U.S. dollars and other currencies. As a result, appreciation in the U.S. dollar may have a positive impact on earnings while depreciation of the U.S. dollar may have a negative impact on earnings. While we engage in significant hedging activity to attempt to mitigate this foreign transactions currency risk, this may not fully protect us from adverse effects due to currency fluctuations on our business, financial condition or results of operations.

**The cyclical and seasonal nature of the metals industry, our end-use markets and our customers' industries could adversely affect our financial condition and results of operations.**

The metals industry is generally cyclical in nature, and these cyclical fluctuations tend to directly correlate with changes in general and local economic conditions. These conditions include the level of economic growth, financing availability, the availability of affordable energy sources, employment levels, interest rates, consumer confidence and housing demand. Historically, in periods of recession or periods of minimal economic growth, metals companies have often tended to underperform other sectors.

We are particularly sensitive to cycles in the aerospace, defense, automotive, other transportation, building and construction and general engineering end-markets, which are highly cyclical. During recessions or periods of low growth, these industries typically experience major cutbacks in production, resulting in decreased demand for aluminium products. This leads to significant fluctuations in demand and pricing for our products and services. Because our operations are capital intensive and we generally have high fixed costs and may not be able to reduce costs and production capacity on a sufficiently rapid basis, our near-term profitability may be significantly affected by decreased processing volumes. Accordingly, reduced demand and pricing pressures may significantly reduce our profitability and materially adversely affect our financial condition, results of operations and cash flows.

In particular, we derive a significant portion of our revenue from products sold to the aerospace industry, which is highly cyclical and tends to decline in response to overall declines in the general economy. The commercial aerospace industry is historically driven by the demand from commercial airlines for new aircraft. Demand for commercial aircraft is influenced by airline industry profitability, trends in airline passenger traffic, the state of the U.S. and global economies and numerous other factors, including the effects of terrorism. A number of major airlines have undergone Chapter 11 bankruptcy or comparable insolvency proceedings and experienced financial strain from volatile fuel prices. The aerospace industry also suffered significantly in the wake of the events of September 11, 2001, resulting in a sharp decrease globally in new commercial aircraft deliveries and order cancellations or deferrals by the major airlines. Despite existing backlogs, continued financial uncertainty in the industry, inadequate liquidity of certain airline companies, production issues and delays in the launch of new aircraft programs at major aircraft manufacturers, stock variations in the supply chain, terrorist acts or the increased threat of terrorism may lead to reduced demand for new aircraft that utilize our products, which could materially adversely affect our financial position, results of operations and cash flows.

Further, the demand for our automotive extrusions and rolled products and many of our general engineering and other industrial products is dependent on the production of cars, light trucks, and heavy duty vehicles and trailers. The automotive industry is highly cyclical, as new vehicle demand is dependent on consumer spending and is tied closely to the strength of the overall economy. We note that the demand for luxury vehicles in China has become significant over the past several years and therefore fluctuations in the Chinese economy may adversely affect the demand for our products. Production cuts by manufacturers may adversely affect the demand for our products. Many automotive-related manufacturers and first tier suppliers are burdened with substantial structural costs, including pension, healthcare and labor costs that have resulted in severe financial difficulty, including bankruptcy, for several of them. A worsening of these companies' financial condition or their bankruptcy could have further serious effects on the conditions of the markets, which directly affects the demand for our products. In addition, the loss of business with respect to, or a lack of commercial success of, one or more particular vehicle models for which we are a significant supplier could have a materially adverse impact on our financial position, results of operations and cash flows.

Customer demand in the aluminium industry is also affected by holiday seasons, weather conditions, economic and other factors beyond our control. Our volumes are impacted by the timing of the holiday seasons in particular, the lowest volumes typically occurring in August and December and highest volumes occurring in January to June. Our business is also impacted by seasonal slowdowns and upturns in certain of our customers' industries. Historically, the beverage can industry is strongest in the spring and summer season, whereas the automotive and construction sectors encounter slowdowns in both the third and fourth quarters of the calendar year. Therefore, our quarterly financial results could fluctuate as a result of climatic or other seasonal changes, and a prolonged period of unusually cool summers in different regions in which we conduct our business could have a negative effect on our financial position, results of operations and cash flows.

**Regulations regarding carbon dioxide emissions, and unfavorable allocation of rights to emit carbon dioxide or other air emission related issues, as well as other environmental laws and regulations, could have a material adverse effect on our business, financial condition and results of operations.**

Global climate change associated with increased levels of greenhouse gases, including carbon dioxide, has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. Measures to reduce carbon dioxide and other greenhouse gas emissions that directly or indirectly affect us or our suppliers have been implemented and more such measures are being developed or may be developed in the future. Substantial quantities of greenhouse gases are released as a consequence of our operations. Compliance with regulations governing such emissions tend to become more stringent over time and could lead to a need for us to further reduce such greenhouse gas emissions, to purchase rights to emit from third parties, or to make other changes to our business, all of which could result in significant additional costs or could reduce demand for our products. In addition, we are a significant purchaser of energy. Existing and future regulations relating to the emission of carbon dioxide by our energy suppliers could result in materially increased energy costs for our operations, and

we may be unable to pass along these increased energy costs to our customers, which could have a material adverse effect on our business, financial condition and results of operations. For example, the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change resulted in an agreement (the “Paris Agreement”), that calls for the parties to undertake “ambitious efforts” to limit the average global temperature and to conserve and enhance sinks and reservoirs of greenhouse gases and establishes a framework for the parties to cooperate and report actions to reduce greenhouse gas emissions. Implementation of the Paris Agreement, whether through a revised European emissions trading system or other measures, could have a material adverse effect on our business, financial condition and results of operations.

Our fabrication process is subject to regulations that may hinder our ability to manufacture our products. Some of the chemicals we use in our fabrication processes are subject to government regulation, such as REACH (“Registration, Evaluation, Authorisation and Restriction of Chemicals”) in the EU. Under REACH, we are required to register some of our products with the European Chemicals Agency, and compliance with the registration process or obtaining necessary approvals could impose significant costs on our facilities or delay our introduction of new products. We may be required to make significant expenditures to reformulate the chemicals that we use in our products and materials or incur costs to register such chemicals to gain and/or regain compliance, and we may lose customers or revenue as a result. Additionally, if we fail to comply with these or similar laws and regulations, we could be subject to significant fines or other civil and criminal penalties should we not achieve such compliance. To the extent that other nations in which we operate also require chemical registration, potential delays similar to those in Europe may delay our entry into these markets. Any failure to obtain or delay in obtaining regulatory approvals for chemical products used in our facilities could have a material adverse effect on our business, financial condition and results of operations.

**Market-driven balancing of global aluminium supply and demand may be disrupted by non-market forces or other impediments to production closures.**

In response to market-driven factors relating to the global supply and demand of aluminium and alumina, certain producers in the aluminium market have curtailed or closed portions of their production capacity. Certain other industry producers have independently undertaken to reduce production as well. Reductions in production may be delayed or impaired by the terms of long-term contracts to buy power or raw materials. The existence of non-market forces on global aluminium industry capacity, such as political pressures in certain countries to keep jobs or to maintain or further develop industry self-sufficiency, may prevent or delay the closure or curtailment of certain producers’ smelters, irrespective of their position on the industry cost curve. The impact of such non-market forces on the industry as a whole might adversely affect the company and its results of operations.

**Risks Related to Our Indebtedness and Financial Reporting**

**Our level of indebtedness could limit cash flow available for our operations and capital expenditures and could adversely affect our ability to service our debt or obtain additional financing, if necessary, and our net income.**

We have now and will continue to have a significant amount of indebtedness. As of December 31, 2018, we had total indebtedness of €2,151 million (of which €2,148 million consisted of the principal amount of the Notes, net of €32 million of issuance costs). Further, we have substantial pension and other post-employment benefit obligations, resulting in net liabilities of €610 million as of December 31, 2018.

Our level of indebtedness could adversely affect our operations. Among other things, our substantial indebtedness could:

- limit our ability to obtain additional financing for working capital, capital expenditures, research and development efforts, acquisitions and general corporate purposes;
- make it more difficult for us to satisfy leverage and fixed charge coverage ratios required for us to incur additional indebtedness under our existing indebtedness;



- make it more difficult for us to satisfy our financial obligations;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts and other general corporate purposes;
- restrict us from making strategic acquisitions, introducing new technologies and exploiting business opportunities;
- adversely affect the terms under which suppliers provide goods and services to us;
- limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we compete; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

In addition, if we are unable to meet our debt service obligations and pay our expenses, we may be forced to reduce or delay business activities and capital expenditures, sell assets, obtain additional debt or equity capital, restructure or refinance all or a portion of our debt before maturity or take other measures. Such measures may materially adversely affect our business. If these alternative measures are unsuccessful, we could default on our obligations, which could result in the acceleration of our outstanding debt obligations and could have a material adverse effect on our business, results of operations and financial condition.

In addition, a portion of our indebtedness is, and our future indebtedness may be, subject to variable rates of interest, exposing us to interest rate risk. See “Item 10. Additional Information—C. Material Contracts.” If interest rates increase, our debt service obligations on the variable rate indebtedness would increase, resulting in a reduction of our net income that could be significant, even though the principal amount borrowed would remain the same.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indentures and agreements governing our existing indebtedness do not fully prohibit us or our subsidiaries from doing so. If new debt is added to our and our subsidiaries’ current debt levels, the related risks that we and they now face could intensify.

**The terms of our indebtedness contain covenants that restrict our current and future operations, and a failure by us to comply with those covenants may materially adversely affect our business, results of operations and financial condition.**

The agreements governing our existing indebtedness contains, and the agreements governing any future indebtedness we may incur would likely contain, a number of financial and other restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. These include, without limitation, restrictions on our ability to, among other things: (i) incur or guarantee additional debt; (ii) pay dividends and make other restricted payments and investments; (iii) create or incur certain liens; (iv) make certain loans, acquisitions or investments; (v) engage in sales of assets and subsidiary stock; (vi) enter into transactions with affiliates; (vii) transfer all or substantially all of our assets or enter into merger or consolidation transactions; and (viii) enter into sale and lease-back transactions.

In addition, the Pan-U.S. ABL Facility for our Ravenswood, Muscle Shoals, and Bowling Green sites provides that at any time during which borrowing availability thereunder is below 10% of the aggregate commitments under the Pan-U.S. ABL Facility, we will be required to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 and a minimum Borrower EBITDA Contribution of 25%, in each case calculated on a trailing twelve-month basis. “Borrower EBITDA Contribution” means, for any period, the ratio of (x) the combined EBITDA of the borrowers under the Pan-U.S. ABL Facility and their subsidiaries for such period, to (y) the consolidated EBITDA of the Company and its subsidiaries for such period.

A failure to comply with our debt covenants could result in an event of default that, if not cured or waived, could have a material adverse effect on our business, results of operations and financial condition. If we default under our indebtedness, we may not be able to borrow additional amounts and our lenders could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, or take other remedial actions. Our indebtedness also contains cross-default provisions, which means that if an event of default occurs under certain material indebtedness, such event of default may trigger an event of default under our other indebtedness. If our indebtedness were to be accelerated, we cannot assure you that our assets would be sufficient to repay such indebtedness in full and our lenders could foreclose on our pledged assets.

**A deterioration in our financial position or a downgrade of our ratings by a credit rating agency could increase our borrowing costs, lead to our inability to access liquidity facilities, and adversely affect our business relationships.**

A deterioration in our financial position or a downgrade of our credit ratings could adversely affect our financing, limit access to the capital or credit markets or our liquidity facilities, or otherwise adversely affect the availability of other new financing on favorable terms or at all, result in more restrictive covenants in agreements governing the terms of any future indebtedness that we incur, increase our borrowing costs, or otherwise impair our business, financial condition and results of operations.

While the terms of our other existing financing arrangements do not require us to maintain a specific credit rating, the commitments under the Wise Factoring Facility (as defined herein) are conditioned on, among other things, (i) Constellium's corporate credit rating not having been withdrawn by either Standard & Poor's or Moody's or downgraded below B- by Standard & Poor's and B3 by Moody's, and (ii) there not having occurred a material adverse change in the business condition, operations, or performance of Wise Alloys Funding II LLC, since renamed Constellium Muscle Shoals Funding II LLC, Wise Alloys LLC, since renamed Constellium Muscle Shoals LLC ("Muscle Shoals"), or Constellium International. See "Item 10. Additional Information—C. Material Contracts—Wise Factoring Facilities." If either of these conditions occurs, all purchases under the Wise Factoring Facility will become uncommitted. If the Wise Factoring Facility is not extended, refinanced or replaced, Wise's cash collections from customers will be on longer terms than currently funded through the Wise Factoring Facility. As a result, the Company's liquidity could meaningfully decrease, causing the Company to have insufficient liquidity to operate its business and service its indebtedness, unless another source of liquidity is identified.

A deterioration of our financial position or a downgrade of our credit ratings for any reason could also increase our borrowing costs and have an adverse effect on our business relationships with customers, suppliers and hedging counterparties. As discussed above, we enter into various forms of hedging arrangements against currency, interest rate or metal price fluctuations and trade metal contracts on the LME. Financial strength and credit ratings are important to the availability and pricing of these hedging and trading activities. As a result, any downgrade of our credit ratings may make it more costly for us to engage in these activities, and changes to our level of indebtedness may make it more difficult or costly for us to engage in hedging and trading activities in the future.

**To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.**

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures and research and development efforts will depend on our ability to generate cash in the future. Although there can be no assurances, we believe that the cash provided by our operations will be sufficient to provide for our cash requirements for the foreseeable future. However, our ability to satisfy our obligations will depend on our future operating performance and financial results, which will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an

amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. If we are unable to generate sufficient cash flow to service our debt, we may be required to:

- refinance all or a portion of our debt;
- obtain additional financing;
- sell some of our assets or operations;
- reduce or delay capital expenditures and acquisitions;
- reduce or delay our research and development efforts; or
- revise or delay our strategic plans.

If we are required to take any of these actions, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt instruments.

**Our historical financial information presented in this report may not be representative of future results, our relatively short history operating as a standalone company may pose some challenges and we have incurred and will continue to incur increased costs and demands upon resources as a result of being a public company.**

Due to inherent uncertainties of our business, the historical financial information does not necessarily indicate what our results of operations, financial position, cash flows or costs and expenses will be in the future as past performance is not necessarily an indicator of future performance. In addition, we have a relatively short history operating as a standalone company which may pose some operational challenges to our management. We incur significant legal, accounting and other expenses as a public company, including costs resulting from public company reporting obligations under the Exchange Act and regulations regarding internal control over financial reporting, as well as compliance with NYSE requirements. Our management is required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We evaluate and monitor developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs as rules and regulations change. Our reporting and other compliance obligations as a public company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future which may divert management's attention from running our core business or otherwise materially adversely affect our operating results.

**If we do not adequately maintain and continue to evolve our financial reporting and internal controls (which could result in higher operating costs), we may be unable to accurately report our financial results or prevent fraud.**

We will need to continue to improve existing, and implement new, financial reporting and management systems, procedures and controls to manage our business effectively and support our growth in the future. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures and controls, or the obsolescence of existing financial control systems, could harm our ability to accurately forecast sales demand and record and report financial and management information on a timely and accurate basis.

We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal controls, if we do not develop and maintain effective controls and procedures or if we are otherwise unable to deliver timely and reliable financial information. Any loss of confidence in the reliability of our financial statements or other negative reaction to our failure to develop timely or adequate disclosure controls and procedures or internal controls could result in a decline in the trading price of our ordinary shares. In addition, if we fail to remedy any material weakness, our financial statements may be inaccurate, we may face restricted access to the capital markets and the price of our ordinary shares may be materially adversely affected.

## **Risks Related to Our Corporate Structure and Ownership of our Ordinary Shares**

**We are a foreign private issuer under the U.S. securities laws and within the meaning of the New York Stock Exchange (“NYSE”) rules. As a result, we qualify for and rely on exemptions from certain corporate governance requirements and may rely on other exemptions available to us in the future.**

As a “foreign private issuer,” as such term is defined in Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”), we are permitted to follow our home country practice in lieu of certain corporate governance requirements of the NYSE. Foreign private issuers are also exempt from certain U.S. securities law requirements applicable to U.S. domestic issuers, including the requirement to file quarterly reports on Form 10-Q, to distribute a proxy statement pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in connection with the solicitation of proxies for shareholder meetings, and Section 16 filings.

We rely on the exemptions for foreign private issuers and follow Dutch corporate governance practices in lieu of some of the NYSE corporate governance rules. We may change the home country corporate governance practices we follow, and, accordingly, which exemptions we rely on from the NYSE requirements. So long as we qualify as a foreign private issuer, you may not have the same protections applicable to companies that are subject to all of the NYSE corporate governance requirements.

If we were to lose our status as a foreign private issuer or otherwise not be considered a foreign private issuer, the regulatory and compliance costs to the Company could be significantly more than the costs we incur as a foreign private issuer. We would be required to file periodic reports, including audited financial statements, and registration statements on U.S. domestic issuer forms with the SEC, including proxy statements pursuant to Section 14 of the Exchange Act. These SEC disclosure requirements are more detailed and extensive than the forms available to a foreign private issuer. Furthermore, if we were not a foreign private issuer, we would be required to meet such filing requirements on a more abbreviated timetable than is applicable to our current filings with the SEC. In addition, our directors, executive officers and 10% owners would become subject to insider short-swing profit disclosure and recovery rules under Section 16 of the Exchange Act. We could also be required to modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. In addition, we would lose our ability to rely upon exemptions from certain NYSE corporate governance requirements that are available to foreign private issuers. In particular, within six months of losing our foreign private issuer status we would be required to have a majority of independent directors and a nominating/corporate governance committee and a compensation committee comprised entirely of independent directors, unless other exemptions are available under the NYSE rules. Any of these changes would likely increase our regulatory and compliance costs and expenses, which could have a material adverse effect on our business, financial condition and results of operations.

**If we fail to meet the continuing listing requirements to maintain the listing of our ordinary shares on the NYSE, our ordinary shares could be delisted by the NYSE prior to any voluntary delisting.**

Our ordinary shares are currently listed on the NYSE under the symbol “CSTM”. We must meet continuing listing requirements to maintain the listing of our ordinary shares on the NYSE. If we fail to meet certain listing standards on the NYSE, our ordinary shares may be subject to delisting after the expiration of the period of time, if any, that we are allowed for regaining compliance. We may also voluntarily delist our ordinary shares from the NYSE under certain circumstances. There can be no assurance that our ordinary shares will remain listed on the NYSE. Any delisting of our ordinary shares could adversely affect a shareholder’s ability to dispose, or obtain quotations as to the market value, of such shares and the market price and liquidity of such ordinary shares.

**We do not comply with all the provisions of the Dutch Corporate Governance Code, which could affect your rights as a shareholder.**

We are subject to the Dutch Corporate Governance Code, which applies to all Dutch companies listed on a regulated market, whether in the Netherlands or elsewhere, including the NYSE. The Dutch Corporate Governance Code contains principles and best practice provisions for boards of directors, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. The Dutch Corporate Governance Code is based on a “comply or explain” principle. Accordingly, companies are required to disclose in their annual reports, filed in the Netherlands, whether they comply with the provisions of the Dutch Corporate Governance Code and, if they do not comply with those provisions, to give the reasons for such noncompliance. The principles and best practice provisions apply to the board (relating to, among other matters, the board’s role and composition, conflicts of interest and independence requirements, board committees and remuneration), shareholders and the general meeting of shareholders (for example, regarding anti-takeover protection and obligations of a company to provide information to its shareholders), and financial reporting (such as external auditor and internal audit requirements). We have decided not to comply with a number of the provisions of the Dutch Corporate Governance Code because such provisions conflict, in whole or in part, with the corporate governance rules of the NYSE and U.S. securities laws that apply to our company whose ordinary shares are traded on the NYSE, or because such provisions do not reflect best practices of global companies listed on the NYSE. This may affect your rights as a shareholder and you may not have the same level of protection as a shareholder in a Dutch company that fully complies with the Dutch Corporate Governance Code. See “Item 16G. Corporate Governance—Dutch Corporate Governance Code.”

**The market price of our ordinary shares may fluctuate significantly, and you could lose all or part of your investment.**

The market price of our ordinary shares may be influenced by many factors, some of which are beyond our control and could result in significant fluctuations, including: (i) the failure of financial analysts to cover our ordinary shares, changes in financial estimates by analysts or any failure by us to meet or exceed any of these estimates; (ii) actual or anticipated variations in our operating results; (iii) announcements by us or our competitors of significant contracts or acquisitions; (iv) the recruitment or departure of key personnel; (v) regulatory and litigation developments; (vi) developments in our industry; (vii) future sales of our ordinary shares; and (viii) investor perceptions of us and the industries in which we operate.

In addition, the stock market in general has experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of certain companies’ securities, securities class action litigation has been instituted against these companies. If any such litigation is instituted against us, it could materially adversely affect our business, results of operations and financial condition.

**Sales of substantial amounts of our ordinary shares in the public market, or the perception that these sales may occur, could cause the market price of our ordinary shares to decline.**

Sales of substantial amounts of our ordinary shares in the public market, or the perception that these sales may occur, could cause the market price of our ordinary shares to decline. This could also impair our ability to raise additional capital through the sale of our equity securities. In addition, the sale of our ordinary shares by our officers and directors in the public market, or the perception that such sales may occur, could cause the market price of our ordinary shares to decline.

We may issue ordinary shares or other securities from time to time as consideration for, or to finance, future acquisitions and investments or for other capital needs. We cannot predict the size of future issuances of our

shares or the effect, if any, that future sales and issuances of shares would have on the market price of our ordinary shares. If any such acquisition or investment is significant, the number of ordinary shares or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial and may result in additional dilution to our shareholders. We may also grant registration rights covering ordinary shares or other securities that we may issue in connection with any such acquisitions and investments.

**Provisions of our organizational documents and applicable law may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their ordinary shares or to make changes in our board of directors.**

Several provisions of our Amended and Restated Articles of Association and the laws of the Netherlands could make it difficult for our shareholders to change the composition of our board of directors, thereby preventing them from changing the composition of our management. In addition, the same provisions may discourage, delay or prevent a merger, consolidation or acquisition that shareholders may consider favorable. Provisions of our Amended and Restated Articles of Association impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. These anti-takeover provisions could substantially impede the ability of our shareholders to benefit from a change in control and, as a result, may materially adversely affect the market price of our ordinary shares and your ability to realize any potential change of control premium.

Our general meeting of shareholders has empowered our board of directors to issue shares and restrict or exclude preemptive rights on those shares for a period of five years. Accordingly, an issue of new shares may make it more difficult for a shareholder to obtain control over our general meeting of shareholders.

In addition, because certain of our products may have applications in the defense sector, we may be subject to rules and regulations in France and other jurisdictions that could impede or discourage a takeover or other change in control of Constellium or its subsidiaries. In particular, Constellium supplies aluminium alloy products, such as plates, sheets, profiles, tubes and castings, and related services and research and development (“R&D”) activities in connection with aerospace and defense programs in France. As a result, a controlling investment in Constellium or certain of its French subsidiaries, or the purchase of assets constituting a business that produces products or provides services with applications in the defense sector, by a company or individual that is considered to be foreign or non-resident in France may be subject to the French Monetary and Financial Code, which requires prior authorization of the French Ministry of Economy.

**The rights of our shareholders may be different from the rights of shareholders governed by the laws of U.S. jurisdictions.**

Our corporate affairs are governed by our Amended and Restated Articles of Association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. In the performance of its duties, our board of directors is required by Dutch law to consider the interests of our company, its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, your interests as a shareholder. See “Item 16G. Corporate Governance—Dutch Corporate Governance Code.”

Although shareholders have the right to approve legal mergers or demergers, Dutch law does not grant appraisal rights to a company’s shareholders who wish to challenge the consideration to be paid upon a domestic legal merger or demerger of a company. In addition, if a third party is liable to a Dutch company, under Dutch law shareholders generally do not have the right to bring an action on behalf of the company or to bring an action on their own behalf to recover damages sustained as a result of a decrease in value, or loss of an increase in

value, of their stock. Only in the event that the cause of liability of such third party to the company also constitutes a tortious act directly against such shareholder and the damages sustained are permanent, may that shareholder have an individual right of action against such third party on its own behalf to recover damages. The Dutch Civil Code provides for the possibility to initiate such actions collectively. A foundation or an association whose objective, as stated in its articles of association, is to protect the rights of persons having similar interests, may institute a collective action. The collective action cannot result in an order for payment of monetary damages but may result in a declaratory judgment (*verklaring voor recht*), for example, declaring that a party has acted wrongfully or has breached a fiduciary duty. The foundation or association and the defendant are permitted to reach (often on the basis of such declaratory judgment) a settlement that provides for monetary compensation for damages. A designated Dutch court may declare the settlement agreement binding upon all the injured parties with an opt-out choice for an individual injured party. An individual injured party, within the period set by the court, may also individually institute a civil claim for damages if such injured party is not bound by a collective agreement.

The provisions of Dutch corporate law and our Amended and Restated Articles of Association have the effect of concentrating control over certain corporate decisions and transactions in the hands of our board of directors. As a result, holders of our shares may have more difficulty in protecting their interests in the face of actions by members of the board of directors than if we were incorporated in the United States.

**United States civil liabilities may not be enforceable against us.**

We are incorporated under the laws of the Netherlands and substantial portions of our assets are located outside the United States. In addition, certain directors, officers and experts named herein reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such other persons residing outside the United States, or to enforce outside the United States judgments obtained against such persons in U.S. courts in any action, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the U.S. federal securities laws.

There is no treaty between the United States and the Netherlands for the mutual recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be enforceable in the Netherlands unless the underlying claim is re-litigated before a Dutch court. However, under current practice, the courts of the Netherlands may be expected to render a judgment in accordance with the judgment of the relevant U.S. court, provided that such judgment (i) is a final judgment and has been rendered by a court which has established its jurisdiction on the basis of internationally accepted grounds of jurisdictions, (ii) has not been rendered in violation of elementary principles of fair trial, (iii) is not contrary to the public policy of the Netherlands, and (iv) is not incompatible with (a) a prior judgment of a Netherlands court rendered in a dispute between the same parties, or (b) a prior judgment of a foreign court rendered in a dispute between the same parties, concerning the same subject matter and based on the same cause of action, provided that such prior judgment is not capable of being recognized in the Netherlands. It is uncertain whether this practice extends to default judgments as well.

Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce against us or members of our board of directors, officers or certain experts named herein who are residents of the Netherlands or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

In addition, there is doubt as to whether a Dutch court would impose civil liability on us, the members of our board of directors, our officers or certain experts named herein in an original action predicated solely upon

the U.S. federal securities laws brought in a court of competent jurisdiction in the Netherlands against us or such members, officers or experts, respectively.

**Our plan to convert the Company into a *Societas Europaea* and transfer our corporate seat from the Netherlands to France is subject to various risks and uncertainties, including shareholder approval, and may not be completed in accordance with the expected plans or at all.**

We announced in July 2017 that we intend to move our corporate seat to France and close our Amsterdam office (the “Corporate Seat Transfer”). The Corporate Seat Transfer is intended to enable us to reorganize in a manner that would, among other things, reduce costs and simplify our corporate structure. See “Item 4. Information on the Company—B. Business Overview—Recent Developments—Plan to Transfer Corporate Seat to France.”

The Corporate Seat Transfer is subject to shareholder approval. Pursuant to governing law, two separate shareholder approvals are required for the conversion from its present form, a Dutch public company or *Naamloze Vennootschap* (“NV”), into a European public company (*Societas Europaea* or “SE”) and for the Corporate Seat Transfer. We are required to obtain shareholder approval for, first, the conversion into an SE and, second, the transfer of the corporate seat to France. If we do not obtain both of the required shareholder approvals we will not be able to consummate the Corporate Seat Transfer or realize the anticipated benefits.

We are continuing to evaluate the requirements for effectuating such conversion and transfer, and it is possible that adverse impacts of such requirements on our Company or failure to obtain required approvals could delay or prevent the completion of such plans or could cause us to materially modify or abandon such plans. If the Corporate Seat Transfer is not approved or successfully completed, we will continue to be governed by Dutch law.

**Risks Related to Taxation**

**Increases or decreases in income tax rates, changes in income tax laws, additional income tax liabilities due to unfavorable resolution of tax audits and challenges to our tax position could have a material adverse impact on our financial results.**

We operate in multiple tax jurisdictions and believe that we file our tax returns in compliance with the tax laws and regulations of these jurisdictions. Various factors determine our effective tax rate and/or the amount we are required to pay, including changes in or interpretations of tax laws and regulations in any given jurisdiction or global- and EU-based initiatives such as the Action Plan on Base Erosion and Profit Shifting (“BEPS”) of the Organization for Economic Co-operation and Development (the “OECD”) and the EU Anti-Tax Avoidance Directive (EU/2016/1164 as amended by EU/2017/952, the “ATAD”) which aim among other things to address tax avoidance by multinational companies, changes in geographical allocation of income and expense, our ability to use net operating loss and other tax attributes, and our evaluation of our deferred tax assets that requires significant judgment. The current incorporation into domestic tax law of the OECD principles related to BEPS included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017 could increase administrative efforts within the Company and impact existing structures. Furthermore, the European Commission published a corporate reform package proposal on October 25, 2016 including three new proposals that aim at (i) re-launching the Common Consolidated Corporate Tax Base (“CCCTB”) which is a single set of rules to compute companies’ taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. Changes to our effective tax rate could materially adversely affect our financial position, liquidity, results of operations and cash flows.



In addition, due to the size and nature of our business, we are subject to ongoing reviews by taxing authorities on various tax matters, including challenges to positions we assert on our income tax and withholding tax returns. We accrue income tax liabilities and tax contingencies based upon our best estimate of the taxes ultimately expected to be paid after considering our knowledge of all relevant facts and circumstances, existing tax laws and regulations, our experience with previous audits and settlements, the status of current tax examinations and how the tax authorities and courts view certain issues. Such amounts are included in income taxes payable, other non-current liabilities or deferred income tax liabilities, as appropriate, and updated over time as more information becomes available or on the basis of the lapse of the statute of limitation. We record additional tax expenses or reduce tax expenses in the period in which we determine that the recorded tax liability is less than or in excess of the ultimate assessment we expect. We are currently subject to audit and review in a number of jurisdictions in which we operate, and further audits may commence in the future.

The Company is incorporated under the laws of the Netherlands and on this basis is subject to Dutch tax laws as a Dutch resident taxpayer. In July 2017, we announced the Corporate Seat Transfer. In anticipation of the envisaged Corporate Seat Transfer, the Company has executed certain restructuring steps including amongst others the establishment of a French branch which is engaged in holding activities and is the head of our French tax consolidated group. We believe that, until completion of the Corporate Seat Transfer, because of the manner in which we conduct our business, the Company remains resident only in the Netherlands and has a French branch, which is subject to French taxes for the operations attributable to this branch.

If our tax position were successfully challenged by applicable tax authorities, or if there were changes in the tax laws, tax treaties, or the interpretation or application thereof (which could in certain circumstances have retroactive effect) or in the manner in which we conduct our business, this could materially adversely affect our financial position.

**The impact of recent U.S. Tax reform is uncertain.**

New U.S. federal tax legislation (commonly referred to as “The Tax Cuts and Jobs Act”) was enacted in December 2017. This legislation made significant changes to the U.S. Internal Revenue Code, many of which are highly complex and may require interpretations and implementing regulations. As a result, we may incur meaningful expenses (including professional fees) as the new legislation is implemented. The expected impact of certain aspects of the legislation is unclear and subject to change.

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

*French tax provisions restricting the deductibility of interest by reference to the French tax group' EBITDA*

Under article 223 B bis of the French tax code (“FTC”) which implemented article 4 of the EU Anti-Tax Avoidance Directive EU/2016/1164 of 12 July 2016 (“ATAD Directive”), deduction of net financial expenses incurred by a French tax group is allowed up to a maximum amount which depends on whether the said French tax group is deemed thinly-capitalized or not.

A French tax group is deemed thinly-capitalized for a financial year when the average amount of the sums left or made available during such financial year to member companies of the French tax group by related companies that are not members of the French tax group (subject to certain adjustments) exceeds 1.5 times the total shareholders’ equity of the French tax group.

- a) In the case where the French tax group is not deemed thinly-capitalized, deduction of the net financial expenses borne by the French tax group is allowed up to the greater of (i) €M 3.0 and (ii) 30% of the French tax group’s EBITDA (subject to certain safe-harbor rules).

- b) In the case where the French tax group is deemed thinly-capitalized (subject to certain safe-harbor rules) deduction of the net financial expenses borne by the French tax group is allowed up the sum of
- the amount of the net financial expenses borne by the French tax group multiplied by the ratio  $R$  of  $(x)$  the debt of the French tax group towards unrelated parties plus 1.5 times the total shareholders' equity over  $(y)$  the total debt of the French tax group, up to the greater of (i) €M 3.0 and (ii) 30% of the French tax group's EBITDA, multiplied by the ratio  $R$ ; and
  - the amount of the net financial expenses borne by the French tax group multiplied by  $1 - \text{ratio } R$ , up to the greater of (i) €M1.0 and (ii) 10% of the French tax group's EBITDA, multiplied by  $1 - \text{ratio } R$ .

Disallowed interest and unused interest capacity can be carried forward, subject to certain limitations.

Similar interest deduction limitations apply to the French companies that are not part of a French tax group.

*French tax provisions restricting the deductibility of interest paid to shareholders*

Interest paid by companies that are subject to French corporate income to their shareholders are only tax deductible up to the rate referred to in Article 39-1-3 of the FTC (i.e. the annual average of the average effective floating rates on bank loans to companies with an initial maturity exceeding two years). By exception, Article 212 § 1-a) of the FTC provides that interest incurred on loans granted by a related party is deductible up to the rate referred to in Article 39-1-3 of the FTC or, if higher, up to the rate that the borrowing company could have obtained from independent financial credit institutions in similar circumstances.

*French tax provisions restricting the deductibility of interest paid to related parties*

Under Article 212 § 1-b) of the FTC, the French debtor must demonstrate, at the French tax authorities' request, that the interest paid to a foreign related party is subject to the condition that the lender is subject to income tax on such interest, the amount of which is at least equal to 25% of the corporate income which would be due on such interest if the lender was established in France, determined under standard French tax rules.

On February 22, 2017, the Council of the European Union adopted the EU Directive EU/2017/952 of May 29, 2017, ("ATAD 2 Directive"), amending the ATAD Directive, which, inter alia, extends the scope of the ATAD Directive to hybrid mismatches involving third countries, which would be applicable as from January 1, 2020, except for certain of its provisions which would be applicable as from January 1, 2022.

The ATAD 2 Directive, once implemented under French domestic law, 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.

Similarly, until the effective date of the Corporate Seat Transfer, the detailed Dutch rules limiting interest deductions and the ATAD and ATAD 2 Directives may limit our ability to deduct interest in the Netherlands and may thus decrease the amount of our Dutch tax losses and increase our tax burden.

Any of the above consequences may have an adverse effect on our results of operations.

**We may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could subject U.S. investors in our ordinary shares to significant adverse U.S. federal income tax consequences.**

A foreign corporation will be a passive foreign investment company for U.S. federal income tax purposes (a “PFIC”) in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules,” either (i) at least 75% of its gross income is “passive income,” or (ii) at least 50% of its assets produce or are held for the production of “passive income.” For this purpose, “passive income” generally includes dividends, interest, royalties and rents and certain other categories of income, subject to certain exceptions. We believe that we will not be a PFIC for the current taxable year and that we have not been a PFIC for prior taxable years and we expect that we will not become a PFIC in the foreseeable future, although there can be no assurance in this regard. The determination of whether we are a PFIC is a fact-intensive determination that includes ascertaining the fair market value (or, in certain circumstances, tax basis) of all of our assets on a quarterly basis and the character of each item of income we earn. This determination is made annually and cannot be completed until the close of a taxable year. It depends upon the portion of our assets (including goodwill) and income characterized as passive under the PFIC rules. Accordingly, it is possible that we may become a PFIC due to changes in our income or asset composition or a decline in the market value of our equity. Because PFIC status is a fact-intensive determination, no assurance can be given that we are not, have not been, or will not become, classified as a PFIC.

If we were to be classified as a PFIC in any taxable year, U.S. Holders (as defined in “Item 10. Additional Information—E. Material U.S. Federal Income Tax Consequences”) generally would be subject to special tax rules that could result in materially adverse U.S. federal income tax consequences. Further, investors should assume that a “qualified electing fund” election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to U.S. Holders if we were to be classified as a PFIC, will not be available because we do not intend to provide U.S. Holders with the information needed to make such an election. A mark-to-market election may be available, however, if our ordinary shares are regularly traded. For more information, see “Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Consequences—Passive Foreign Investment Company Consequences” and consult your tax advisor concerning the U.S. federal income tax consequences of acquiring, owning or disposing of our ordinary shares if we are or become classified as a PFIC.

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

On February 14, 2013, the European Commission adopted a proposal for a directive on a common financial transaction tax (the “FTT”) to be implemented under the enhanced cooperation procedure by several Member States (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the “Participating Member States”) and Estonia. However, Estonia has since stated that it will not participate.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in our ordinary shares (including secondary market transactions) in certain circumstances. 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 our ordinary shares would be subject to higher costs, and the liquidity of the market for our ordinary shares may be diminished.

Under the 2013 proposals, 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 our ordinary shares 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.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member

States such as for example the Netherlands may decide to participate and/or certain of the Participating Member States may decide to withdraw. Prospective holders of our ordinary shares are advised to seek their own professional advice in relation to the consequences of the FTT.

#### **Item 4. Information on the Company**

##### **A. History and Development of the Company**

Constellium Holdco B.V. (formerly known as Omega Holdco B.V.) was incorporated as a Dutch private limited liability company on May 14, 2010 (incorporated and governed under the Dutch Civil Code). Constellium Holdco B.V. was formed to serve as the holding company for various entities comprising the EAP Business, which Constellium acquired from affiliates of Rio Tinto on January 4, 2011 (the “Acquisition”). On May 21, 2013, Constellium Holdco B.V. was converted into a Dutch public limited liability company and renamed Constellium N.V. Any references to Dutch law and the Amended and Restated Articles of Association are references to Dutch law and the articles of association of the Company, respectively, following the conversion. On May 29, 2013, we completed our initial public offering. The articles of association of the Company were last amended and restated on August 18, 2015.

For information on our historical capital expenditures, see “Item 5. Operating and Financial Review and Prospects—Cash Flows—Historical Capital Expenditures.” For information on our capital expenditures currently in process, see “—B. Business Overview—Our Operating Segments.” We expect to finance our capital expenditures currently in process with a combination of internal and external financing sources.

The business address (head office) of Constellium N.V. is Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands, and our telephone number is +31 20 654 97 80. The address for our agent for service of process in the United States is Corporation Service Company, 80 State Street, Albany, New York 12207-2543, and its telephone number is (518) 433-4740.

##### **B. Business Overview**

###### **The Company**

###### *Overview*

We are a global leader in the design and manufacture of a broad range of innovative rolled and extruded aluminium products, serving primarily the packaging, aerospace and automotive end-markets. Our business model is to add value by converting aluminium into semi-fabricated and in some instances fabricated products. We supply numerous blue-chip customers with many value-added products for performance-critical applications. Our product portfolio generally commands higher margins as compared to less differentiated, more commoditized fabricated aluminium products, such as common alloy coils, paintstock, foilstock and soft alloys for construction and distribution.

As of December 31, 2018, we operated 26 production facilities, including a joint venture with our partner, UACJ (Note: in January 2019 we acquired our partner’s share in this entity, see *Recent Developments* ), we had three administrative centers in Baltimore, Paris and Zürich, and had three R&D centers. Additionally, we are building new facilities in Spain, China and Slovakia to serve our automotive structures customers. We believe our portfolio of flexible, integrated and strategically located facilities is among the most technologically advanced in the industry and that the significant growth investments we have made now position us well to capture expected demand growth in each of our end markets. It is our view that our established presence in North America, Europe and China combined with more than 50 years of manufacturing experience, quality and innovation, strategically position us to be a leading supplier to our global customer base. The Company had approximately 13,000 employees as of December 31, 2018.

We seek to sell to end-markets that have attractive characteristics for aluminium, including (i) stability through economic cycles as seen in our North American and European packaging businesses, (ii) rigorous and complex technical requirements as seen in global aerospace and automotive businesses, and (iii) favorable growth fundamentals supported by the vehicle lightweighting trend seen in global automotive business, and the growth in electric vehicles.

We have invested capital in a number of attractive growth opportunities including: (i) Auto Body Sheet capabilities in Muscle Shoals, Alabama, in our joint venture in Bowling Green, Kentucky, in Neuf-Brisach, France, and in Singen, Germany (ii) a pusher furnace in Ravenswood, West Virginia, (iii) Automotive Structures operations in Van Buren, Michigan, White, Georgia and San Luis Potosí, Mexico, two production lines for battery enclosures for electric vehicles in Gottmadingen, Germany, advanced body structure capabilities in Dahlenfeld, Germany, new cast houses and additional extrusion capability in Děčín, Czech Republic and a number of growth initiatives through R&D and debottlenecking efforts.

Our unique platform has enabled us to develop a stable and diversified customer base and to enjoy long-standing relationships with our largest customers. Our customer base includes market leading firms in packaging, aerospace, and automotive, such as AB InBev, Ball Corporation, Crown Holdings, Inc., Airbus, Boeing, and several premium automotive OEMs, including BMW AG, Daimler AG and Ford Motor Company. We believe that we are a critical supplier to many of our customers due to our technological and R&D capabilities as well as the long and complex qualification process required for many of our products. Our core products require close collaboration and, in many instances, joint development with our customers. We believe that this integrated collaboration with our customers for high value-added products reduces substitution risk, supports our competitive position and creates high barriers to entry.

For the years ended December 31, 2018, 2017 and 2016, the Company's main key figures were as follows:

	For the years ended December 31,		
	2018	2017	2016
Shipments (kT)	1,534	1,482	1,470
Revenue (in € millions)	5,686	5,237	4,743
Net income/(loss) (in € millions)	190	(31)	(4)
Adjusted EBITDA (in € millions)	498	448	398

Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in "Item 5. Operating and Financial Review and Prospects—Segment Results."

Our objective is to expand our leading position as a supplier-of-choice of high value-added, technologically advanced products where we believe we have a competitive advantage through the following business strategies:

(i) High Value-added Product Focus

We are focused on our three strategic end-markets—packaging, aerospace and automotive—in which we have market leading positions and established relationships with many of the main manufacturers. These are also markets where we believe that we can differentiate ourselves through our high value-added and specialty products which make up the majority of our product portfolio. We have made substantial investments to develop unique R&D and technological capabilities, which we believe give us a competitive advantage in designs and innovations. We believe our differentiated products provide significant benefits to our customers in many areas such as weight reduction, higher strength and better formability. In addition, these products typically command higher margins than more commoditized products, and are supplied to end-markets that we believe have highly attractive characteristics and long-term growth trends. We intend to continue to invest in our R&D and technological capabilities and develop high value-added product portfolio.

(ii) Customer Connectivity

We aim to deepen our ties with our customers by consistently providing best-in-class quality products, joint product development projects, market leading supply chain integration, customer technical support and scrap and recycling solutions. We regard our relationships with our customers as partnerships in which we work closely together to utilize our unique R&D and technological capabilities to develop customized solutions in order to meet evolving customer requirements. The close collaboration to develop best-in-class and tailored solutions, as well as significant effort and investment to adhere to rigorous qualification procedures, enable us to foster long-term relationships with our customers. In addition, through supply chain integration we are able to better anticipate customer demands, optimize supply and more efficiently manage our working capital needs. We also seek to strengthen customer connectivity through customer technical support and the closed-loop scrap management program. We will aim to continue to further foster and enhance the relations with our customers and position our company as a preferred supplier to our customers.

(iii) Optimize Margins and Asset Utilization Through Product Portfolio Management

We believe there are significant opportunities to enhance our profitability through rigorous focus on the products we choose to make and optimizing the throughput of these products in our facilities. For example, given our manufacturing configurations, there are certain products that our facilities are better equipped to manufacture. As a consequence, we can manufacture them more efficiently and at a lower cost. In addition, we are highly focused on maximizing the throughput of our facilities to increase the tons per machine hour and profitability per machine hour. We strive to achieve this through our investments in asset integrity, and through continuous improvements in our operations such as debottlenecking and optimizing equipment uptime, recovery and mill speed.

(iv) Harvesting Returns from Recent Investments

We have invested capital in a number of attractive growth opportunities. While these investments have attractive return and growth profiles, many of them are still in the ramp-up phase and are not yet making a significant contribution to our earnings. We believe the investments we have made now leave us well positioned to capture expected growth in our end markets and to contribute to future earnings.

(v) Strict Cost Control and Continuous Improvement

We believe that there are significant opportunities to improve the services and quality that we provide to our customers and to reduce our operating costs by implementing manufacturing excellence initiatives and other cost reduction initiatives such as our cost reduction initiative, Project 2019. We aim to establish best-in-class operations and achieve cost reductions by standardizing manufacturing processes and the associated upstream and downstream production elements where possible, while still allowing the flexibility to respond to local market demands.

(vi) Increased Financial Flexibility

We are focused on increasing our financial flexibility through earnings growth, strict cost control and working capital management, which we believe will collectively drive free cash flow generation and deleveraging. We believe having increased financial flexibility is a key pillar in achieving our long-term objective as a supplier-of-choice of high value-added, specialized and technologically-advanced products.

## Recent Developments

### *Plan to Transfer Corporate Seat to France*

In line with our initiatives to reduce costs and simplify our corporate structure, we announced the Corporate Seat Transfer in July 2017. In order to effectuate this change, the Company intends to convert its corporate form from an NV to an SE through an amendment to its articles of association, and to take other steps under Dutch and French law to transfer its corporate seat to France. We expect the Corporate Seat Transfer, if completed, will enable us to make our corporate cost structure more efficient and to benefit from more advantageous tax treatment. The actions required to implement the Corporate Seat Transfer are subject to shareholder approval and, if approved, we currently expect the Corporate Seat Transfer should be completed in 2019.

The Corporate Seat Transfer may affect the rights of our shareholders. See “Item 3. Key Information—D. Risk Factors.”

### *Acquisition of UACJ's Interest in Bowling Green*

On January 10, 2019, pursuant to a purchase agreement with UACJ and its U.S. subsidiary, Tri-Arrows Aluminum Holding Inc. (“TAAH”), we acquired TAAH’s 49% stake in Constellium-UACJ ABS, LLC (“CUA”), for \$100 million plus the assumption of 49% of approximately \$80 million of third party debt at CUA. In connection with the agreement with UACJ and TAAH, we and TAAH agreed to certain transitional commercial arrangements connected to the continuing operations and the business, including an agreement for a multiyear supply of cold coils.

### *Amendment of U.S. ABL Facility*

On February 20, 2019, we amended the Pan-U.S. ABL Facility to, among other things, (i) join Constellium Bowling Green LLC as an additional borrower and Constellium Property and Equipment Company LLC as an additional guarantor, (ii) increase the maximum commitments thereunder to \$350 million, and (iii) make certain changes to the covenants, terms, and conditions thereof.

## Our Operating Segments

Our business is organized into three operating segments:

(i) **Packaging & Automotive Rolled Products** includes the production of rolled aluminium products in our European and North American facilities. We supply the packaging market with canstock and closure stock for the beverage and food industry, as well as foil stock for the flexible packaging market. In addition, we supply the automotive market with a number of technically sophisticated applications such as ABS and heat exchanger materials.

(ii) **Aerospace & Transportation** includes the production of rolled aluminium products (and very limited volumes of extruded products) for the aerospace market, as well as rolled products for transport, industry and defense end-uses in our European and North American facilities.

(iii) **Automotive Structures & Industry** includes the production of extruded products and technologically advanced structures for the automotive industry including crash-management systems, body structures, side impact beams and battery enclosures in our European, North American and Chinese facilities. In addition, we fabricate hard and soft aluminium alloy extruded profiles in a number of our other European facilities for a range of high demand industry applications in the automotive, engineering, building and construction and other transportation end markets.

*Table: Overview of Operating Segments (as of December 31, 2018)*

	<b>Packaging &amp; Automotive Rolled Products</b>	<b>Aerospace &amp; Transportation</b>	<b>Automotive Structures &amp; Industry</b>
<b>Manufacturing Facilities <sup>1</sup></b>	4 (France, Germany, United States)	6 (France, United States, Switzerland)	16 (France, Germany, Switzerland, Czech Republic, Slovakia, U.S., Canada, Mexico, China)
<b>Employees (as of December 31, 2018)</b>	• 3,750	• 4,007	• 4,559
<b>Key Products</b>	<ul style="list-style-type: none"> <li>• Can Stock</li> <li>• Can End Stock</li> <li>• Closure Stock</li> <li>• Auto Body Sheet</li> <li>• Rolled Products for Heat Exchangers</li> <li>• Specialty reflective sheet (Bright)</li> </ul>	<ul style="list-style-type: none"> <li>• Aerospace plates, sheets and extrusions</li> <li>• Aerospace wing skins</li> <li>• Plate and sheet for transportation, industry and defense applications</li> </ul>	<ul style="list-style-type: none"> <li>• Automotive structures</li> <li>• Other extruded products including:</li> <li>• Soft alloys</li> <li>• Hard alloys</li> <li>• Large profiles</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>• <b>Packaging</b> : AB InBev, Ball Corporation, Can-Pack, Crown, Amcor, Ardagh Group, Coca-Cola</li> <li>• <b>Automotive</b> : Daimler AG, Audi, Volkswagen, Valeo, PSA Group, BMW AG</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Aerospace</b> : Airbus, Boeing, Bombardier, Dassault, Embraer</li> <li>• <b>Transportation, Industry, Defense and Distribution</b> : Ryerson, ThyssenKrupp, Amari</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Automotive</b> : Audi, BMW AG, Daimler AG, Porsche, Ford, PSA Group, FCA Group</li> <li>• <b>Rail</b> : Stadler, CAF</li> </ul>
<b>Select Key Facilities</b>	<ul style="list-style-type: none"> <li>• Neuf-Brisach (France)</li> <li>• Singen (Germany)</li> <li>• Muscle Shoals (Alabama, USA)</li> <li>• Bowling Green (Kentucky, USA) <sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Issoire (France)</li> <li>• Ravenswood (West Virginia, USA)</li> <li>• Sierre (Switzerland)</li> </ul>	<ul style="list-style-type: none"> <li>• Gottmadingen (Germany)</li> <li>• Van Buren (Michigan, USA)</li> <li>• Děčín (Czech Republic)</li> <li>• Singen (Germany)</li> </ul>
<b>% of total Revenue <sup>3</sup> (for the twelve months ended December 31, 2018)</b>	54%	23%	23%
<b>% of Adjusted EBITDA <sup>4</sup> (for the twelve months ended December 31, 2018)</b>	49%	31%	25%

<sup>1</sup> Our 26 manufacturing facilities are located in 24 sites, two of which are shared between two operating segments.

<sup>2</sup> Joint venture with UACJ, 51% is owned by Constellium and accounted for under the equity method. On January 10, 2019, Constellium acquired the remaining 49% of the equity in the joint venture.

<sup>3</sup> Holdings & Corporate not included.

<sup>4</sup> The difference between the sum of Adjusted EBITDA for our three segments and the Company's Adjusted EBITDA is attributable to our fourth segment Holdings and Corporate which is not presented here.



The following table presents our shipments by product lines:

(in metric tons)	For the year ended		
	December 31,		
	2018	2017	2016
Packaging rolled products	799	807	856
Automotive rolled products	196	158	113
Specialty and other thin-rolled products	44	43	44
Aerospace rolled products	111	106	118
Transportation, industry, and other rolled products	135	132	125
Automotive extruded products	114	109	99
Other extruded products	135	127	118
Other	—	—	(3)
<b>Total shipments</b>	<b>1,534</b>	<b>1,482</b>	<b>1,470</b>

***Packaging & Automotive Rolled Products Operating Segment***

In our Packaging & Automotive Rolled Products operating segment, we develop and produce customized aluminium sheet and coil solutions. For the year ended December 31, 2018:

- approximately 77% of operating segment volume was in packaging rolled products, which primarily includes beverage and food canstock as well as closure stock and foil stock,
- approximately 19% of operating segment volume was in automotive rolled products,
- and approximately 4% of operating segment volume for that period was in specialty and other thin-rolled products, which include technologically advanced products for the industrial sector.

We are a leading European and North American supplier of canstock and the leading worldwide supplier of closure stock. We are also a major European player in automotive rolled products for ABS (e.g., closure panels of a car), and for heat exchangers. These products are subject to the exacting requirements and qualification processes of our customers which we consider to provide us with a competitive advantage and to represent a barrier to entry for new competitors. We have a diverse customer base, consisting of many of the world’s largest beverage and food can manufacturers, specialty packaging producers, leading automotive firms and global industrial companies. Our customer base includes AB InBev, Ball Corporation, Crown Holdings, Inc., Ardagh Group S.A., Can-Pack S.A., Coca-Cola, Amcor Ltd., VW Group, Daimler AG, Ford, and PSA Group. Our customer contracts in packaging usually have a duration of three to five years. Our customer contracts in automotive are usually valid for the lifetime of a model, which is typically five to seven years.

We have two integrated rolling operations located in Europe and one in the U.S. Neuf-Brisach, our facility on the border of France and Germany, is a fully integrated aluminium recycling, rolling and finishing facility producing both canstock and ABS. Singen, located in Germany, is specialized in high-margin niche applications and has an integrated hot/cold rolling line and high-grade cold mills with special surfaces capabilities that facilitate unique metallurgy and lower production costs. Muscle Shoals, Alabama, is a highly focused facility mostly dedicated to canstock rolling and UBC recycling, and ramping up its ABS cold coils capacity as a result of our automotive readiness investment program. In addition, at December 31<sup>st</sup>, 2018, we owned 51% of Constellium-UACJ ABS LLC, which operates a finishing line for ABS in Bowling Green, Kentucky (see *Recent Developments* ).

Our Packaging & Automotive Rolled Products operating segment serves the packaging market which has historically been relatively resilient during periods of economic downturn and has had relatively limited exposure to economic cycles and periods of financial instability. See “—Our Key End-Markets—Rigid Packaging.”

The following table summarizes our volume, revenue and Adjusted EBITDA for our Packaging & Automotive Rolled Products operating segment for the periods presented:

(€ in millions, unless otherwise noted)	For the year ended December 31,		
	2018	2017	2016
<b>Packaging &amp; Automotive Rolled Products:</b>			
Segment Revenue	3,059	2,812	2,498
Segment Shipments (kt)	1,039	1,008	1,013
Segment Revenue (€/ton)	2,944	2,789	2,466
Segment Adjusted EBITDA <sup>(1)</sup>	243	204	204
Segment Adjusted EBITDA(€/ton)	234	202	201
Segment Adjusted EBITDA margin	8%	7%	8%

- (1) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in “Item 5. Operating and Financial Review and Prospects—Segment Results.”

#### ***Aerospace & Transportation Operating Segment***

Our Aerospace & Transportation operating segment has market leadership positions in technologically advanced aluminium and specialty material products with wide applications across the global aerospace, defense, transportation, and industrial sectors. We offer a wide range of products including plate, sheet, extrusions and a few precision cast products which allows us to offer tailored solutions to our customers. We seek to differentiate our products and act as a key partner to our customers through our broad product range, supply-chain solutions, advanced R&D capabilities, extensive recycling capabilities and portfolio of plants with an extensive range of capabilities across Europe and North America. In order to reinforce the competitiveness of our metal solutions, we design our processes and alloys with a view to optimizing our customers’ operations and costs. This includes offering services such as customizing alloys to our customers’ processing requirements, processing short lead time orders and providing vendor managed inventories or tolling arrangements.

Our most significant facilities in the Aerospace & Transportation Operating Segment (Ravenswood (West Virginia), Issoire (France) and Sierre (Switzerland)) offer a broad spectrum of plate required by the aerospace industries (alloys, temper, dimensions, pre-machined) and have strong capabilities such as producing some wide and very high gauge plates required for some civil and commercial aerospace programs.

Downstream aluminium products for the aerospace market require relatively high levels of R&D investment and advanced technological capabilities, and therefore tend to command higher margins compared to more commoditized products. We work in close collaboration with our customers to develop highly engineered solutions to fulfill their specific requirements. For example, we developed Airware<sup>®</sup>, a lightweight specialty aluminium-lithium alloy, for our aerospace customers to address increasing demand for lighter and more environmentally friendly aircraft.

Aerospace products are typically subject to long development and supply lead times and the majority of our contracts with our largest aerospace customers have a term of five years or longer, which provides visibility on volumes and profitability. In addition, we expect demand for our aerospace products to directly correlate with aircraft backlogs and build rates. As of December 2018, the backlog reported by Airbus and Boeing for commercial aircraft reached 13,450 units on a combined basis, representing approximately eight to nine years of production at current build rates.

Additionally, aerospace products are generally subject to long qualification periods. Aerospace production sites are regularly audited by external certification organizations including the National Aerospace and Defense Contractors Accreditation Program (“NADCAP”) and/or the International Organization for Standardization. NADCAP is a cooperative organization of numerous aerospace OEMs that defines industry-wide manufacturing

standards. NADCAP appoints private auditors who grant suppliers like Constellium a NADCAP certification, which customers tend to require. New products or alloys are certified by the OEM that uses the product. Our sites have been qualified by external certification organizations and our products have been qualified by our customers. We are typically able to obtain qualification within 6 months to one year mainly because: (i) due to our long history of working with the main aircraft OEMs, we have an existing range of qualifications including in excess of 100 specifications regarding alloy, temper or shape, which we can build on to obtain new product qualifications; and (ii) we have invested in a number of capital intensive equipment and R&D programs to be able to qualify to the current industry norms and standards.

We also serve the transportation and defense industries. Our product portfolio in these segments include both standard products as well as specialty products. Standard products typically face higher levels of competition in the marketplace, in the regions that we serve. Specialty products command higher margins and are exposed to less competition. Specialty products are differentiated products, which are engineered to meet specific customer needs and as such have specific properties (e.g., mechanical properties, dimensions, surface aspect, etc.).

The following table summarizes our volume, revenue and Adjusted EBITDA for our Aerospace & Transportation operating segment for the periods presented:

(€ in millions, unless otherwise noted)	For the year ended December 31,		
	2018	2017	2016
<b>Aerospace &amp; Transportation:</b>			
Segment Revenue	1,389	1,335	1,302
Segment Shipments (kt)	246	238	243
Segment Revenue (€/ton)	5,646	5,618	5,360
Segment Adjusted EBITDA (1)	152	146	118
Segment Adjusted EBITDA(€/ton)	619	614	487
Segment Adjusted EBITDA margin	11%	11%	9%

(1) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in “Item 5. Operating and Financial Review and Prospects—Segment Results.”

#### ***Automotive Structures & Industry Operating Segment***

Our Automotive Structures & Industry operating segment produces (i) technologically advanced structures for the automotive industry including crash management systems (“CMS”), body structures, side impact beams and battery enclosures and (ii) soft and hard alloy extrusions for automotive, road, energy and building and large profiles for rail and industrial applications. We complement our products with a comprehensive offering of downstream technology and services, which include pre-machining, surface treatment, R&D and technical support services. Approximately 46% of the segment volume for the year ended December 31, 2018 was in automotive extruded products and approximately 54% was in other extruded product applications.

We believe that we are one of the largest providers of aluminium automotive crash management systems globally. We manufacture automotive structural products for some of the largest European and North American car manufacturers supplying the global market, including Daimler AG, BMW AG, VW Group, FCA Group and Ford. We are also a leading supplier of hard alloys for the automotive market and of large structural profiles for rail, industrial and other transportation markets in Europe. We also have a strong presence in soft alloys in France and Germany, with customized solutions for a diverse number of end markets.

Sixteen of our facilities, located in Germany, North America, the Czech Republic, Slovakia, France, Switzerland, China, and Mexico manufacture products sold in our Automotive Structures & Industry operating segment. We believe our local presence, downstream services and industry leading cycle times help to ensure

that we respond to our customer demands in a timely and consistent fashion. Our two integrated remelt and casting centers in Switzerland and the Czech Republic utilize significant amounts of recycled aluminium and help provide security of metal supply. We also operate the largest extrusion press in Western Europe at our Singen facility, which allows us to produce specialized large profile products for our rail and transportation customers. In addition, we operate a strategic network of 5 soft alloys facilities with strong technical capabilities, across Europe to better serve primarily our automotive and industrial customers as well as customers in other diversified market segments.

We operate a joint venture, Astrex Inc., which produces automotive extruded profiles in Ontario, Canada, for our North American operations, and a joint venture, Engley Automotive Structures Co., Ltd., which is currently producing aluminium crash-management systems in China.

We believe that we have strong market positions given our R&D and manufacturing capability in Automotive Structures. Led by our partnership with Brunel University, London we have proprietary alloy and manufacturing technology which enables us to deliver differentiated design, engineering and manufacturing capabilities to our customers, and to accelerate time to market.

The following table summarizes our volume, revenue and Adjusted EBITDA for our Automotive Structures & Industry operating segment for the periods presented:

(€ in millions, unless otherwise noted)	For the year ended December 31,		
	2018	2017	2016
<b>Automotive Structures &amp; Industry:</b>			
Segment Revenue	1,290	1,123	1,002
Segment Shipments (kt)	249	236	217
Segment Revenue (€/ton)	5,181	4,756	4,608
Segment Adjusted EBITDA (1)	125	120	104
Segment Adjusted EBITDA(€/ton)	502	510	480
Segment Adjusted EBITDA margin	10%	11%	10%

(1) Adjusted EBITDA is not a measure defined under IFRS. Adjusted EBITDA is defined and discussed in “Item 5. Operating and Financial Review and Prospects—Segment Results.”

## Our Industry

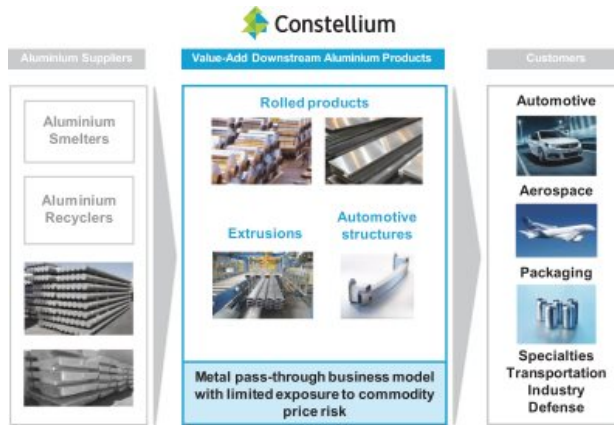
### *Aluminium Sector Value Chain*

The global aluminium industry consists of (i) mining companies that produce bauxite, the ore from which aluminium is ultimately derived, (ii) primary aluminium producers that refine bauxite into alumina and smelt alumina into aluminium, (iii) aluminium semi-fabricated products manufacturers, including aluminium casters, extruders and rollers, (iv) aluminium recyclers and remelters and (v) integrated companies that are present across multiple stages of the aluminium production chain.

Our business is primarily focused on rolling and extruding semi-fabricated products for a variety of value added end markets. We do not smelt aluminium, nor do we participate in other upstream activities such as mining or refining bauxite. We recycle aluminium, both for our own use and as a service to our customers.

## Constellium's Position in the Aluminium Sector Value Chain

*Aluminium value chain*



Rolled and extruded aluminium product prices are based generally on the price of aluminium (which is quoted on LME) plus a conversion margin (i.e., the cost incurred to convert the aluminium into a semi-finished product). The price of aluminium is not a significant driver of our financial performance, in contrast to the more direct relationship the price of aluminium has on the financial performance of primary aluminium producers. Instead, the financial performance of producers of rolled and extruded aluminium products, such as Constellium, is driven by the dynamics in the end markets that they serve, their relative positioning in those markets and the efficiency of their industrial operations.

There are two main sources of input metal for our aluminium rolled or extruded products:

- Slabs or billets we cast from a combination of primary and recycled aluminium. The primary aluminium is typically in form of standard ingots. The recycled aluminium comes either from scrap from fabrication processes, known as recycled process material, or from recycled end products in their end of life phase, such as used beverage cans.
- Slabs or billets purchased from smelters or metal trading companies.

Primary aluminium, sheet ingot and extrusion billets can generally be purchased at prices set on the LME plus a premium that varies by geographic region on delivery, alloying material, form (ingot or molten metal) and purity.

Recycled aluminium is also tied to the LME pricing (typically sold at discounts of up to 25%). Aluminium is infinitely recyclable and recycling aluminium requires only approximately 5% of the energy required to produce primary aluminium. As a result, in regions where aluminium is widely used, manufacturers and customers are active in setting up collection processes in which used beverage cans and other end-of-life aluminium products are collected for remelting at purpose-built plants. Manufacturers may also enter into agreements with customers who return recycled process material and pay to have it re-melted and rolled into the same product again.

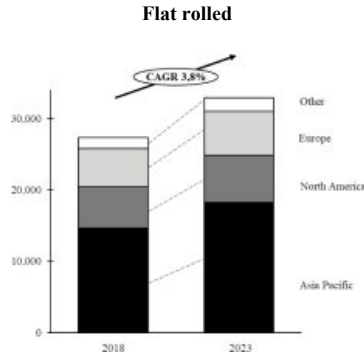
### **Aluminium Rolled Products Overview**

The rolling process consists of passing aluminium through a hot-rolling mill and then transferring it to a cold-rolling mill, which can gradually reduce the thickness of the metal down to approximately 6 mm for plates and to approximately 0.2-6 mm for sheet.

Aluminium rolled products, including sheet, plate and foil, are semi-finished products that provide the raw material for the manufacture of finished goods ranging from packaging to automotive body panels to fuselage sheet to aircraft wing parts. The packaging industry is a major consumer of the majority of sheet and foil for making beverage cans, foil containers and foil wrapping. Sheet is also used extensively in transport for airframes, road and rail vehicles, in marine applications, including offshore platforms, and superstructures and hulls of boats and in building for roofing and siding. Plate is used for airframes, military vehicles and bridges, ships and other large vessels and as tooling plate for the production of plastic products. Foil applications outside packaging include electrical equipment, insulation for buildings and foil for heat exchangers.

The following chart illustrates expected global demand for aluminium rolled products according to CRU International Limited. The average expected growth between 2018 and 2023 for the flat rolled products market is 3.8% according to CRU.

**Projected Aluminium Flat Rolled Products Demand 2018-2023 (in kt)**



*Source: Republished under license from CRU International Ltd.*

*Asia Pacific includes Japan, China, India, South Korea, Australia, Middle East and other Asia. Other includes Central and South America, and Africa*

The aluminium rolled products industry is characterized by economies of scale, as significant capital investments are required to achieve and maintain technological capabilities and demanding customer qualification standards. The service and efficiency demands of large customers have encouraged consolidation among suppliers of aluminium rolled products.

The supply of aluminium rolled products has historically been affected by production capacity, alternative technology substitution and trade flows between regions. The demand for aluminium rolled products has historically been affected by economic growth, substitution trends, down-gauging, cyclicity and seasonality.

### **Aluminium Extrusions and Automotive Structures Overview**

Aluminium extrusion is a technique used to transform aluminium billets into objects with a defined cross-sectional profile for a wide range of uses. In the extrusion process, heated aluminium is forced through a die.

Extrusions can be manufactured in many sizes and in almost any shape for which a die can be created. The extrusion process makes the most of aluminium's unique combination of physical characteristics. Its malleability allows it to be easily machined and cast, and yet aluminium is one-third the density and stiffness of steel so the resulting products offer strength and stability, particularly when alloyed with other metals.

Extruded profiles can be produced in solid or hollow form, while additional complexities can be applied using advanced die designs. After the extrusion process, a variety of options are available to adjust the color, texture and brightness of the aluminium's finish. This may include aluminium anodizing or painting.

Today, aluminium extrusions are used for a wide range of purposes, including building, transportation and industrial markets. Virtually every type of vehicle contains aluminium extrusions, including cars, boats, bicycles and trains. Home appliances and tools take advantage of aluminium's excellent strength-to-weight ratio. The increased focus on green building is also leading contractors and architects to use more extruded aluminium products, as aluminium extrusions are flexible and corrosion-resistant. These diverse applications are possible due to the advantageous attributes of aluminium, including its particular blend of strength and ductility its conductivity, its non-magnetic properties and its ability to be recycled repeatedly without loss of integrity. We believe that all of these capabilities make aluminium extrusions a viable and adaptable solution for a growing number of manufacturing needs.

CRU forecasts the consumption of aluminium extruded products will grow on an annual basis for the tenth consecutive year in 2019, at approximately 1.7%. Demand will once again be driven by the two main end use markets of transportation and construction. CRU expects 33% of the demand will come from transportation, 28% will come from construction, and the remainder will be accounted for by the electrical and consumer durable markets.

One segment that increasingly relies on aluminium extrusions is the automotive structures segment. In an automotive structure, a series of aluminium extrusions are consolidated into a system for specific automotive applications. Due to the unique combination of strength and weight, aluminium extrusions are increasingly favored in this segment.

### **Our Key End-markets**

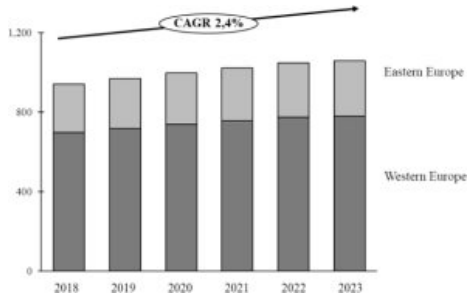
We have a significant presence in (i) the can sheet and packaging end-markets, which have proved to be relatively stable and historically recession-resilient, (ii) the automotive and the aerospace end-markets, which are driven by global demand trends, and (iii) a number of niche specialty end markets including transportation (trucks, rail, space), industry, defense and bright products which diversify our exposure to economic trends.

#### ***Rigid Packaging***

Aluminium beverage cans represented approximately 16% of the total European aluminium flat rolled demand by volume and 33% of total U.S. and Canada aluminium flat rolled demand in 2018. According to CRU, aluminium demand for the canstock market in Europe and North America is expected to grow by 2.4% and 0.2% per year between 2018 and 2023, respectively.

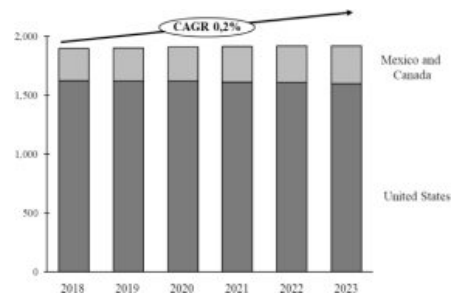
Aluminium is a preferred material for beverage packaging as it allows drinks to chill faster, can be stacked for transportation and storage more densely than competing formats (such as glass bottles), is highly formable for unique or differentiated branding, and offers the environmental advantage of easy, cost- and energy-efficient recycling. As a result of these benefits, aluminium is displacing glass as the preferred packaging material in certain markets, such as beer. In Europe, aluminium is replacing steel as the standard for beverage cans. Between 2002 and 2016, we believe that aluminium's penetration of the European canstock market versus tinplate increased from 58% to 85%. In the United States, we believe aluminium's penetration has been at 100% for many years. In addition, we are benefiting from increased consumption in Eastern Europe and Mexico and growth in high margin products such as the specialty cans used for energy drinks.

**Total European Rolled Products Consumption Can Stock (Kt)**



Source: Republished under license from CRU International Ltd., Aluminium Rolled Products Market Outlook November 2018

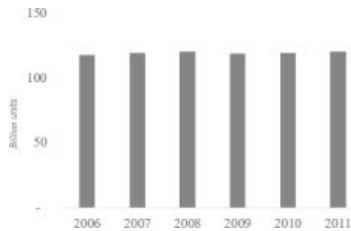
**Total North American Rolled Products Consumption Can Stock (Kt)**



Source: Republished under license from CRU International Ltd., Aluminium Products Market Outlook November 2018

In addition, demand for can sheet has been highly resilient across economic cycles. Between 2007 and 2009, during the economic crisis, European Can Body Stock volumes decreased by less than 9% as compared to a 24% decline for total European flat rolled products volumes.

**U.S. and Europe Metal Beverage Can Consumption**



Source: Republished under license from Global Data

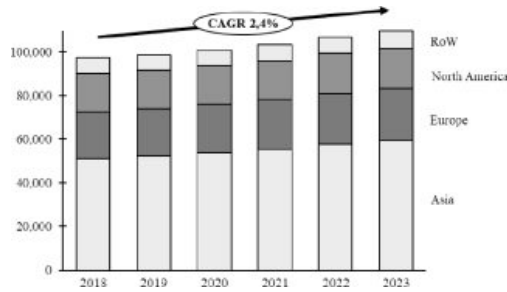
**Automotive**

We supply the automotive sector with rolled products out of our Packaging & Automotive Rolled Products operating segment and extruded and fabricated products out of our Automotive Structures & Industry operating segment.

In our view, the main drivers of automotive sales are overall economic growth, credit availability, consumer prices and consumer confidence. According to CRU, global vehicle production is expected to grow by approximately 2.4% per annum from 2018 to 2023.



**Vehicle Production**



*Source: Republished under license from CRU International Ltd. Industrial & Economic Outlook December 2018*  
*Note: Represents both car and commercial vehicle production, including light trucks, heavy trucks and, except in the U.S. and Canada, coaches*

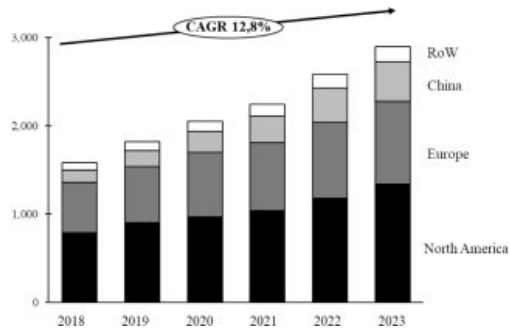
Within the automotive sector, the demand for aluminium has been increasing faster than the underlying demand for light vehicles due to recent growth in the use of aluminium products in automotive applications. We believe the main reasons for this are aluminium’s high strength-to-weight ratio in comparison to steel and a need for increased energy efficiency. This lightweighting facilitates better fuel economy and improved emissions performance. As a result, manufacturers are seeking additional applications where aluminium can be used in place of steel and an increased number of cars are being manufactured with aluminium panels and CMS.

We believe that the vehicle lightweighting trend will continue as increasingly stringent EU and U.S. regulations relating to reductions in carbon emissions, will force the automotive industry to increase its use of aluminium to “lightweight” vehicles. In Europe, European Union legislation has set mandatory emission reduction targets for new cars such that by 2021, the fleet average to be achieved by all new cars is 95 grams of CO2 emissions per kilometer compared to an average target of 130g/km in 2015. In the United States, we expect that U.S. regulations requiring reductions in carbon emissions and fuel efficiency, as well as fluctuating fuel prices, will continue to drive aluminium demand in the automotive industry.

In the longer term, to the extent electric vehicles become more prevalent, we believe the demand for aluminium in the automotive industry will increase due to the greater importance of lightweighting. Aluminium thermal conductivity is a significant inherent advantage for battery boxes and has superior energy absorption as compared to steel. Whereas growth in aluminium use in vehicles has historically been driven by increased use of aluminium castings, we anticipate that future growth will be primarily in the kinds of extruded and rolled products that we supply to the OEMs.

According to the CRU, the consumption of ABS between 2018 and 2023 will grow 10% per annum in Europe, 11% per annum in North America and 27% per annum in China.

**Automotive Body Sheet Flat Rolled Products Consumption (kt)**



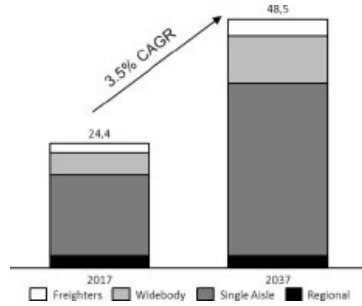
Source: Republished under license from CRU International Ltd.,  
Aluminium Rolled Products Market Outlook November 2018

We believe that Constellium is one of only a limited number of companies that is able to produce the quality and quantity required by car manufacturers for both flat rolled products and automotive structures, and that we are therefore well positioned to take advantage of these market trends. Our automotive products are predominantly used in premium models, light trucks and sport utility vehicles manufactured by the European and North American OEMs, which have experienced strong customer demand. In addition, due to the increasing mandatory emission reduction targets we expect more conversion to aluminium solutions among high volume car platforms which enhances the long-term growth prospects for our automotive products given our strong established relationships with the major car manufacturers.

**Aerospace**

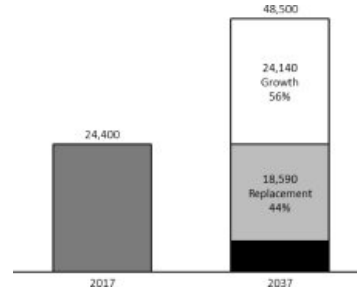
Demand for aerospace plates is primarily driven by the build rate of aircraft, which we believe will be supported for the foreseeable future by (i) necessary replacement of aging fleets by airline operators, particularly in the United States and Western Europe, and (ii) increasing global passenger air traffic (the aerospace industry publication The Airline Monitor estimates that global revenue passenger miles will grow at a compound annual growth rate (“CAGR”) of approximately 5% from 2018 to 2024). In 2018, Boeing and Airbus predicted respectively approximately 42,730 and 37,400 new aircraft over the next 20 years across all categories of large commercial aircraft. Boeing estimates that between 2018 and 2037, 37% of sales of new airplanes will be to Asia Pacific, 40% to Europe and North America and the remaining 23% delivered to the Middle East, Latin America, the Commonwealth of Independent States and Africa. Demand for aluminium aerospace plates is also influenced by alternative materials becoming more mature in the aerospace market (e.g., composites). According to CRU, aluminium demand for the aerospace rolled products markets in North America and Europe is expected to grow by 3.6% per year between 2018 and 2023.

**World's Commercial Aircraft Fleet (thousands)**



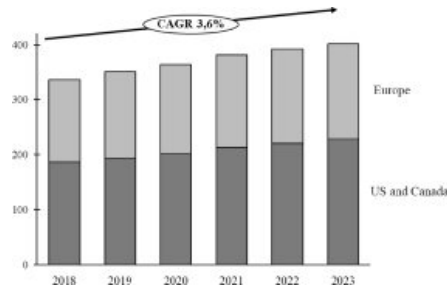
Source: Boeing 2018 current market outlook

**Fleet Development Driven by Passenger Demand and Aging Fleet (units)**



Source: Boeing 2018 current market outlook

**Aerospace Flat Rolled Products Consumption (kt)**



Source: Republished under license from CRU International Ltd., Aluminium Rolled Products Market Outlook November 2018

**Our Business Operations**

Our business model is to add value by converting aluminium into semi-fabricated products. It is our policy not to speculate on metal price movements.

**Managing Our Metal Price Exposure**

For all contracts, we seek to minimize the impact of aluminium price fluctuations in order to protect our cash flows against variations in the LME price and regional premiums that we buy and sell, with the following methods:

- In cases where we are able to align the price and quantity of physical aluminium purchases with that of physical aluminium sales to our customers, we enter into back-to-back arrangements with our customers.
- When we are unable to align the price and quantity of physical aluminium purchases with that of physical aluminium sales to our customers, we enter into derivative financial instruments to pass through the exposure to financial institutions at the time the price is set.

- For a small portion of our volumes, the aluminium we process is owned by our customers and we bear no aluminium price risk.

The price of the aluminium that we buy includes other premiums on top of the LME price. These premiums relate to specific features of the metal being purchased, such as its location, purity, shape, etc.

Where possible, we align premium formulas in order to pass through the vast majority of our premium exposure to our customers, and in certain instances we enter into over-the-counter hedge instruments with third-parties to mitigate our exposure. We seek to apply the same policy and methods to minimize the impact of geographical premium price fluctuations that we do for the LME aluminium price variations.

### ***Sales and Marketing***

Our sales force is based in Europe (France, Germany, Czech Republic, United Kingdom, Switzerland and Italy), the United States and Asia (Tokyo, Shanghai, and Seoul). We serve our customers either directly or through distributors.

### ***Raw Materials and Supplies***

Approximately 72% of our rolling slab demand is produced in our own internal casthouses. In addition, our external metal supply is secured through long-term contracts with several upstream companies, remelters and metal traders. All of our top 10 metal suppliers have been long-standing suppliers to our plants (in many cases for more than 10 years) and, in aggregate, accounted for approximately 55% of our total raw material and consumable expense for the year ended December 31, 2018. We typically enter into multi-year contracts with these metal suppliers pursuant to which we purchase various types of metal, including:

- Primary metal from smelters or metal traders in the form of ingots, rolling slabs or extrusion billets.
- Remelted metal in the form of rolling slabs or extrusion billets from external casthouses, as an addition to our own internal casthouses.
- Production scrap from customers and scrap traders.
- End-of-life scrap (e.g., used beverage cans) from customers, collectors and scrap traders.
- Specific alloying elements and primary ingots from producers and metal traders.

Our operations use natural gas and electricity, which represents the third largest component of our cost of sales, after metal and labor costs. We purchase natural gas and electricity from the market and typically secure a large part of our natural gas and electricity needs pursuant to fixed-price commitments. To reduce the risks associated with our natural gas and electricity requirements, we use financial futures or forward contracts with our suppliers to fix the price of energy costs. Furthermore, in our longer-term sales contracts, we try to include indexation clauses on energy prices. Where possible we try to pass natural gas and electricity prices through to our long term contract customers through indexation clauses.

### ***Our Customers***

Our customer base includes some of the largest leading manufacturers in the packaging, aerospace and automotive end-markets. We have a relatively diverse customer base with our 10 largest customers representing approximately 49% of our revenue for year ended December 31, 2018. We generally have long-term relationships with our significant customers, many of which span decades.

Generally, we have three- to five-year terms in contracts with our packaging customers, five-year terms in contracts with our largest aerospace customers, and five- to seven-year terms in our “life of a car platform/car model” contracts with our automotive customers. For the year ended December 31, 2018, we estimate that approximately 70% of our volumes were generated under multi-year contracts. This provides us with significant visibility into our future volumes and earnings.

We see our relationships with our customers as partnerships where we work together to find customized solutions to meet their evolving requirements. In addition, we collaborate with our customers to complete a rigorous process for qualifying our products in each of our end-markets, which requires substantial time and investment and creates high switching costs, resulting in longer-term, mutually beneficial relationships with our customers. For example, in the packaging industry, where qualification occurs on a plant-by-plant basis, we are currently one of the qualified suppliers to several facilities of our customers.

Our product portfolio is predominantly focused on high value-added products, which we believe are particularly well-suited to developing and manufacturing for our customers. These products tend to require close collaboration with our customers to develop tailored solutions, as well as significant effort and investment to adhere to rigorous qualification procedures, which enables us to foster long-term relationships with our customers. Our customized products typically command higher margins than more commoditized products, and are supplied to end-markets that we believe have highly attractive characteristics and long-term growth trends.

### ***Competition***

The worldwide rolled and extruded aluminium industry is highly competitive and we expect this dynamic to continue for the foreseeable future. We believe the most important competitive factors in our industry are: product quality, price, timeliness of delivery and customer service, geographic coverage and product innovation. Aluminium competes with other materials such as steel, plastic, composite materials and glass for various applications. Our key competitors in our Packaging & Automotive Rolled Products operating segment are Novelis Inc., Norsk Hydro ASA, Alcoa Corporation, Arconic Inc. and Tri-Arrows Aluminum Inc. Our key competitors in our Aerospace & Transportation operating segment are Arconic Inc., Aleris International, Inc., Kaiser Aluminum Corp., Austria Metall AG, and Universal Alloy Corporation. Our key competitors in our Automotive Structures & Industry operating segment are Norsk Hydro ASA, Sankyo Tateyama, Inc., Eural Gnutti S.p.A., Gestamp, Otto Fuchs KG, Impol Aluminium Corp., Benteler International AG, Whitehall Industries, and Metra Aluminum.

### ***Seasonality***

Customer demand in the aluminium industry is seasonal due to a variety of factors, including holiday seasons, weather conditions, economic and other factors beyond our control. Our volumes are impacted by the timing of the holiday seasons in particular, with the lowest volumes typically delivered in August and December and highest volumes delivered in January to June. Our business is also impacted by seasonal slowdowns and upturns in certain of our customers' industries. Historically, the can industry is strongest in the spring and summer seasons and the automotive and aerospace sectors encounter slowdowns in both the third and fourth quarters of the calendar year. In response to this seasonality, we seek to scale back and may even temporarily close some operations to reduce our operating costs during these periods.

### **Research and Development (“R&D”)**

We believe that our research and development capabilities coupled with our integrated, longstanding customer relationships create a distinctive competitive advantage versus our competition. Our three R&D centers are based in Voreppe, France, Plymouth, Michigan, and Brunel University, London.

Our R&D center based in Voreppe, France provides services and support to all of our facilities, focusing on product and process development, providing technical assistance to our plants and working with our customers to develop new products. In developing new products, we focus on increased performance that aims to lower the total cost of ownership for the end users of our products, for example, by developing materials that decrease maintenance costs of aircraft or increase fuel efficiency in cars. Within the Voreppe facility, we also work on the development, improvement, and testing of processes used in our plants such as melting, casting, rolling, extruding, finishing and recycling. We also develop and test technologies used by our customers, such as friction stir welding, and provide technological support to our customers.

The key contributors to our success in establishing our R&D capabilities include:

- Close interaction with key customers, including through formal partnerships or joint development teams—examples include Strongalex<sup>®</sup>, Formalex<sup>®</sup> and Surfalex<sup>®</sup>, which were developed with automotive customers (mainly Daimler and Audi) and the Fusion bottle, a draw and wall iron technology created in partnership with Ball Corporation.
- Technologically advanced equipment—for example, full-size casthouse for rapid prototyping of new Airware<sup>®</sup> low density alloys, innovative joining technologies for aerospace alloys (friction stir welding), forming technologies for automotive body sheets.
- Long-term partnerships with universities worldwide—Michigan University in the U.S., Stuttgart University in Germany or Manchester University in the United Kingdom—generate significant innovation opportunities and foster new ideas.

Our R&D center located in Plymouth, Michigan opened in 2016 in order to improve our support to North American customers.

Additionally, in the Constellium University Technology Center inaugurated in 2016 at Brunel University London, a dedicated team of R&D engineers and project managers translate technology from the lab to new customer programs and to our plants for production. The facility features industrial scale casting and extrusion equipment, forming technology and extensive joining methods, enabling us to leverage on our proprietary alloys and strong manufacturing innovation capabilities to develop engineered solutions adapted to customer needs, and accelerate time to market.

As of December 31, 2018, the research and development center in Voreppe employed 248 employees, of which 199 are scientists and technicians. The research and development center in Plymouth employed 8 employees. We invested €40 million in R&D in the year ended December 31, 2018, €36 million in R&D in the year ended December 31, 2017 and €31 million in R&D in the year ended December 31, 2016.

### **Trademarks, Patents, Licenses and IT**

We actively review intellectual property arising from our operations and our research and development activities and, when appropriate, apply for patents in the appropriate jurisdictions. We currently hold approximately 200 active patent families and regularly apply for new ones. While these patents and patent applications are important to the business on an aggregate basis, we do not believe any single patent family or patent application is critical to the business.

We are from time to time involved in opposition and re-examination proceedings that we consider to be part of the ordinary course of our business, in particular at the European Patent Office and the U.S. Patent and Trademark Office. We believe that the outcome of existing proceedings would not have a material adverse effect on our financial position, results of operations or cash flows.

In connection with our collaborations with universities and other third parties, we occasionally obtain royalty-bearing licenses for the use of third-party technologies in the ordinary course of business.

### **Insurance**

We have implemented a corporate-wide insurance program consisting of both corporate-wide master policies with worldwide coverage and local policies where required by applicable regulations. Our insurance coverage includes: (i) property damage and business interruption; (ii) general liability including operation, professional, product and environment liability; (iii) aviation product liability; (iv) marine cargo (transport);

(v) business travel and personal accident; (vi) construction all risk; (vii) automobile liability; (viii) trade credit; (ix) Cyber risk; (x) Workers Compensation in the U.S.; and (xi) other specific coverages for executive and special risks.

We believe that our insurance coverage terms and conditions are customary for a business such as Constellium and are sufficient to protect us against catastrophic losses.

We also purchase and maintain insurance on behalf of our directors and officers.

### **Governmental Regulations and Environmental, Health and Safety Matters**

Our operations are subject to a number of international, national, state and local regulations relating to the protection of the environment and to workplace health and safety. Our operations involve the use, handling, storage, transportation and disposal of hazardous substances, and accordingly we are subject to extensive federal, state and local laws and regulations governing emissions to air, discharges to water emissions, the generation, storage, transportation, treatment or disposal of hazardous materials or wastes and employee health and safety matters. In addition, prior operations at certain of our properties have resulted in contamination of soil and groundwater which we are required to investigate and remediate pursuant to applicable environmental, health and safety (“EHS”) laws and regulations. Environmental compliance at our key facilities is supervised by the Direction Régionale de l’Environnement de l’Aménagement et du Logement in France, the Umweltbundesamt in Germany, the Service de la Protection de l’Environnement du Canton du Valais in Switzerland, the United States Environmental Protection Agency, West Virginia Department of Environmental Protection, the Alabama Department of the Environmental Management and the Kentucky Department for Environmental Protection in the United States, the Regional Authority of the Usti Region in the Czech Republic, the Slovenská Inspekcia zivotného prostredia in Slovakia, Secretaria de Medio Ambiente y Recursos Naturales in Mexico and the Environmental Monitoring Agency in China. Violations of EHS laws and regulations, and remediation obligations arising under such laws and regulations, may result in restrictions being imposed on our operating activities as well as fines, penalties, damages or other costs. Accordingly, we have implemented EHS policies and procedures to protect the environment and ensure compliance with these laws, and incorporate EHS considerations into our planning for new projects. We perform regular risk assessments and EHS reviews. We closely and systematically monitor and manage situations of noncompliance with EHS laws and regulations and cooperate with authorities to redress any noncompliance issues. We believe that we have made adequate reserves with respect to our remediation and compliance obligations. Nevertheless, new regulations or other unforeseen increases in the number of our non-compliant situations may impose costs on us that may have a material adverse effect on our financial condition, results of operations or liquidity.

Our operations also result in the emission of substantial quantities of carbon dioxide, a greenhouse gas that is regulated under the EU’s Emissions Trading System (“ETS”). Although compliance with ETS to date has not resulted in material costs to our business, compliance with ETS requirements currently being developed for the 2018-2020 period, and increased energy costs due to ETS requirements imposed on our energy suppliers, could have a material adverse effect on our business, financial condition or results of operations. We may also be liable for personal injury claims or workers’ compensation claims relating to exposure to hazardous substances. In addition, we are, from time to time, subject to environmental reviews and investigations by relevant governmental authorities.

E.U. Directive 2010/75 titled “Industrial Emissions” regulates some of our European activities as recycling or melting/casting. With the revision of the Best Available Technics Reference of Non Ferrous Metals in 2016, which defines associated emissions limits values for these activities applicable in 2020 at the latest, staying in compliance with the law, could require significant expenditures to tune our processes or implement abatement installations.

Additionally, some of the chemicals we use in our fabrication processes are subject to REACH in the EU. Under REACH, we are required to register some of the substances contained in our products with the European Chemicals Agency, and this process could cause significant delays or costs. We are currently compliant with REACH, and expect to stay in compliance, but if the nature of the regulation changes in the future, or if the perimeter of REACH is changing (e.g. Brexit) or if substances we use currently in our process, considered as Substances of Very High Concern, fall under need of authorization for use, we may be required to make significant expenditures to reformulate the chemicals that we use in our products and materials or incur costs to register such chemicals to gain and/or regain compliance. Future noncompliance could also subject us to significant fines or other civil and criminal penalties. Obtaining regulatory approvals for chemical products used in our facilities is an important part of our operations.

We accrue for costs associated with environmental investigations and remedial efforts when it becomes probable that we are liable and the associated costs can be reasonably estimated. The aggregate close down and environmental remediation costs provisions at December 31, 2018 were €83 million. All accrued amounts have been recorded without giving effect to any possible future recoveries. With respect to ongoing environmental compliance costs, including maintenance and monitoring, we expense the costs when incurred.

We have incurred, and in the future will continue to incur, operating expenses related to environmental compliance. As part of the general capital expenditure plan, we expect to incur capital expenditures for other capital projects that may, in addition to improving operations, reduce certain environmental impacts as energy consumption, air emissions, water releases, waste streams optimization.

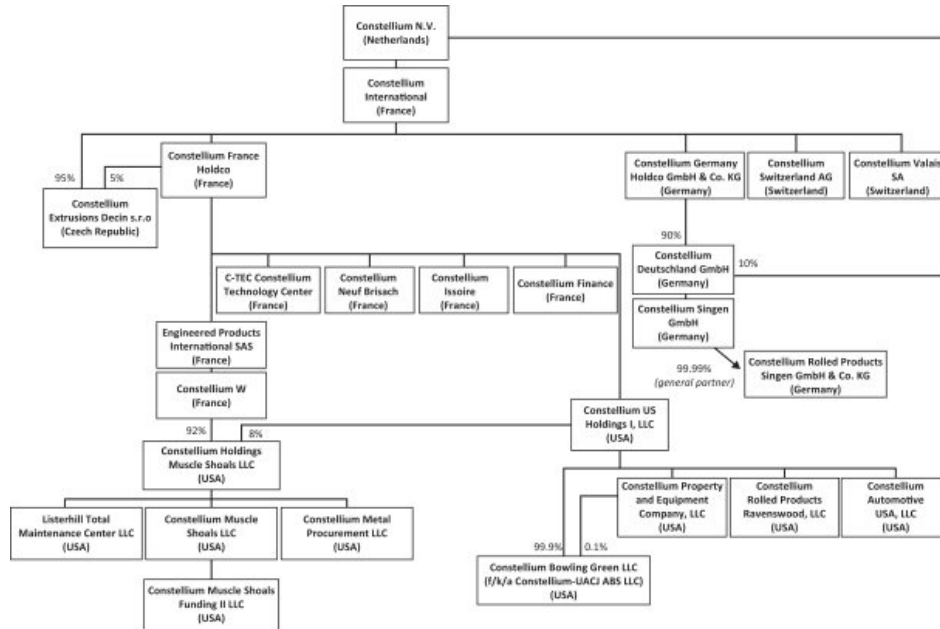
#### **Litigation and Legal Proceedings**

The Company is involved, and may become involved, in various lawsuits, claims and proceedings relating to customer claims, product liability, and other commercial matters. The Company records provisions for pending litigation matters when it determines that it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. In some proceedings, the issues raised are or can be highly complex and subject to significant uncertainties and amounts claimed are and can be substantial. As a result, the probability of loss and an estimation of damages are and can be difficult to ascertain. The Company is currently subject to an arbitration by a customer claiming that Constellium supplied defective products as a result of which the customer alleges it has suffered significant damages. The Company considers that the claim is without merit on both technical and legal grounds and is vigorously defending the action. For this matter and in respect of others which the Company considers are without merit, while it is possible that an unfavorable outcome may result, after assessing the information available, the Company has concluded that it is not probable that a loss has been incurred. From time to time, asbestos-related claims are also filed against us, relating to historic asbestos exposure in our production process. We have made reserves for potential occupational disease claims for a total of €4 million as of December 31, 2018. It is not anticipated that any of our currently pending litigation and proceedings will have a material effect on the future results of the Company.



**C. Organizational Structure**

The following diagram reflects our simplified corporate legal entity structure as of January 31, 2019. Percentages reflect ownership interest where ownership interest is less than 100%. The country listed for each legal entity below depicts such entity’s jurisdiction of incorporation.



**D. Property, Plants and Equipment**

At December 31, 2018, we operated 26 manufacturing facilities serving both global and local customers, two R&D centers, one in Europe and one in the United States, and one university technology center in London. In addition, we are building new facilities in Vigo, Spain, Zilina, Slovakia and Nanjing, China. Among our production sites, we have seven major facilities (Muscle Shoals, Neuf-Brisach, Issoire, Ravenswood, Singen, Déčín and Sierre) catering to the needs of our Aerospace & Transportation, Packaging & Automotive Rolled Products and Automotive Structures & Industry operating segments:

- The Muscle Shoals, Alabama facility operates one of the largest and most efficient can reclamation facilities in the world. In addition, the facility utilizes multi-station electromagnetic casting, houses the widest hot line in North America and has the fastest can end stock coating line in the world. Production capabilities include body stock, tab stock, and end stock. In addition, we have started producing automotive cold coils for body sheet. We have invested approximately €60 million in the facility in the year ended December 31, 2017 and €44 million in the facility for the year ended December 31, 2018.
- The Neuf-Brisach, France facility is an integrated aluminium rolling, finishing and recycling facility in Europe. Our investments in a can body stock slitter and recycling furnace has enabled us to secure long-term can stock contracts. Additionally, our latest investment in a new state-of-the-art automotive finishing line has further strengthened the plant’s position as a significant supplier of aluminium Auto Body Sheet in the automotive market. We invested €37 million in the facility in the year ended December 31, 2017 and €32 million in the facility in the year ended December 31, 2018.

- The Issoire, France facility is one of the world’s two leading aerospace plate mills based on volumes. The plant operates two Airware® industrial casthouses and currently uses recycling capabilities to take back scrap along the entire fabrication chain. Issoire works as an integrated platform with Ravenswood, West Virginia and Sierre, Switzerland, providing a significant competitive advantage for us as a global supplier to the aerospace industry. We invested €36 million in the facility in the year ended December 31, 2017 and €32 million in the facility in the year ended December 31, 2018.
- The Ravenswood, West Virginia facility has significant assets for producing aerospace plates and is a recognized supplier to the defense industry. The facility has stretchers and wide-coil capabilities that make it one of the few facilities in the world capable of producing plates of a size needed for the largest commercial airplanes. We invested approximately €28 million in the year ended December 31, 2017 and €28 million for the year ended December 31, 2018 on significant equipment upgrades.
- The Singen, Germany rolling plant has more than 100 years’ experience, industry leading cycle times and high-grade cold mills with special surfaces capabilities to serve automotive and other markets. The extrusion part has one of the largest extrusion presses in Europe as well as advanced and highly productive integrated automotive bumper manufacturing lines. A dedicated unit allows the production of crash management applications, battery enclosures for electric vehicles as well as other automotive structural parts ready for the OEM assembly lines. We invested €36 million in the facility in the year ended December 31, 2017 and €45 million in the facility in the year ended December 31, 2018.
- The Děčín, Czech Republic facility is a large extrusion facility, mainly focusing on hard alloy extrusions for automotive and industrial applications, with significant recycling capabilities. It is located near the German border, strategically positioning it to supply the German, Czech and French Tier1s and OEMs. Its integrated casthouse allows it to offer high value-add customized hard alloys to our customers. We invested €16 million in the facility in the year ended December 31, 2017 and €21 million in the facility in the year ended December 31, 2018.
- The Sierre, Switzerland facility is dedicated to precision plates for general engineering, aerospace plates and slabs and is a leading supplier of extruded products for high-speed train railway manufacturers and a wide range of applications. The Sierre facility includes the Steg casthouse that produces automotive, general engineering and aerospace slabs and the Chippis casthouse that has the capacity to produce non-standard billets for a wide range of extrusions. Its qualification as an aerospace plate and slabs plant increases our aerospace production capabilities. We invested €14 million in the facility in the year ended December 31, 2017 and €12 million in the facility in the year ended December 31, 2018.

Our current production facilities are listed below by operating segment:

<u>Operating Segment(1)</u>	<u>Location</u>	<u>Country</u>	<u>Owned/ Leased</u>
Packaging & Automotive Rolled Products	Biesheim, Neuf-Brisach	France	Owned
Packaging & Automotive Rolled Products	Singen	Germany	Owned
Packaging & Automotive Rolled Products	Muscle Shoals, AL	United States	Owned
Aerospace & Transportation	Ravenswood, WV	United States	Owned
Aerospace & Transportation	Issoire	France	Owned
Aerospace & Transportation	Montreuil-Juigné	France	Owned
Aerospace & Transportation	Ussel	France	Owned
Aerospace & Transportation	Steg	Switzerland	Owned
Aerospace & Transportation	Sierre	Switzerland	Owned
Automotive Structures & Industry	Van Buren, MI	United States	Leased
Automotive Structures & Industry	Changchun, Jilin Province (JV)	China	Leased
Automotive Structures & Industry	Děčín	Czech Republic	Owned
Automotive Structures & Industry	Nuits-Saint-Georges	France	Owned
Automotive Structures & Industry	Burg	Germany	Owned
Automotive Structures & Industry	Crailsheim	Germany	Owned

<u>Operating Segment(1)</u>	<u>Location</u>	<u>Country</u>	<u>Owned/ Leased</u>
Automotive Structures & Industry	Neckarsulm	Germany	Owned
Automotive Structures & Industry	Gottmadingen	Germany	Owned
Automotive Structures & Industry	Landau/Pfalz	Germany	Owned
Automotive Structures & Industry	Singen	Germany	Owned
Automotive Structures & Industry	Levice	Slovakia	Owned
Automotive Structures & Industry	Chippis	Switzerland	Owned
Automotive Structures & Industry	Sierre	Switzerland	Owned
Automotive Structures & Industry	White, GA	United States	Leased
Automotive Structures & Industry	Lakeshore, Ontario (JV)(2)	Canada	Leased
Automotive Structures & Industry	San Luis Potosi	Mexico	Leased

- (1) For our Packaging & Automotive Rolled Products operating segment, this table does not include our Joint Venture in Bowling Green, Kentucky, USA, with UACJ Corporation, which is 51% owned by Constellium as of December 31, 2018 and accounted for under the equity method. On January 10, 2019, Constellium acquired the remaining 49% of the equity in the joint venture.
- (2) Constellium Joint Venture with Can Art Aluminum Extrusion Inc.

The production capacity and utilization rate for our main plants are listed below as of December 31, 2018:

<u>Plant</u>	<u>Capacity</u>	<u>Utilization Rate</u>
Neuf-Brisach	450 kt	95-100%
Muscle Shoals	500-550 kt	75%
Issoire	110 kt	90%
Ravenswood	175 kt	90-95%
Děčín	92 kt	84%
Singen	290-310 kt	85-90%
Sierre	70-75 kt	50%

Production capacity and utilization rates presented above are estimates based in a theoretical output capacity assuming the plant operates with currently operating equipment and current staffing levels and product mix.

For information concerning the material plans to construct, expand or improve facilities, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

#### **Item 4A. Unresolved Staff Comments**

None.

#### **Item 5. Operating and Financial Review and Prospects**

*The following discussion and analysis is based principally on our audited Consolidated Financial Statements as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 included elsewhere in this Annual Report and is provided to supplement the audited Consolidated Financial Statements and the related notes to help provide an understanding of our financial condition, changes in financial condition, results of our operations, and liquidity. The following discussion is to be read in conjunction with Selected Financial Data and our audited Consolidated Financial Statements and the notes thereto, included elsewhere in this Annual Report.*

*The following discussion and analysis includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ*

materially from those expressed or implied by our forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Annual Report. See in particular “Special Note about Forward-Looking Statements” and “Item 3. Key Information—D. Risk Factors.”

## **Company Overview**

We are a global leader in the development, manufacture and sale of a broad range of highly engineered, value-added specialty rolled and extruded aluminium products to the packaging, aerospace, automotive, other transportation and industrial end-markets. As of December 31, 2018, we had approximately 13,000 employees, 26 production facilities (including the Bowling Green facility, which is operated through our joint venture with UACJ), three administrative centers, and three R&D centers.

## **Our Operating Segments**

We serve a diverse set of customers across a broad range of end-markets with very different product needs, specifications and requirements. As a result, we have organized our business into three segments to better serve our customer base.

### ***Packaging & Automotive Rolled Products Segment***

Our Packaging & Automotive Rolled Products segment produces aluminium sheet and coils. Approximately 77% of segment volume for the year ended December 31, 2018 was packaging rolled products, which primarily includes beverage and food can stock as well as closure stock and foil stock. Approximately 19% of the segment volume for this period was automotive rolled products and the balance of the segment volume was specialty and other thin-rolled products. Our Packaging & Automotive Rolled Products segment accounted for 54% of revenue and 49%<sup>4</sup> of Adjusted EBITDA for the year ended December 31, 2018.

### ***Aerospace & Transportation Segment***

Our Aerospace & Transportation segment has market leadership positions in technologically advanced aluminium and specialty materials products with applications across the global aerospace, defense, transportation, and industrial sectors. We offer a wide range of products, including plate and sheet. Approximately 45% of the segment volume for the year ended December 31, 2018 was aerospace rolled products and approximately 55% was transportation industry and other rolled products. Our Aerospace & Transportation segment accounted for 23% of revenue and 31%<sup>4</sup> of Adjusted EBITDA for the year ended December 31, 2018.

### ***Automotive Structures & Industry Segment***

Our Automotive Structures & Industry segment produces technologically advanced structures for the automotive industry, (including crash management systems, side impact beams and cockpit carriers), soft and hard alloy extrusions and large extruded profiles for automotive, railroad, energy, building and industrial applications. Approximately 46% of the segment volume for the year ended December 31, 2018 was automotive extruded products and approximately 54% was other extruded products. Our Automotive Structures & Industry segment accounted for 23% of revenue and 25%<sup>4</sup> of Adjusted EBITDA for the year ended December 31, 2018.

## **Discontinued Operations and Disposals**

In July 2018, we completed the sale of the North Building Assets of our Sierre plant in Switzerland, which have been leased to and operated by Novelis since 2005. We contributed the plant’s shared infrastructure to a 50-

<sup>4</sup> The difference between the sum of reported segment Adjusted EBITDA and the Company’s Adjusted EBITDA is related to Holdings and Corporate.

50 joint venture with Novelis in exchange for cash consideration of €200 million. This transaction also resulted in the termination of the existing lease agreement. The total purchase price for the transactions amounted to €200 million and generated a €190 million net gain. We continue to own and operate our cast houses, plate and extrusion manufacturing plants and other manufacturing assets at Sierre. As part of this agreement, we also entered into long-term production and metal supply agreements with Novelis.

In 2015, we decided to dispose of our plant in Carquefou (France) which was part of our A&T operating segment and it was classified as held for sale on December 31, 2015, accordingly. An €8 million charge was recorded upon the write-down of the related assets to their net realizable value. The sale was completed in February 2016 and no gain was recognized upon disposal.

### **Key Factors Influencing Constellium's Financial Condition and Results from Operations**

The financial performance of our operations is dependent on several factors, the most critical of which are as follows:

#### ***Economic Conditions and Markets***

We are directly impacted by the economic conditions that affect our customers and the markets in which they operate. General economic conditions such as the level of disposable income, the level of inflation, the rate of economic growth, the rate of unemployment, exchange rates and currency devaluation or revaluation—influence consumer confidence and consumer purchasing power. These factors, in turn, influence the demand for our products in terms of total volumes and prices that can be charged. In some cases we are able to mitigate the risk of a downturn in our customers' businesses by building committed minimum volume thresholds into our commercial contracts. We further seek to mitigate the risk of a downturn by utilizing a temporary workforce for certain operations, which allows us to match our resources with the demand for our services.

Although the metals industry and our end-markets are cyclical in nature and expose us to related risks, we believe that our portfolio is relatively resilient to these economic cycles in each of our three main end-markets of packaging, aerospace and automotive:

- Can packaging tends not to be highly correlated to the general economic cycle. In addition, we believe European canstock has an attractive long-term growth outlook due to ongoing trends in (i) growth in beer, soft drinks and energy drinks consumption, (ii) increasing use of cans versus glass in the beer market, and (iii) increasing penetration of aluminium in canstock at the expense of steel.
- We believe that the aerospace industry is currently insulated from economic cycles by a combination of growth drivers. These drivers include increasing passenger traffic and the fleet replacement towards newer and more fuel efficient aircrafts. These factors have materialized in the form of historically high backlogs for the aircraft manufacturers. The combined order backlog for Boeing and Airbus represents approximately eight-to nine-years of manufacturing at current build rates.
- Although the automotive industry is a cyclical industry, its demand for aluminium has been increasing in recent years. This has been triggered by a light-weighting trend for new car models and electric vehicles, which drives substitution of heavier metals in favor of aluminium.

#### ***Aluminium Consumption***

The aluminium industry is cyclical and is affected by global economic conditions, industry competition and product development. Aluminium is increasingly seen as the material of choice in a number of applications, including packaging, aerospace and automotive. Aluminium is lightweight, has a high strength-to-weight ratio and is resistant to corrosion. It compares favorably to several alternative materials, such as steel, in these respects. Aluminium is also unique in that it recycles repeatedly without any material decline in performance or quality. The recycling of aluminium delivers energy and capital investment savings relative to the cost of

producing both primary aluminium and many other competing materials. Due to these qualities, the penetration of aluminium into a wide variety of applications continues to increase. We believe that long-term growth in aluminium consumption generally, and demand for those products we produce specifically, will be supported by factors that include growing populations, greater purchasing power and increasing focus on sustainability and environmental issues, globally.

#### **Aluminium Prices**

Aluminium prices are determined by worldwide forces of supply and demand and, as a result they are volatile. The average LME transaction price, Midwest Premium and Rotterdam Premium per ton of primary aluminium in the years ended December 31, 2018, 2017 and 2016 are presented below:

Average quarterly LME per ton using U.S. dollar prices converted to Euros using the applicable European Central Bank rates:

<i>(Euros/ton)</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>
First Quarter	1,757	1,737	1,374
Second Quarter	1,896	1,736	1,393
Third Quarter	1,769	1,714	1,451
Fourth Quarter	1,726	1,786	1,588
Average for the year	1,786	1,743	1,452

Average quarterly Midwest Premium per ton using U.S. dollar prices converted to Euros using the applicable European Central Bank rates:

<i>(Euros/ton)</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>
First Quarter	246	198	173
Second Quarter	404	180	153
Third Quarter	390	144	125
Fourth Quarter	376	176	154
Average for the year	354	175	151

Average quarterly Rotterdam Premium per ton using U.S. dollar prices converted to Euros using the applicable European Central Bank rates:

<i>(Euros/ton)</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>
First Quarter	134	137	133
Second Quarter	170	131	117
Third Quarter	135	120	107
Fourth Quarter	116	135	121
Average for the year	139	131	119

The price we pay for aluminium includes regional premiums, such as the Rotterdam premium for metal purchased in Europe or the Midwest premium for metal purchased in the U.S. The regional premiums, which had historically been fairly stable, have been more volatile in recent years. Notably, regional premiums increased significantly in 2013 and 2014, with the Rotterdam premium and the Midwest premium reaching unprecedented levels in the fourth quarter of 2014. During the second half of 2015, both the Rotterdam and Midwest premiums returned to levels seen prior to 2013. Although our business model seeks to minimize the impact of aluminium price fluctuations on our net income and cash flows, we are not always able to pass through the cost of regional premiums to our customers or adequately hedge the impact of regional premium differentials. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Industry—Our financial results could be adversely affected by the volatility in aluminium prices.”

We believe our cash flows are largely protected from variations in LME prices due to the fact that we hedge our sales based on their replacement cost, by setting the maturity of our futures on the delivery date to our customers. As a result, when LME prices increase, we have limited additional cash requirements to finance the increased replacement cost of our inventory.

#### ***Product Price and Margin***

Our products are typically priced based on three components: (i) LME, (ii) regional premiums and (iii) a conversion margin. We seek to minimize the impact of aluminium price fluctuations in order to protect our cash flows against the LME and regional price fluctuations with the following methods:

- In cases where we are able to align the price and quantity of physical aluminium purchases with that of physical aluminium sales to customers, we enter back-to-back arrangements with our customers.
- However, when we are unable to align the price and quantity of physical aluminium purchases with that of physical aluminium sales to our customers, we enter into derivative financial instruments to pass through the exposure to financial institutions at the time the price is set.
- For a small portion of our volumes, the aluminium we process is owned by our customers and we bear no aluminium price risk.

Our risk management practices aim to reduce, but do not entirely eliminate, our exposure to changing primary aluminium and regional premium prices. Moreover, while we limit our exposure to unfavorable price changes, we also limit our ability to benefit from favorable price changes. As we do not apply hedge accounting for the derivative instruments entered into to hedge our exposure to changes in metal prices, mark-to-market movements for these instruments are recognized in “Other (losses)/gains—net.”

Our results are also impacted by differences between changes in the prices of primary and scrap aluminium. As we price our product using the prevailing price of primary aluminium but purchase large amounts of scrap aluminium to manufacture our products, we benefit when primary aluminium price increases exceed scrap price increases. Conversely, when scrap price increases exceed primary aluminium price increases, our results are negatively impacted. The difference between the price of primary aluminium and scrap prices is referred to as the “scrap spread” and is impacted by the effectiveness of our scrap purchasing activities, the supply of scrap available and movements in the terminal commodity markets.

The conversion margin is the margin we earn over the cost of our metal inputs. We seek to maximize our conversion margins based on the value-added product capabilities we provide and the supply/demand dynamics in the market.

#### ***Volumes***

The profitability of our businesses is determined, in part, by the volume of tons processed and sold. Increased production volumes will generally result in lower per unit costs, while higher sold volumes will generally result in additional revenue and associated margins.

#### ***Personnel Costs***

Our operations are labor intensive and, as a result, our personnel costs represent 17%, 18% and 20% of our cost of sales, selling and administrative expenses and R&D expenses for the years ended December 31, 2018, 2017, and 2016, respectively.

Personnel costs generally increase and decrease proportionately with the expansion, addition or closing of operating facilities. Personnel costs include the salaries, wages and benefits of our employees, as well as costs related to temporary labor. During our seasonal peaks and especially during the summer months, we have historically increased our temporary workforce to compensate for staff on vacation and increased volume of activity.

### Currency

We are a global company with operations in France, the United States, Germany, Switzerland, the Czech Republic, Slovakia, Mexico, Canada and China, as of December 31, 2018. As a result, our revenue and earnings have exposure to a number of currencies, primarily the euro, the U.S. dollar and the Swiss Franc. As our presentation currency is the euro, and the functional currencies of the businesses located outside of the Eurozone are primarily the U.S. dollar and the Swiss franc, the results of the businesses located outside of the Eurozone must be translated each period to euros. Accordingly, fluctuations in the exchange rate of the functional currencies of our businesses located outside of the Eurozone against the euro impacts our results of operations.

We engage in significant hedging activity to attempt to mitigate the effects of foreign transaction currency fluctuations on our profitability. Transaction impacts arise when our businesses transact in a currency other than their own functional currency. As a result, we are exposed to foreign exchange risk on payments and receipts in multiple currencies. In Europe, a portion of our revenue are denominated in U.S. dollars while the majority of our costs incurred are denominated in local currencies. Where we have multiple-year sale agreements for the sale of fabricated metal products in U.S. dollars by euro-functional currency entities, we have entered into derivative contracts to forward sell U.S. dollars to match these future sales. With the exception of certain derivative instruments entered into to hedge the foreign currency risk associated with the cash flows of certain highly probable forecasted sales, which we have designated for hedge accounting, hedge accounting is not applied to such ongoing commercial transactions and therefore the mark-to-market impact is recorded in “Other gains/(losses)—net”.

### Results of Operations

#### Results of Operations for the years ended December 31, 2018 and 2017

	For the year ended December 31,					
	2018	%		2017	%	
	(€ in millions and as a % of revenue)					
<b>Revenue</b>	<b>5,686</b>	<b>100%</b>		<b>5,237</b>	<b>100%</b>	
Cost of sales	(5,148)	91%		(4,682)	89%	
<b>Gross profit</b>	<b>538</b>	<b>9%</b>		<b>555</b>	<b>11%</b>	
Selling and administrative expenses	(247)	4%		(247)	5%	
Research and development expenses	(40)	1%		(36)	1%	
Restructuring costs	(1)	—		(4)	—	
Other gains net	154	3%		70	1%	
<b>Income from operations</b>	<b>404</b>	<b>7%</b>		<b>338</b>	<b>6%</b>	
Finance costs, net	(149)	3%		(260)	5%	
Share of loss of joint ventures	(33)	1%		(29)	1%	
<b>Income before income taxes</b>	<b>222</b>	<b>4%</b>		<b>49</b>	<b>1%</b>	
Income tax expense	(32)	1%		(80)	2%	
<b>Net income / (loss)</b>	<b>190</b>	<b>3%</b>		<b>(31)</b>	<b>1%</b>	
Shipment volumes (in kt)	1,534	n/a		1,482	n/a	
Revenue per ton (€ per ton)	3,707	n/a		3,534	n/a	

### Revenue

Revenue increased by 9% or €449 million to €5,686 million for the year ended December 31, 2018, from €5,237 million for the year ended December 31, 2017. This increase reflects a 3% increase in shipments and higher average revenue per ton.



Sales volumes increased by 3%, or 52 kt, to 1,534 kt for the year ended December 31, 2018 compared to 1,482 kt for the year ended December 31, 2017. This increase is driven by higher shipment volumes across all of our three segments.

Average sales prices increased by €173 per ton, or 5%, from €3,534 to €3,707, mainly attributable to the year-over-year increase in aluminium market prices, coupled with the rise in regional premium primarily in North America.

Our revenue is discussed in more detail in the “Segment Results” section.

**Cost of Sales**

Cost of sales increased by 10%, or €466 million, to €5,148 million for the year ended December 31, 2018, from €4,682 million for the year ended December 31, 2017. This increase in cost of sales was primarily driven by an increase of €364 million, or 11%, in the total cost of raw material and consumables used primarily as a result of higher LME prices and regional premiums, compared to the prior year, a €24 million increase in depreciation, a €17 million increase in labor costs and a €19 million increase in freight out costs.

**Selling and Administrative Expenses**

Selling and administrative expenses were stable and amounted to €247 million for the years ended December 31, 2018 and December 31, 2017.

**Research and Development Expenses**

Research and development expenses increased by 11% or €4 million, to €40 million for the year ended December 31, 2018, from €36 million for the year ended December 31, 2017. Research and development expenses are presented net of €10 million and €11 million of research and development tax credits received in France for the years ended December 31, 2018 and 2017, respectively. Research and development expenses, excluding tax credits received were €18 million, €21 million, and €11 million for the P&ARP, A&T, and AS&I segments, respectively, in the year ended December 31, 2018.

**Restructuring Costs**

In the year ended December 31, 2018, restructuring costs amounted to €1 million and were primarily related to our restructuring activities of German operations. Restructuring costs amounted to €4 million in the year ended December 31, 2017, and were primarily incurred in connection with restructuring activities at our German and Swiss operations.

**Other Gains, net**

(€ in millions)	For the year ended December 31,	
	2018	2017
Realized gains on derivatives	14	—
Unrealized (losses)/gains on derivatives at fair value through profit and loss—net	(84)	57
Unrealized exchange (losses) from the remeasurement of monetary assets and liabilities—net	—	(4)
Gains on pension plan amendments	36	20
Gains /(losses) on disposal	186	(3)
Other—net	2	—
<b>Total other gains, net</b>	<b>154</b>	<b>70</b>

Other gains—net were €154 million for the year ended December 31, 2018 compared to Other gains—net of €70 million for the year ended December 31, 2017. Realized gains recognized upon the settlement of derivative instruments amounted to €14 million and €0 million in the years ended December 31, 2018 and 2017, respectively. Of these, realized gains on metal derivatives were €7 million and €16 million for the year ended December 31, 2018 and 2017 respectively and realized gains on foreign exchange derivatives were €7 million in the years ended December 31, 2018 compared to realized losses of €16 million in the year ended December 31, 2017.

Unrealized losses on derivative instruments amounted to €84 million in the year ended December 31, 2018 and were primarily comprised of €1 million of losses related to foreign exchange derivatives and €83 million of losses related to metal derivatives. Unrealized gains on derivative instruments amounted to €57 million in the year ended December 31, 2017 and were primarily comprised of €16 million of gains related to foreign exchange derivatives and €41 million of gains related to metal derivatives.

In the year ended December 31, 2018, we recognized a €36 million net gain relating to an OPEB plan amendment in the United States. In the year ended December 31, 2017, we recognized a €20 million net gain relating to benefit plan amendments in Switzerland and in the United States.

Gains on disposal recognized in the year ended December 31, 2018 primarily related to the sale of North Building Assets of our Sierre plant in Switzerland. Losses on disposal recognized in the year ended December 31, 2017 primarily related to the write-off of abandoned development projects in the A&T segment.

#### ***Finance Costs, net***

Finance costs, net decreased by €111 million, to €149 million for the year ended December 31, 2018, from €260 million for the year ended December 31, 2017. This decrease primarily reflects benefits of lower interest rates from the refinancing transactions of 2017 for €29 million and €91 million of net loss on settlement of debt incurred in February 2017 and November 2017 in connection with these refinancing transactions.

In the year ended December 31, 2018, foreign exchange net losses from the revaluation of the portion of our U.S. dollar-denominated debt held by Euro functional currency entities amounted to €22 million and were offset by gains on derivative instruments entered into to hedge this exposure. In the year ended December 31, 2017, foreign exchange net gains from the revaluation of the portion of our U.S. dollar-denominated debt held by Euro functional currency entities amounted to €91 million and were largely offset by losses on derivative instruments entered into to hedge this exposure.

#### ***Share of loss of joint-ventures***

Our share of loss of joint-ventures for the year ended December 31, 2018 amounted to €33 million compared to €29 million for the year ended December 31, 2017 and is comprised primarily of our share in the net results of Constellium-UACJ ABS LLC, which is accounted for under the equity method. On January 10, 2019, we acquired the 49% of Constellium-UACJ ABS LLC that we did not previously own and as result we are expecting to consolidate this entity in our financial statements in fiscal year 2019. See note 33 to our audited consolidated financial statements.

#### ***Income Tax***

Income tax was an expense of €32 million for the year ended December 31, 2018 compared to an income tax expense of €80 million for the year ended December 31, 2017.

Our effective tax rate represented 14% of our income before income tax for the year ended December 31, 2018 and 163% of our income before tax for the year ended December 31, 2017. This change in our effective tax rate primarily reflects a decrease in the composite statutory tax rate applicable by tax jurisdiction (the “blended tax rate”), from 32% in 2017 to 24% in 2018 and the impact of significant reconciling items in both years.

Our blended tax rate decreased by approximately 8 percentage points in the year ended December 31, 2018 compared to the year ended December 31, 2017 primarily as a result of the sale of the North Building in Sierre plant in Switzerland.

The change in our blended rate mainly results from changes in the geographical mix of our pre-tax results, the decrease of the U.S. tax rate from 40% in 2017 to 26% in 2018 and decrease in the tax rate in France from 39.2% in 2017 to 34.4% for fiscal year 2018.

The effective tax rate for the year ended December 31, 2018 applies to €222 million of pre-tax income and is lower than our blended statutory tax rate primarily as a result of the favorable effect of the use of previously unrecognized tax losses carried forward in Switzerland offsetting the significant taxable profit generated by the sale of the North Building in Sierre plant and the termination of the existing lease agreement.

The effective tax rate for the year ended December 31, 2017 applies to €49 million of pre-tax income and is significantly higher than our projected blended statutory tax rate primarily as a result of the unfavorable effect of unrecognized tax benefits for losses in jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses and a €16 million unfavorable impact from the U.S. tax reform on deferred taxes.

**Net Income / loss**

As a result of the above factors, we recognized a net income of €190 million, in the year ended December 31, 2018 compared to a net loss of €31 million in the year ended December 31, 2017.

**Results of Operations for the years ended December 31, 2017 and 2016**

	<b>For the year ended December 31,</b>			
	<b>2017</b>		<b>2016</b>	
	<b>(€ in millions and as a % of revenue)</b>			
	€	%	€	%
<b>Revenue</b>	<b>5,237</b>	<b>100%</b>	<b>4,743</b>	<b>100%</b>
Cost of sales	(4,682)	89%	(4,208)	89%
<b>Gross profit</b>	<b>555</b>	<b>11%</b>	<b>535</b>	<b>11%</b>
Selling and administrative expenses	(247)	5%	(253)	5%
Research and development expenses	(36)	1%	(31)	1%
Restructuring costs	(4)	—	(5)	—
Other gains net	70	1%	21	—
<b>Income from operations</b>	<b>338</b>	<b>6%</b>	<b>267</b>	<b>6%</b>
Finance costs, net	(260)	5%	(188)	4%
Share of loss of joint ventures	(29)	1%	(14)	—
<b>Income before income taxes</b>	<b>49</b>	<b>1%</b>	<b>65</b>	<b>1%</b>
Income tax expense	(80)	2%	(69)	1%
<b>Net loss</b>	<b>(31)</b>	<b>1%</b>	<b>(4)</b>	<b>—</b>
Shipment volumes (in kt)	1,482	n/a	1,470	n/a
Revenue per ton (€ per ton)	3,534	n/a	3,227	n/a

**Revenue**

Revenue increased by 10% or €494 million to €5,237 million for the year ended December 31, 2017, from €4,743 million for the year ended December 31, 2016. This increase reflects a slight increase in shipments and higher average revenue per ton.

Sales volumes increased by 1%, or 12 kt, to 1,482 kt for the year ended December 31, 2017 compared to 1,470 kt for the year ended December 31, 2016. This increase is primarily driven by higher shipment volumes in our AS&I segment offset by slightly lower year-over-year shipments in our P&ARP and A&T segments.

Average sales prices increased by €307 per ton, or 10%, from €3,227 to €3,534, mainly attributable to the year-over-year increase in aluminium market prices, coupled with the rise in regional premium both in Europe and North America.

Our revenue is discussed in more detail in the “Segment Results” section.

#### ***Cost of Sales***

Cost of sales increased by 11%, or €474 million, to €4,682 million for the year ended December 31, 2017, from €4,208 million for the year ended December 31, 2016. This increase in cost of sales was primarily driven by an increase of €405 million, or 15%, in the total cost of raw material and consumables used primarily as a result of higher LME prices and regional premiums, compared to the prior year, a €34 million increase in labor costs and a €13 million increase in depreciation.

#### ***Selling and Administrative Expenses***

Selling and administrative expenses decreased by 2%, or €6 million, to €247 million for the year ended December 31, 2017 from €253 million for the year ended December 31, 2016, reflecting a decrease in professional fees and other non-labor expense; partially offset by an increase in labor cost primarily as a result of inflation.

#### ***Research and Development Expenses***

Research and development expenses increased by 16% or €5 million, to €36 million for the year ended December 31, 2017, from €31 million for the year ended December 31, 2016. Research and development expenses are presented net of €11 million and €10 million of research and development tax credits received in France for the years ended December 31, 2017 and 2016, respectively. Research and development expenses, excluding tax credits received were €17 million, €18 million, and €12 million for the P&ARP, A&T, and AS&I segments, respectively, in the year ended December 31, 2017.

#### ***Restructuring Costs***

In the year ended December 31, 2017, restructuring costs amounted to €4 million and were primarily related to our restructuring activities of German and Swiss operations. Restructuring costs amounted to €5 million in the year ended December 31, 2016, and were primarily incurred in connection with restructuring activities at our Valais Switzerland and Muscle Shoals, Alabama operations.

**Other Gains, net**

(€ in millions)	For the year ended December 31,	
	2017	2016
Realized losses on derivatives	—	(62)
Unrealized gains on derivatives at fair value through profit and loss—net	57	71
Unrealized exchange losses/(gains) from the remeasurement of monetary assets and liabilities—net	(4)	3
Gains on pension plan amendments	20	—
Wise purchase price adjustment	—	20
Losses on disposal	(3)	(10)
Other—net	—	(1)
<b>Total other gains, net</b>	<b>70</b>	<b>21</b>

Other gains—net were €70 million for the year ended December 31, 2017 compared to Other gains—net of €21 million for the year ended December 31, 2016. Realized losses recognized upon the settlement of derivative instruments amounted to €0 million and €62 million in the years ended December 31, 2017 and 2016, respectively. Of these, realized gains on metal derivatives were €16 million for the year ended December 31, 2017 compared to realized losses €16 million in the year ended December 31, 2016 and realized losses on foreign exchange derivatives were €16 million and €46 million in the years ended December 31, 2017 and 2016, respectively.

Unrealized gains on derivative instruments amounted to €57 million in the year ended December 31, 2017 and were primarily comprised of €16 million of gains related to foreign exchange derivatives and €41 million of gains related to metal derivatives. Unrealized gains on derivative instruments amounted to €71 million in the year ended December 31, 2016 and were comprised of €40 million of gains related to foreign exchange derivatives and €31 million of gains related to metal derivatives.

In the year ended December 31, 2017, we recognized a €20 million net gain relating to benefit plan amendments in Switzerland and in the United States.

In the year ended December 31, 2016, we recognized a €20 million gain related to the finalization of the contractual price adjustment for the acquisition of Wise Metals.

Losses on disposal recognized in the year ended December 31, 2017 primarily related to the write-off of abandoned development projects in the A&T segment. Losses on disposal recognized in the year ended December 31, 2016 primarily related to the write-off of abandoned development projects in the P&ARP segment.

**Finance Costs, net**

Finance costs, net increased by €72 million, to €260 million for the year ended December 31, 2017, from €188 million for the year ended December 31, 2016. This increase primarily reflects €91 million of net loss on settlement of debt incurred in connection with the refinancing, in February 2017, of the \$650 Wise Senior Secured Notes due 2018 and the refinancing, in November 2017, of i) our \$425 million—8.750% Senior Secured Notes due 2021, ii) our \$400 million—7.875% Senior Notes due 2023 and iii) our €240 million—7.875% Senior Notes due 2023. The increase from these refinancing one-off costs was partially offset by lower interest costs resulting primarily from the refinancing of the Wise Senior Secured Notes in February 2017 and to a lesser extent to the refinancing of the Wise PIK Toggle Notes in December 2016.

In the year ended December 31, 2017, foreign exchange net gains from the revaluation of the portion of our U.S. dollar-denominated debt held by Euro functional currency entities amounted to €91 million and were largely

offset by losses on derivative instruments entered into to hedge this exposure. In the year ended December 31, 2016, foreign exchange net losses from the revaluation of the portion of our U.S. dollar-denominated debt held by Euro functional currency entities amounted to €42 million and was offset by gains on derivative instruments entered into to hedge this exposure.

***Share of loss of joint-ventures***

Our share of loss of joint-ventures for the year ended December 31, 2017 amounted to €29 million compared to €14 million for the year ended December 31, 2016 and is comprised primarily of our share in the net results of Constellium-UACJ ABS LLC, which is accounted for under the equity method. We expect Constellium-UACJ ABS LLC to continue to incur losses over the next 12 to 24 months as it completes the ramp-up of its activities and the partners to make additional contributions to fund its operations.

***Income Tax***

Income tax for the year ended December 31, 2017 was an expense of €80 million for the year ended December 31, 2017 compared to an income tax expense of €69 million for the year ended December 31, 2016.

Our effective tax rate represented 163% of our income before income tax for the year ended December 31, 2017 and 106% of our income before tax for the year ended December 31, 2016. This change in our effective tax rate primarily reflects an increase in the composite statutory tax rate applicable by tax jurisdiction (the “blended tax rate”), from 25% in 2016 to 32% in 2017 and the impact of significant reconciling items in both years.

Our blended tax rate increased by approximately 7 percentage points in the year ended December 31, 2017 compared to the year ended December 31, 2016 as a result of changes in the geographical mix of our pre-tax results and a temporary increase the tax rate in France from 34.4% to 39.2% for fiscal year 2017.

The effective tax rate for the year ended December 31, 2017 applies to €49 million of pre-tax income and is significantly higher than our blended statutory tax rate primarily as a result of the unfavorable effect of unrecognized tax benefits for losses in jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses and a €16 million unfavorable impact from the U.S. tax reform on deferred taxes.

The effective tax rate for the year ended December 31, 2016 applies to €65 million of pre-tax income and is significantly higher than our projected blended statutory tax rate primarily as a result of the unfavorable effect of unrecognized tax benefits for losses in jurisdictions where we believe it is more likely than not that we will not be able to utilize those losses.

***Net Loss***

As a result of the above factors, we recognized a net loss of €31 million, in the year ended December 31, 2017 compared to a net loss of €4 million in the year ended December 31, 2016.

**Segment Results**

**Segment Revenue**

The following table sets forth the revenue for our operating segments for the periods presented:

	For the year ended December 31,					
	2018	2017		2016		
	(millions of € and as a % of revenue)					
P&ARP	3,059	54%	2,812	54%	2,498	52%
A&T	1,389	23%	1,335	25%	1,302	27%
AS&I	1,290	23%	1,123	21%	1,002	21%
Holdings and Corporate	10	0%	13	0%	(11)	0%
Inter-segment eliminations	(62)	—	(46)	—	(48)	—
<b>Total revenue</b>	<b>5,686</b>	<b>100%</b>	<b>5,237</b>	<b>100%</b>	<b>4,743</b>	<b>100%</b>

**P&ARP.** Revenue in our P&ARP segment increased by 9%, or €247 million, to €3,059 million in the year ended December 31, 2018, from €2,812 million for the year ended December 31, 2017, reflecting primarily higher shipments and revenue per ton driven by higher metal prices. P&ARP shipments were up 31 kt, reflecting a 38 kt, or 24%, increase in Automotive rolled products shipments offsetting lower shipments in Packaging rolled products. Revenue per ton increased by 6% to €2,944 per ton in the year ended December 31, 2018 from €2,789 per ton in the year ended December 31, 2017, primarily as a result of higher LME and premium prices.

Revenue in our P&ARP segment increased by 13%, or €314 million, to €2,812 million in the year ended December 31, 2017, from €2,498 million for the year ended December 31, 2016, reflecting primarily higher revenue per ton driven by higher metal prices and relatively stable shipments. P&ARP shipments were in line with the prior year with a 5kt decrease, reflecting lower shipments in Packaging rolled products partially offset by a 45kt, or 40%, increase in Automotive rolled products shipments. Revenue per ton increased by 13% to €2,789 per ton in the year ended December 31, 2017 from €2,466 per ton in the year ended December 31, 2016, primarily as a result of higher LME and premium prices.

**A&T.** Revenue at our A&T segment increased by €54 million, or 4% to €1,389 million in the year ended December 31, 2018 from €1,335 million in the year ended December 31, 2017, reflecting increasing shipments and higher revenue per ton driven by higher metal prices. A&T shipments increased by 3% or 8kt, reflecting a 5kt increase in Aerospace rolled products shipments and a 3kt increase in shipments in Transportation, industry and other rolled products. Revenue per ton increased by 1% to €5,646 per ton in the year ended December 31, 2018 from €5,618 per ton in the year ended December 31, 2017, primarily reflecting higher LME and premium prices, and higher volumes partially offset by foreign exchange translation.

Revenue at our A&T segment increased by €33 million, or 3% to €1,335 million in the year ended December 31, 2017 from €1,302 million in the year ended December 31, 2016, reflecting relatively stable shipments and higher revenue per ton driven by higher metal prices. A&T shipments decreased by 2% or 5kt, reflecting a 12kt decrease in Aerospace rolled products shipments partially offset by higher shipments in Transportation, industry and other rolled products. Revenue per ton increased by 5% to €5,618 per ton in the year ended December 31, 2017 from €5,360 per ton in the year ended December 31, 2016, primarily reflecting higher LME and premium prices, partially offset by product mix effects.

**AS&I.** Revenue in our AS&I segment increased by 15%, or €167 million, to €1,290 million for the year ended December 31, 2018, from €1,123 million for the year ended December 31, 2017, reflecting higher shipments and higher revenue per ton driven by improved price and mix. AS&I shipments increased 6%, or 13kt, reflecting a 5% or 5kt increase in Automotive extruded products shipments and a 7% or 8kt increase in Other extruded products shipments. Revenue per ton increased by 9% to €5,181 per ton in the year ended December 31,

2018 from €4,756 per ton in the year ended December 31, 2017, reflecting higher LME and premium prices, and improved product mix.

Revenue in our AS&I segment increased by 12%, or €121 million, to €1,123 million for the year ended December 31, 2017, from €1,002 million for the year ended December 31, 2016, reflecting higher shipments and higher revenue per ton driven by higher metal price. AS&I shipments increased 9%, or 19kt, reflecting a 10% or 10kt increase in Automotive extruded products shipments and an 8% or 9kt increase in Other extruded products shipments. Revenue per ton increased by 3% to €4,756 per ton in the year ended December 31, 2017 from €4,608 per ton in the year ended December 31, 2016, reflecting higher LME and premium prices, partially offset by product mix effects.

**Holdings and Corporate** . Revenue in the Holdings and Corporate segment for the years ended December 31, 2018 and 2017 are primarily related to metal sales to third parties. Revenue in the Holdings and Corporate segment for the year ended December 31, 2016, include a €20 million one-time payment recorded as reduction of revenue related to renegotiation of a contract with one of Wise's customers, partially offset by metal sales to third parties.

#### **Adjusted EBITDA**

Adjusted EBITDA is not a measure defined by IFRS. We believe the most directly comparable IFRS measure to Adjusted EBITDA is our net income or loss for the relevant period.

In considering the financial performance of the business, management analyzes the primary financial performance measure of Adjusted EBITDA in all of our business segments. Our Chief Operating Decision Maker ("CODM") measures the profitability and financial performance of our operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as income/(loss) from continuing operations before income taxes, results from joint ventures, net finance costs, other expenses and depreciation and amortization as adjusted to exclude restructuring costs, impairment charges, unrealized gains or losses on derivatives and on foreign exchange differences on transactions that do not qualify for hedge accounting, metal price lag, share-based compensation expense, effects of certain purchase accounting adjustments, start-up and development costs or acquisition, integration and separation costs, certain incremental costs and other exceptional, unusual or generally non-recurring items.

We believe Adjusted EBITDA, as defined above, is useful to investors as it illustrates the underlying performance of continuing operations by excluding non-recurring and non-operating items. Similar concepts of adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in their evaluation of our company and in comparison to other companies, many of which present an adjusted EBITDA-related performance measure when reporting their results.

Adjusted EBITDA has limitations as an analytical tool. It is not a measure defined by IFRS and therefore does not purport to be an alternative to operating profit or net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. As a result, you should not consider these performance measures in isolation from, or as a substitute analysis for, our results of operations.



The following table shows Constellium's consolidated Adjusted EBITDA for the years ended December 31, 2018, 2017 and 2016:

	For the year ended December 31,					
	2018	2017		2016		
	(millions of € and as a % of revenue)					
P&ARP	243	8%	204	7%	204	8%
A&T	152	11%	146	11%	118	9%
AS&I	125	10%	120	11%	104	10%
Holdings and Corporate	(22)	n.m.	(22)	n.m.	(28)	n.m.
<b>Total Adjusted EBITDA</b>	<b>498</b>	<b>9%</b>	<b>448</b>	<b>8%</b>	<b>398</b>	<b>8%</b>

n.m. not meaningful

Total Adjusted EBITDA for the year ended December 31, 2018 was €498 million, which represented a €50 million, or 11% increase compared to €448 million of total Adjusted EBITDA for the year ended December 31, 2017. This increase mainly reflected improved results in each of our three business segments.

Total Adjusted EBITDA for the year ended December 31, 2017 was €448 million, which represented a €50 million, or 13% increase compared to €398 million of total Adjusted EBITDA for the year ended December 31, 2016. This increase mainly reflected improved results at our A&T and AS&I segments.

The following table presents the primary drivers for changes in Adjusted EBITDA from the year ended December 31, 2017 to the year ended December 31, 2018 for each one of our three segments:

	P&ARP	A&T	AS&I
	(millions of €)		
Adjusted EBITDA for the year ended December 31, 2017	204	146	120
Volume	14	14	14
Price and product mix	17	(2)	11
Costs	7	(3)	(21)
Foreign exchange, premium and other	1	(3)	1
Adjusted EBITDA for the year ended December 31, 2018	<u>243</u>	<u>152</u>	<u>125</u>

The following table presents the primary drivers for changes in Adjusted EBITDA from the year ended December 31, 2016 to the year ended December 31, 2017 for each one of our three segments:

	P&ARP	A&T	AS&I
	(millions of €)		
Adjusted EBITDA for the year ended December 31, 2016	204	118	104
Volume	(1)	(13)	27
Price and product mix	17	40	(12)
Costs	(11)	8	1
Foreign exchange, premium and other	(5)	(7)	—
Adjusted EBITDA for the year ended December 31, 2017	<u>204</u>	<u>146</u>	<u>120</u>

**P&ARP**. Adjusted EBITDA at our P&ARP segment was €243 million for the year ended December 31, 2018, a 19% increase from €204 million in the year ended December 31, 2017. Adjusted EBITDA per metric ton for the year ended December 31, 2018 was 16% higher at €234 for the year ended December 31, 2018 compared to €202 for the year ended December 31, 2017, reflecting primarily higher volumes and better price and mix, favorable metal costs partially offset by incremental costs from maintenance and by the ramp up of our automotive programs.

Adjusted EBITDA at our P&ARP segment was €204 million for the year ended December 31, 2017 was comparable to €204 million in the year ended December 31, 2016. Adjusted EBITDA per metric ton for the year ended December 31, 2017 was relatively stable at €202 for the year ended December 31, 2017 compared to €201 for the year ended December 31, 2016, reflecting better price and mix offset by the impact of our ABS program in the US.

**A&T.** Adjusted EBITDA was €152 million for the year ended December 31, 2018, an increase of 4% from the year ended December 31, 2017 and Adjusted EBITDA per metric ton increased 1% to €619 from €614 in the year ended December 31, 2017, primarily reflecting higher shipments and strong management of operating costs, partially offset by weaker price and mix.

Adjusted EBITDA was €146 million for the year ended December 31, 2017, an increase of 24% from the year ended December 31, 2016 and Adjusted EBITDA per metric ton increased 26% to €614 from €487 in the year ended December 31, 2016, primarily reflecting better price and mix and strong management of operating costs, partially offset by the impact of lower Aerospace rolled product volumes and foreign exchange and premium effects.

**AS&I.** Adjusted EBITDA was €125 million for the year ended December 31, 2018, a 4% increase from the same period in the prior year, reflecting higher volumes and improved price and mix partially offset by higher costs largely related to maintenance, new product launches and our footprint expansion. Adjusted EBITDA per ton decreased 2% to €502 per ton in the year ended December 31, 2018 as compared to the prior year.

Adjusted EBITDA was €120 million for the year ended December 31, 2017, a 15% increase from the same period in the prior year, reflecting higher volumes and solid cost control. Adjusted EBITDA per ton increased 6% to €510 per ton in the year ended December 31, 2017 as compared to the prior year.

**Holdings and Corporate.** Our Holdings and Corporate segment generated Adjusted EBITDA losses of €22 million, €22 million and €28 million in the year ended December 31, 2018, 2017 and 2016, respectively. The decrease in Holdings and Corporate costs from period to period is notably attributable to additional costs incurred in 2016, in connection with changes in the executive management team.

The following table reconciles our net income / (loss) for each of the three years in the period ending December 31, 2018 to our Adjusted EBITDA for the years presented:

(€ in millions)	For the year ended December 31,		
	2018	2017	2016
<b>Net income / (loss)</b>	<b>190</b>	<b>(31)</b>	<b>(4)</b>
Net income from discontinued operations	—	—	—
Income tax expense	32	80	69
Finance costs, net	149	260	188
Share of loss of joint ventures	33	29	14
Depreciation and amortization	197	171	155
Restructuring costs	1	4	5
Unrealized losses / (gains) on derivatives	84	(57)	(71)
Unrealized exchange losses / (gains) from remeasurement of monetary assets and liabilities—net	—	4	(3)
Gains on pension plan amendments (a)	(36)	(20)	—
Share-based compensation	12	8	6
Metal price lag (b)	—	(22)	(4)
Start-up and development costs (c)	21	17	25
Manufacturing system and process transformation costs	—	2	5
Wise integration and acquisition costs	—	—	2
Wise one-time costs (d)	—	—	20
Wise purchase price adjustment (e)	—	—	(20)
(Gains) / Losses on disposals (f)	(186)	3	10
Other (g)	1	—	1
<b>Adjusted EBITDA</b>	<b>498</b>	<b>448</b>	<b>398</b>

- (a) For the year ended December 31, 2018, the Company amended one of its OPEB plans in the US, which resulted in a €36 million gain. For the year ended December 31, 2017, amendments to certain Swiss pension plans, US pension plans and OPEB resulted in a €20 million net gain.
- (b) Metal price lag represents the financial impact of the timing difference between when aluminium prices included within Constellium revenue are established and when aluminium purchase prices included in Cost of sales are established. The Company accounts for inventory using a weighted average price basis and this adjustment aims to remove the effect of volatility in LME prices. The calculation of the Company's metal price lag adjustment is based on an internal standardized methodology calculated at each of Constellium's manufacturing sites and is primarily calculated as the average value of product recorded in inventory, which approximates the spot price in the market, less the average value transferred out of inventory, which is the weighted average of the metal element of cost of sales, based on the quantity sold in the period.
- (c) For the years ended December 31, 2018 and 2017, start-up and development costs include €21 million and €16 million, respectively, related to new projects in our AS&I operating segment. For the year ended December 31, 2016, start-up and development costs included €20 million related to ABS growth projects both in Europe and the United States.
- (d) For the year ended December 31, 2016, Wise one-time costs related to a one-time payment of €20 million, recorded as a reduction of revenue, in relation to the re-negotiation of payment terms, pass through of Midwest premium amounts and other pricing mechanisms in a contract with one of Wise's customers. We entered into the re-negotiation of these terms in order to align the terms of this contract, acquired during the acquisition of Wise, with Constellium's normal business terms.
- (e) The contractual price adjustment relating to the acquisition of Wise Metals Intermediate Holdings was finalized in 2016. We received a cash payment of €21 million and recorded a €20 million net gain.
- (f) In July 2018, Constellium completed the sale of the North Building assets of its Sierre plant in Switzerland to Novelis and contributed the Sierre site shared infrastructure to a joint-venture with Novelis, in exchange

- for cash consideration of €200 million. This transaction also resulted in the termination of the existing lease agreement for the North Building assets which had been leased and operated by Novelis since 2005. For the year ended December 31, 2018, the transaction generated a €190 million net gain.
- (g) For the year ended December 31, 2017, other includes €3 million of legal fees and lump-sum payments in connection with the renegotiation of a new 5-year collective bargaining agreement offset by accrual reversals of unused provisions related to one-time loss contingencies. For the year ended December 31, 2016, other includes individually immaterial other adjustments offset by €4 million of insurance proceeds.

### Liquidity and Capital Resources

Our primary sources of cash flow have historically been cash flows from operating activities and funding or borrowings from external parties.

Based on our current and anticipated levels of operations, and the condition in our markets and industry, we believe that our cash flows from operations, cash on hand, new debt issuances or refinancing of existing debt facilities, and availability under our factoring and revolving credit facilities will enable us to meet our working capital, capital expenditures, debt service and other funding requirements for the foreseeable future. However, our ability to fund working capital needs, debt payments and other obligations depends on our future operating performance and cash flows and many factors outside of our control, including the costs of raw materials, the state of the overall industry and financial and economic conditions and other factors, including those described under the following risk factors within “Item 3. Key Information—D. Risk Factors.”

- We have substantial leverage and may be unable to obtain sufficient liquidity to operate our business and service our indebtedness;
- A deterioration in our financial position or a downgrade of our ratings by a credit rating agency could increase our borrowing costs, lead to our inability to access liquidity facilities, and adversely affect our business relationships;
- The terms of our indebtedness contain covenants that restrict our current and future operations, and a failure by us to comply with those covenants may materially adversely affect our business, results of operations and financial condition; and
- Our results of operations, cash flows and liquidity could be adversely affected if we are unable to execute on our hedging policy, if counterparties to our derivative instruments fail to honor their agreements or if we are unable to purchase derivative instruments.

It is our policy to hedge all highly probable or committed foreign currency operating cash flows. As we have significant third party future receivables denominated in U.S. dollars, we generally enter into combinations of forward contracts with financial institutions, selling forward U.S. dollars against Euros. In addition, as discussed in “Item 4. Information on the Company—B. Business Overview—Managing our Metal Price Exposure,” when we are unable to align the price and quantity of physical aluminium purchases with that of physical aluminium sales, we enter into derivative financial instruments to pass through the exposure to metal price fluctuations to financial institutions at the time the price is set. As the U.S. dollar appreciates versus the Euro or the LME price for aluminium falls, the derivative contracts related to transactional hedging entered into with financial institution counterparties will have a negative mark-to-market. We borrow in a combination of Euros and U.S. Dollars. When the external currency mix of our debt does not match exactly the mix of our assets, we use a combination of cross-currency swaps and forwards to balance the risk. We have bought forward significant U.S. Dollars versus the Euro for this purpose. As the U.S. Dollar depreciates against the Euro, the derivative contracts entered into with financial institutions will have a negative mark-to-market. Our financial institution counterparties may require margin calls should our negative mark-to-market exceed a pre-agreed contractual limit. In order to protect the Company from the potential margin calls for significant market movements, we maintain additional cash or

availability under our various borrowing facilities, we enter into derivatives with a large number of financial counterparties and we monitor margin requirements on a daily basis for adverse movements in the U.S. dollar versus the Euro and in aluminium prices. A €5 million margin call was posted at December 31, 2018. No margins were posted at December 31, 2017 or December 31, 2016.

At December 31, 2018, we had €669 million of total liquidity, comprised of €164 million in cash and cash equivalents, €255 million of undrawn credit facilities under our Pan-U.S. ABL Facility, €80 million of undrawn credit facilities under our French Inventory Facility (as defined below), €160 million available under our factoring arrangements, and €10 million credit facility with BPI France, a related party.

At December 31, 2017, we had €531 million of total liquidity, comprised of €269 million in cash and cash equivalents, €136 million of undrawn credit facilities under our Pan-U.S. ABL Facility, €71 million of undrawn credit facilities under our French Inventory Facility, and €55 million available under our factoring arrangements.

At December 31, 2016, we had €537 million of total liquidity, comprised of €347 million in cash and cash equivalents, €150 million of undrawn credit facilities under our ABL facilities, €33 million available under our factoring arrangements, and €7 million under a revolving credit facility.

## Cash Flows

The following table summarizes our operating, investing and financing activities for the years ended December 31, 2018, 2017 and 2016:

	<b>For the year ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>(€ in millions)</b>		
<b>Net Cash Flows from/(used) in:</b>			
Operating activities	66	160	88
Investing activities	(91)	(292)	(365)
Financing activities	(82)	61	145
<b>Net decrease in cash and cash equivalents, excluding the effect of exchange rate changes</b>	<b><u>(107)</u></b>	<b><u>(71)</u></b>	<b><u>(132)</u></b>

### *Net cash Flows from Operating Activities*

Net cash flows from operating activities in the year ended December 31, 2018 decreased by €94 million to €66 million, from €160 million in the year ended December 31, 2017. The year over year decrease in operating cash flows is attributable to a €67 million increase in cash flow from operating activities before working capital changes partially offset by a €161 million increase in cash flows used in working capital.

Net cash flows from operating activities in the year ended December 31, 2017 increased by €72 million to €160 million, from an inflow of €88 million in the year ended December 31, 2016. The year over year increase in operating cash flows is attributable to an €108 million increase in cash flow from operating activities before working capital changes partially offset by a €36 million increase in cash flows used in working capital.

In the year ended December 31, 2018, cash flows used in working capital amounted to €239 million reflecting a €212 million increase in working capital before factoring and a €27 million negative cash effect from the reduction in non-recourse factoring in the period.

In the year ended December 31, 2017, cash flows used in working capital amounted to €78 million reflecting a €19 million increase in working capital before factoring and a €59 million negative cash effect from the reduction in non-recourse factoring in the period.

In the year ended December 31, 2016, cash flows used in working capital amounted to €42 million reflecting an €179 million increase in working capital before factoring, partially offset by €137 million of additional non-recourse factoring in the period.

***Net Cash Flows used in Investing Activities***

Cash flows used in investing activities in the year ended December 31, 2018 decreased by €201 million to €91 million from €292 million for the year ended December 31, 2017, mainly driven by the proceeds from the sale of our assets in Sierre in July 2018. Capital expenditures of €277 million for the year ended December 31, 2018 were stable from €276 million for the year ended December 31, 2017 and related primarily to recurring investment in our manufacturing facilities and our growth projects. Cash flows used in investing activities in the year ended December 31, 2018 also included €24 million of equity contributions and loans to joint ventures, related to Constellium – UACJ ABS LLC, our joint venture with UACJ.

Cash flows used in investing activities in the year ended December 31, 2017 decreased by €73 million to €292 million from €365 million for the year ended December 31, 2016, mainly driven by lower capital expenditures. Capital expenditures of €276 million for the year ended December 31, 2017 decreased by €79 million from €355 million for the year ended December 31, 2016 and related primarily to recurring investment in our manufacturing facilities and our growth projects. Cash flows used in investing activities in the year ended December 31, 2017 also included €41 million of equity contributions and loans to joint ventures, related to Constellium – UACJ ABS LLC, our joint venture with UACJ.

Cash flows used in investing activities in the year ended December 31, 2016 decreased by €357 million to €365 million from €722 million for the year ended December 31, 2015. The main driver of the difference was the net consideration of €348 million paid in connection with the Wise Acquisition. Capital expenditures of €355 million were stable compared to the prior year. Cash flows used in investing activities in the year ended December 31, 2016 also included €37 million of equity contributions and loans to joint ventures, related to Constellium – UACJ ABS LLC, our joint venture with UACJ.

For further details on capital expenditures projects, see the “—Historical Capital Expenditures” section below.

***Net Cash flows from / (used in) Financing Activities***

Net cash flows used in financing activities were €82 million for the year ended December 31, 2018, compared to cash inflows of €61 million for the year ended December 31, 2017.

The €143 million change results from the 2017 refinancing operations described below. In 2018, net cash used in financing activities reflected €68 million in repayments made on the Pan-US ABL Facility and other loans.

Net cash flows from financing activities were €61 million for the year ended December 31, 2017, compared to €145 million for the year ended December 31, 2016.

Net cash flows from financing activities in the year ended December 31, 2017 reflect i) €610 million of net proceeds from the issuance, in February 2017, of our \$650 million 6.625% Senior Notes due 2025, ii) €830 million of net proceeds from the issuance, in November 2017, of our \$500 million 5.875% Senior Notes due 2026 and our €400 million 4.250% Senior Notes due 2026 and iv) €259 of net proceeds from the issuance of shares in November 2017. The net proceeds received from these transactions were partially offset by i) a €610 million outflow from the redemption in February 2017 of the \$650 million 8.750% Wise Senior Secured Notes due 2018, ii) a €949 million outflow from the redemption, in November 2017, of the \$425 million 7.875%

Senior Secured Notes due 2021, the \$400 million 8.000% Senior Notes due 2023 and the €240 million 7.000% Senior Notes due 2023 and iii) deferred financing costs and exit fees relating to these transactions for an amount of €118 million.

Net cash flows from financing activities in the year ended December 31, 2016 increased by €310 million to €145 million from an outflow of €165 million for the year ended December 31, 2015. Net cash provided by financing activities reflected the net impact of €375 million in proceeds from the issuance of the Constellium N.V. Senior Secured Notes in March 2016 and a €148 million outflow relating to the redemption of the Wise Senior PIK Toggle Notes in the fourth quarter of 2016. The outflow in the year ended December 31, 2016 also included €69 million in repayments made on the Wise ABL Facility (as defined below) and other loans.

#### **Historical Capital Expenditures**

The following table provides a breakdown of the historical capital expenditures by segment for the periods indicated:

	For the year ended December 31,		
	2018	2017	2016
	(€ in millions)		
P&ARP	97	115	166
A&T	70	73	96
AS&I	105	83	84
Holdings and Corporate	5	5	9
<b>Total capital expenditures</b>	<b>277</b>	<b>276</b>	<b>355</b>

Our capital expenditures for the year ended December 31, 2018 reflected primarily our investments in automotive growth projects for both P&ARP and AS&I as well as sustaining projects across all segments.

The main projects undertaken during the year ended December 31, 2018 include our ABS investments in Europe and in the U.S., within the P&ARP segment, investments in our AS&I segment in response to OEM demand and capital investments projects, mainly at our Issoire and Ravenswood, West Virginia facilities, to support manufacturing efficiency within the A&T segment.

As at December 31, 2018, we had €194 million of construction in progress which primarily related to our continued maintenance, modernization and expansion projects at our Děčín, Muscle Shoals, Neuf Brisach, Ravenswood, Issoire, Singen and Van Buren facilities.

As at December 31, 2017, we had €198 million of construction in progress which primarily related to our continued maintenance, modernization and expansion projects at our Muscle Shoals, Ravenswood, Neuf Brisach, Singen, Van Buren, Děčín, and Issoire facilities.

Our capital expenditures are expected to total approximately €1,400 million in the years ended December 31, 2019 to 2023, in the aggregate. We currently expect all of our capital expenditures to be financed with cash on hand and external financing.

#### **Covenant Compliance**

The indentures governing our outstanding debt securities contain no maintenance covenants but contain customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, our ability and the ability of our subsidiaries, to incur or guarantee indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and make dividends and other restricted payments.

The Pan-U.S. ABL Facility contains a financial covenant that provides that at any time during which borrowing availability thereunder is below 10% of the aggregate commitments under the Pan-U.S. ABL Facility, we will be required to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 and a minimum Borrower EBITDA Contribution of 25%, in each case calculated on a trailing twelve month basis. “Borrower EBITDA Contribution” means, for any period, the ratio of (x) the combined EBITDA of the borrowers under the Pan-U.S. ABL Facility and their subsidiaries for such period, to (y) the consolidated EBITDA of the Company and its subsidiaries for such period. The Pan-U.S. ABL Facility also contains customary negative covenants on liens, investments and restricted payments related to Ravenswood, Muscle Shoals, and Bowling Green.

The Wise Factoring Facility contains customary covenants and the factors’ commitment to purchase the receivables is subject to the maintenance of certain credit rating levels.

The European Factoring Facilities contain customary covenants.

We were in compliance with our covenants at and for the years ended December 31, 2018 and 2017.

See “Item 10. Additional Information—C. Material Contracts” for a description of our significant financing arrangements.

#### Off-Balance Sheet Arrangements

As of December 31, 2018, except as otherwise disclosed in our consolidated financial statements we have no significant off-balance sheet arrangements.

#### Contractual Obligations

The following table summarizes our estimated material contractual cash obligations and other commercial commitments at December 31, 2018:

	<u>Cash payments due by period</u>				
	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>After 5 years</u>
	(unaudited, € in millions)				
Borrowings (1)	2,075	6	311	4	1,754
Interest (2)	709	114	221	201	173
Derivatives relating to currencies and metal	91	56	30	5	0
Operating lease obligations (3)	133	24	24	39	46
Capital expenditures	124	112	12	0	0
Finance leases	86	20	16	34	16
<b>Total (4)</b>	<b>3,218</b>	<b>332</b>	<b>614</b>	<b>283</b>	<b>1,989</b>

- (1) Borrowings include our Pan-U.S. ABL Facility which are considered short-term in nature and is included in the category “Less than 1 year.”
- (2) Interests accrue under the May 2014 Notes denominated in U.S. dollars at a rate of 5.750% per annum, under the May 2014 Notes denominated in euros at a rate of 4.625% per annum, under the February 2017 Notes at a rate of 6.625% per annum, under the November 2017 Notes denominated in U.S. dollars at a rate of 5.875%, per annum, and under the November 2017 Notes denominated in euros at a rate of 4.250% per annum.
- (3) Operating leases relate to buildings, machinery and equipment.
- (4) Retirement benefit obligations of €610 million are not presented above as the timing of the settlement of this obligation is uncertain.



### **Environmental Contingencies**

Our operations, like those of many other basic industries, are subject to federal, state, local and international laws, regulations and ordinances. These laws and regulations (i) govern activities or operations that may have adverse environmental effects, such as discharges to air and water, as well as waste handling and disposal practices and (ii) impose liability for costs of cleaning up, and certain damages resulting from, spills, disposals or other releases or regulated materials. From time to time, our operations have resulted, or may result, in certain noncompliance with applicable requirements under such environmental laws. To date, any such noncompliance with such environmental laws has not had a material adverse effect on our financial position or results of operations.

### **Pension Obligations**

Constellium operates various pension plans for the benefit of its employees across a number of countries. Some of these plans are defined benefit plans and others are defined contribution plans. The largest of these plans are in the United States, Switzerland, Germany and France. Pension benefits are generally based on the employee's service and highest average eligible compensation before retirement, and are periodically adjusted for cost of living increases, either by practice, collective agreement or statutory requirement.

We also provide health and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents. These plans are predominantly in the United States.

Finally, we also participate in various multi-employer pension plans in one of our facilities in the United States.

For the year ended December 31, 2018, the total expense recognized in the income statement in relation to all our pension and post-retirement benefits was €5 million (compared to €24 million for the year ended December 31, 2017). In 2018, we amended one of our OPEB plans in the U.S. which resulted in the recognition of a €36 million gain. In 2017, we amended some pension plans in Switzerland and in the U.S. which resulted in the recognition of a €20 million gain. At December 31, 2018, the fair value of the plans assets was €380 million (compared to €387 million as of December 31, 2017). At December 31, 2018, the present value of our obligations amounted to €990 million (compared to €1,051 million as of December 31, 2017), resulting in an aggregate plan deficit of €610 million and €664 million as of December 31, 2018 and 2017, respectively.

Our estimated funding for our funded pension plans and other post-retirement benefit plans is based on actuarial estimates using benefit assumptions for discount rates, rates of compensation increases, and health care cost trend rates. The deficit related to the funded pension plan and the present value of the unfunded obligations as of December 31, 2018 were €294 million and €316 million, respectively. The deficit related to funded pension plan and other benefits and the present value of the unfunded obligations as of December 31, 2017 were €304 million and €360 million, respectively. Estimating when the obligations will require settlement is not practicable and therefore these have not been included in the Contractual Obligations table above.

Contributions to pension and other benefit plans totaled €46 million for the year ended December 31, 2018, compared to €47 million for the year ended December 31, 2017.

Contributions to our multi-employer plans amounted to approximately €2 million and €3 million for the years ended December 31, 2018 and 2017, respectively.

### **Principal Accounting Policies, Critical Accounting Estimates and Key Judgments**

Our principal accounting policies are set out in Note 2 to the audited Consolidated Financial Statements, which appear elsewhere in this Annual Report. New standards and interpretations not yet adopted are also disclosed in Note 2.3 to our audited Consolidated Financial Statements.

**Item 6. Directors, Senior Management and Employees****A. Directors and Senior Management**

The following table provides information regarding the members of our board of directors as of the date of this Annual Report (ages are given as of December 31, 2018). The business address of each of our directors listed below is c/o Constellium, Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of Appointment</u>	<u>Current Term</u>
Richard B. Evans	71	Chairman	January 5, 2011	2016-2019
Guy Maugis	65	Director	January 5, 2011	2017-2019
Philippe Guillemot	59	Director	May 21, 2013	2018-2019
Werner P. Paschke	68	Director	May 21, 2013	2017-2019
Michiel Brandjes	64	Director	June 11, 2014	2018-2019
Peter F. Hartman	69	Director	June 11, 2014	2018-2019
John Ormerod	69	Director	June 11, 2014	2018-2019
Lori A. Walker	61	Director	June 11, 2014	2018-2019
Martha Brooks	59	Director	June 15, 2016	2018-2019
Jean-Marc Germain	52	Director	June 15, 2016	2017-2020
Stéphanie Frachet	42	Director	May 24, 2018	2018-2019

Pursuant to a shareholders agreement between the Company and Bpifrance, Ms. Frachet was selected to serve as a director by Bpifrance in 2018. Mr. Manardo no longer serves in that capacity.

**Richard B. Evans** . Mr. Evans has served as a director since January 2011 and as our Chairman since December 2012. Mr. Evans is currently an independent director of CGI, an IT consulting and outsourcing company. In 2016, Mr. Evans resigned as a non-Executive Director of Noranda Aluminum Holding Corporation following its successful liquidation through the Chapter 11 bankruptcy process. He retired in May 2013 as non-executive Chairman of Resolute Forest Products, a Forest Products company based in Montreal. He retired in April 2009 as an executive director of London-based Rio Tinto plc and Melbourne-based Rio Tinto Ltd., and as Chief Executive Officer of Rio Tinto Alcan Inc., a wholly owned subsidiary of Rio Tinto. Previously, Mr. Evans was President and Chief Executive Officer of Montreal based Alcan Inc. from March 2006 to October 2007, and led the negotiation of the acquisition of Alcan by Rio Tinto in October 2007. He was Alcan’s Executive Vice President and Chief Operating Officer from September 2005 to March 2006. Prior to joining Alcan in 1997, he held various senior management positions with Kaiser Aluminum and Chemical Company during his 27 years with that company. Mr. Evans is a past Chairman of the International Aluminum Institute (IAI) and is a past Chairman of the Washington, DC-based U.S. Aluminum Association. He previously served as Co-Chairman of the Environmental and Climate Change Committee of the Canadian Council of Chief Executives and as a member of the Board of USCAP, a Washington, DC-based coalition concerned with climate change.

**Guy Maugis** . Mr. Maugis has served as a non-executive director since 2011. Mr. Maugis served as advisor of the Board of Robert Bosch GmbH from 2016 to 2018, after being President of Robert Bosch France SAS for 12 years. The French subsidiary covers all the activities of the Bosch Group, a leader in the domains of the Automotive Equipments, Industrial Techniques and Consumer Goods and Building Techniques. He is President of the French-German Chamber of Commerce and Industry. Mr. Maugis is a former graduate of Ecole Polytechnique, Engineer of “Corps des Ponts et Chaussées” and worked for several years at the Equipment Ministry. At Pechiney, he managed the flat rolled products factory of Rhenalu Neuf-Brisach. At PPG Industries, he became President of the European Flat Glass activities. With the purchase of PPG Glass Europe by ASAHI Glass, Mr. Maugis assumed the function of Vice-President in charge of the business development and European activities of the automotive branch of the Japanese group.

**Philippe Guillemot** . Mr. Guillemot has served as a non-executive director since May 2013. He has nearly thirty-five years of experience in Automotive, Energy and the Telecom industry, where he held CEO and COO

positions leading many successful transformations. In December 2017, Mr. Guillemot was appointed CEO of Elixir Group, a concession and contract catering leader. Prior to that, Mr. Guillemot served as Chief Operating Officer of Alcatel-Lucent until a successful turnaround led to Nokia's full acquisition at the end of 2016. From April 2010 to February 2012, he served as Chief Executive Officer of Europcar Group. Since July 2017, Mr. Guillemot has served as a Director of the Sonoco Board and as a member of its Audit Committee. From 2010 to 2012, Mr. Guillemot served as a director and audit committee member of Visteon Corp. Mr. Guillemot served as Chairman and CEO of Areva T&D from 2004 to 2010, and as division Vice President at Valeo and then Faurecia from 1998 to 2003. Mr. Guillemot began his career at Michelin, where he held various positions in quality and production at sites in Canada, France and Italy. He was a member of Booz Allen Hamilton's Automotive Practice from 1991 to 1993 before returning to Michelin to serve as an operations manager, director of Michelin Group's restructuring in 1995-1996, Group Quality Executive Vice-President, Chief Information Officer and member of the Group Executive Committee. Mr. Guillemot received his undergraduate degree in 1982 from Ecole des Mines in Nancy and received his MBA from Harvard Business School in Cambridge, MA in 1991.

**Werner P. Paschke**. Mr. Paschke has served as a non-executive director since May 2013. From 2008 until April 2017, he served as an independent director of Braas Monier Building Group, Luxembourg, where he chaired the Audit Committee. He is an Advisory Board Member for Weber Automotive GmbH. In previous years, he served on the Supervisory Boards of Conergy Aktiengesellschaft, Hamburg, Coperion GmbH, Stuttgart and several smaller companies. From 2003 to 2006, he was Managing Director and Chief Financial Officer of Demag Holding in Luxembourg, where he actively enhanced the value of seven former Siemens and Mannesmann Units. From 1992 to 2003, he worked for Continental Aktiengesellschaft in Hannover/Germany, and since 1993 as Generalbevollmächtigter responsible for corporate controlling plus later, accounting. From 1989 to 1992, he served as Chief Financial Officer for General Tire Inc., in Akron/Ohio, USA. From 1973 to 1987, he held different positions at Continental AG in finance, distribution, marketing and controlling. Mr. Paschke studied economics at Universities Hannover, Hamburg and Münster/Westphalia, where he graduated as Diplomkaufmann in 1973. He is a 1993 graduate of the International Senior Management Program at Harvard Business School.

**Michiel Brandjes**. Mr. Brandjes has served as a non-executive director since June 2014. He served as Company Secretary and General Counsel Corporate of Royal Dutch Shell plc from 2005 to 2017. Mr. Brandjes formerly served as Company Secretary and General Counsel Corporate of Royal Dutch Petroleum Company. He served for 25 years on numerous legal and non-legal jobs in the Shell Group within the Netherlands and abroad, including as head of the legal department in Singapore and as head of the legal department for North East Asia based in Beijing and Hong Kong. Before he joined Shell, Mr. Brandjes worked at a law firm in Chicago after graduating from law school at the University of Rotterdam and at Berkeley, California. He has published a number of articles on legal and business topics, is a regular speaker on corporate legal and governance topics and serves in a number of advisory and non-executive director positions not related to Shell or Constellation.

**Peter F. Hartman**. Mr. Hartman has served as a non-executive director since June 2014. He served as Vice Chairman of Air France KLM from July 2013 until May 2017. He serves as member of the supervisory boards of Fokker Technologies Group B.V. since 2013 (chairman since 2016), Air France KLM S.A. since 2010 (member of the audit committee from July 2016 until May 2017), Royal KPN N.V. since April 2015 (chairman of the remuneration committee) and Texel Airport N.V. since mid-2013 (chairman since January 2014). Previously, Mr. Hartman served as President and CEO of KLM Royal Dutch Airlines from 2007 to 2013, and as member of the supervisory boards of Kenya Airways from 2004 to 2013, Stork B.V. from 2008 to 2013, CAI Compagnia Aerea Italiana S.p.A. from 2009 to January 2014, Delta Lloyd Group N.V. from 2010 to May 2014 and Royal Ten Cate N.V. from July 2013 to February 2016. Mr. Hartman received a Bachelor's degree in Mechanical Engineering from HTS Amsterdam, Amsterdam and a Master's degree in Business Economics from Erasmus University, Rotterdam.

**John Ormerod**. Mr. Ormerod has served as a non-executive director since June 2014. Mr. Ormerod is a chartered accountant and worked for over 30 years in public accounting firms. He served for 32 years at Arthur

Andersen, serving in various client service and management positions, with last positions held from 2001 to 2002 serving as Regional Managing Partner UK and Ireland, and Managing Partner (UK). From 2002 to 2004, he was Practice Senior Partner for London at Deloitte (UK) and was member of the UK executives and Board. Mr. Ormerod is a graduate of Oxford University. Until May 2018, Mr. Ormerod served in the following director positions: since 2006, as non-executive director of the audit committee of Gemalto N.V., where he also served as its Chairman until September 2017, and as member of the compensation committee; since 2008, as non-executive director of ITV plc, and as member of the remuneration and nominations committees, and as Chairman of the audit committee since 2010. Until December 31, 2015, Mr. Ormerod served as a non-executive director of Tribal Group plc., as member of the audit, remuneration and nominations committees and as Chairman of the board. Mr. Ormerod served as non-executive director and Chairman of the audit committee of Computacenter plc., and as member of the remuneration and nominations committees until April 1, 2015. Mr. Ormerod also served as a senior independent director of Misys plc. from 2006 to 2012, and as Chairman of the audit committee from 2005 to 2012.

**Lori A. Walker**. Ms. Walker has served as a non-executive director since June 2014. Ms. Walker currently serves as the audit committee chair of Southwire since 2014, and as a member of the audit and compensation committees of Compass Minerals since 2015. In August 2016, Ms. Walker was appointed to the Audit Committee Chair at Compass Minerals. Ms. Walker previously served as Chief Financial Officer and Senior Vice President of The Valspar Corporation from 2008 to 2013, where she led the Finance, IT and Communications teams. Prior to that position, Ms. Walker served as Valspar's Vice President, Controller and Treasurer from 2004 to 2008, and as Vice President and Controller from 2001 to 2004. Prior to joining Valspar, Ms. Walker held a number of roles with progressively increasing responsibility at Honeywell Inc. during a 20-year tenure, with her last position there serving as director of Global Financial Risk Management. Ms. Walker holds a Bachelor of Science of Finance from Arizona State University and attended the Executive Institute Program and the Director's College at Stanford University.

**Martha Brooks**. Ms. Brooks has served as a non-executive director since June 2016. Ms. Brooks was until her retirement in May 2009, President and Chief Operating Officer of Novelis, Inc, where she held senior positions since 2005. From 2002 to 2005, she served as Corporate Senior Vice President and President and Chief Executive Officer of Alcan Rolled Products, Americas and Asia. Before she joined Alcan, Ms. Brooks served 16 years with Cummins, the global leader in diesel engine and power generation from 1986 to 2002, ultimately running the truck and bus engine business. She is currently a member of the Boards of Directors of Bombardier Inc. and Jabil Circuit Inc. and has previously served as a director of Harley Davidson and International Paper. Ms. Brooks holds a BA in Economics and Political Science and a Master's in Public and Private Management from Yale University.

**Jean-Marc Germain**. Mr. Germain has served as an executive director since June 2016 and as our Chief Executive Officer since July 2016. Prior to joining Constellium, Mr. Germain was Chief Executive Officer of Algeco Scotsman, a Baltimore-based leading global business services provider focused on modular space and secure portable storages. Previously, Mr. Germain held numerous leadership positions in the aluminium industry, including senior executive roles in operations, sales & marketing, financial planning and strategy with Pechiney, Alcan and Novelis. His last position with Novelis from 2008 to 2012 was as President for North American operations. Earlier in his career, he held a number of international positions with Bain & Company and GE Capital. Mr. Germain is a graduate of Ecole Polytechnique in Paris, France and a dual French and American citizen.

**Stéphanie Frachet**. Ms. Frachet was appointed as a non-executive director of Constellium in May 2018. Ms. Frachet is currently Managing Director and member of the Mid & Large Cap Executive committee at Bpifrance Investissement that she joined in 2009. Ms. Frachet is also, as permanent representative of Bpifrance, a Director of Eutelsat Communications, and an observer on the Board of Paprec and Horizon Parent Holdings Sarl. Previously, Ms. Frachet served for Bpifrance as a member of the Board of Carso (from 2013 to 2016), Cylande (from 2010 to 2017) and Sarenza (from 2014 to 2018), and as an Independent Director of Eurosic (from 2015 to

2017). From 2002 to 2009, Ms. Frachet held various positions in auditing and financial consulting on mergers & acquisitions and LBOs at Ernst & Young, Pricewaterhouse Coopers and Société Générale CIB in Paris. Ms. Frachet graduated from ESSEC Business School in Paris in 2002.

The following persons are our executive officers as of the date of this Annual Report (ages are given as of December 31, 2018). The business address of each of our officers listed below is c/o Constellium, Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands.

<u>Name</u>	<u>Age</u>	<u>Title</u>
Jean-Marc Germain	52	Chief Executive Officer
Peter R. Matt	56	Executive Vice President and Chief Financial Officer
Peter Basten	43	President, Packaging and Automotive Rolled Products business unit
Ingrid Joerg	49	President, Aerospace and Transportation business unit
Paul Warton	57	President, Automotive Structures and Industry business unit
Jack Clark	59	Senior Vice President Manufacturing Excellence and Chief Technical Officer
Philip Ryan Jurkovic	47	Senior Vice President and Chief Human Resources Officer
Nicolas Brun	52	Senior Vice President, Public Affairs, Communications and Sustainability
Jeremy Leach	56	Senior Vice President and Group General Counsel

The following paragraphs set forth biographical information regarding our officers (other than Mr. Germain, whose biographical information is set forth above in the description of biographical information of our directors):

**Peter R. Matt** . Mr. Matt has served as our Executive Vice President and Chief Financial Officer since January 1, 2017. Prior to that, he served as our Chief Financial Officer Designate since November 2016. Prior to joining Constellium, he spent 30 years in investment banking at First Boston/Credit Suisse where he built leading Metals and Diversified Industrials coverage practices. From 2010-2015, he was the Managing Director and Group Head at First Boston/Credit Suisse responsible for managing the firm’s Global Industrials business in the Americas. Throughout his career, Mr. Matt has worked closely with management teams across a broad range of competencies including business strategy, capital structure, capital allocation, investor communications, treasury and mergers and acquisitions. He is a graduate of Amherst College.

**Peter Basten** . Mr. Basten has served as President of our Packaging and Automotive Rolled Products business unit since September 2017. He previously served as our Executive Vice President, Strategy, Business Development, Research & Development since 2016, and prior to that as our Vice President, Strategy and Business Planning, the Managing Director of Soft Alloys Europe at our Automotive Structures and Industry Business Unit and our Vice President Strategic Planning & Business Development. Mr. Basten joined Alcan in 2005 as the Director of Strategy and Business Planning at Alcan Specialty Sheet, and became Director of Sales and Marketing in 2008, responsible for the aluminium packaging applications markets. Prior to joining Alcan, Mr. Basten worked as a consultant at Monitor Group, a Strategy Consulting firm. His assignments ranged from developing marketing, corporate, pricing and competitive strategy to M&A and optimizing manufacturing operations. Mr. Basten holds degrees in Applied Physics (Delft University of Technology, Netherlands) and Economics & Corporate Management (ENSPM, France).

**Ingrid Joerg** . Ms. Joerg has served as President of our Aerospace and Transportation business unit since June 2015. Previously, Ms. Joerg served as Chief Executive Officer of Aleris Rolled Products Europe. Prior to joining Aleris, Ms. Joerg held leadership positions with Alcoa where she was President of its European and Latin American Mill Products business unit, and commercial positions with Amag Austria. Ingrid Joerg received a Master’s Degree in Business Administration from the University of Linz, Austria.

**Paul Warton** . Mr. Warton has served as President of our Automotive Structures & Industry business unit since January 2011, and previously held the same role at Alcan Engineered Products since November 2009. Mr. Warton joined Alcan Engineered Aluminum Products in November 2009. Following manufacturing, sales

and management positions in the automotive and construction industries, he spent 17 years managing aluminium extrusion companies across Europe and in China. He has held the positions of President Sapa Building Systems & President Sapa North Europe Extrusions during the integration process with Alcoa soft alloy extrusions. Mr. Warton served on the Building Board of the European Aluminium Association (“EAA”) and was Chairman of the EAA Extruders Division. He holds an MBA from London Business School.

**Jack Clark** . Mr. Clark has served as our Senior Vice President Manufacturing Excellence and Chief Technical Officer since October 2016. In this role, Mr. Clark is responsible for research and technology at Constellium and supervises all EHS, Lean Continuous Improvement activities as well as Engineering, Reliability and CAPEX planning and execution. Prior to joining Constellium, Mr. Clark was Senior Vice President and Chief Technical Officer of Novelis. Mr. Clark graduated from Purdue University in Engineering and has more than 30 years of industry experience with Alcoa and Novelis on three continents.

**Philip Ryan Jurkovic** . Mr. Jurkovic has served as our Senior Vice President and Chief Human Resources Officer since November 2016. Prior to joining Constellium, Mr. Jurkovic was Senior Vice President and Chief Human Resources Officer of Algeco Scotsman. He started his career as a financial analyst before taking on various HR leadership roles in Europe, Asia and the U.S. with United Technologies and Novelis. Mr. Jurkovic has a BS from Allegheny College and an MBA from Purdue University.

**Nicolas Brun** . Mr. Brun has served as our Senior Vice President, Public Affairs, Communications and Sustainability since January 2018. Prior to that, he served as Senior Vice President, Public Affairs and Communications from September 2017 to January 2018, and as Vice President, Communications from January 2011 to January 2017. He previously held the same role at Alcan Engineered Products since June 2008. From 2005 through June 2008, Mr. Brun served in the roles of Vice President, Communications for Thales Alenia Space and also as Head of Communications for Thales’ Space division. Prior to 2005, Mr. Brun held senior global communications positions as Vice President External Communications with Alcatel, Vice President Communications Framatome ANP/AREVA, and with the Carlson Wagonlit Travel Group. Mr. Brun serves as President of Constellium Neuf Brisach SAS since October 2014, and as head of the French Branch of Constellium N.V. since May 2018. Mr. Brun attended University of Paris-La Sorbonne and received a degree in economics. He has a master’s degree in corporate communications from Ecole Française des Attachés de Presse and a certificate in marketing management for distribution networks from the Ecole Supérieure de Commerce in Paris.

**Jeremy Leach** . Mr. Leach has served as our Senior Vice President and Group General Counsel and Secretary to the Board of Constellium since January 2011 and previously was Vice President and General Counsel at Alcan Engineered Products. Mr. Leach joined Pechiney in 1991 from the international law firm Richards Butler (now Reed Smith). Prior to becoming General Counsel at Alcan Engineered Products, he was the General Counsel of Alcan Packaging and held various senior legal positions in Rio Tinto, Alcan and Pechiney. He has been admitted in a number of jurisdictions, holds a law degree from Oxford University (MA Jurisprudence) and an MBA from the London Business School.

## **B. Compensation**

### **Non-Executive Director Compensation**

For 2018, each of our non-executive directors was paid an annual retainer of €60,000 and received €2,000 for each meeting of the board of directors they attended in person and €1,000 for each meeting they attended by telephone.

In addition, Mr. Evans, as Chairman of the Board received an additional annual retainer of €60,000; the Chairman of the Audit Committee received an additional annual retainer of €15,000; and the Chairman of each of the Human Resources and Remuneration Committee, the EHS and the Nominating and Governance Committee received an additional annual retainer of €8,000.

On May 25, 2018, our non-executive directors received a grant of Restricted Stock Units (an “RSU”) having a grant date fair value equal to \$50,000 for the Chairman of the Board and \$40,000 for each other non-executive director.

Fifty percent (50%) of the RSUs (“Tranche I”) will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.

Fifty percent (50%) of the RSUs (“Tranche II”) will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.

The non-executive directors of the Board have not entered into any service contracts with the Company that provide either for benefits upon termination of employment or pension-related benefits.

The following table sets forth the remuneration due in respect of our 2018 fiscal year to our non-executive directors:

<b>Name</b>	<b>Annual Director Fees</b>	<b>Board/Committee Attendance Fees</b>	<b>Equity Award 2018 Grant (1)</b>	<b>Total</b>
Richard B. Evans	€ 128,000	€ 26,000	€ 42,635	€ 196,635
Guy Maugis	€ 68,000	€ 18,000	€ 34,108	€ 120,108
Philippe Guillemot	€ 60,000	€ 14,000	€ 34,108	€ 108,108
Michiel Brandjes	€ 60,000	€ 17,000	€ 34,108	€ 111,108
Werner P. Paschke	€ 75,000	€ 18,000	€ 34,108	€ 127,108
Peter F. Hartman	€ 68,000	€ 19,000	€ 34,108	€ 121,108
John Ormerod	€ 60,000	€ 26,000	€ 34,108	€ 120,108
Lori A. Walker	€ 60,000	€ 22,000	€ 34,108	€ 116,108
Martha Brooks	€ 60,000	€ 24,000	€ 34,108	€ 118,108
Stéphanie Frachet (2)	€ —	€ —	€ —	€ —
<b>Total</b>	<b>€ 639,000</b>	<b>€ 184,000</b>	<b>€ 315,499</b>	<b>€ 1,138,499</b>

(1) The amount reported in this column represents the grant date fair value of RSU awards granted on May 25, 2018, computed in accordance with IFRS 2. On May 25, 2018, Mr. Evans was granted 4,149 RSUs and all other non-executive directors, except for Mrs. Frachet, were granted 3,320 RSUs each. 50% of the RSUs (“Tranche I”) will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service. 50% of the RSUs (“Tranche II”) will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service. Amounts have been converted to Euros based on an exchange rate of 0.8527 Dollars to Euros to reflect the equivalent of \$ 50,000 for the Chairman and \$ 40,000 for each other non-executive directors, except for Mrs. Frachet. See also Note 30 of the Consolidated Financial Statements.

(2) Ms. Frachet did not receive any fees for her services.

## Officer Compensation

The table below sets forth the remuneration paid during our 2018 fiscal year to certain of our executive officers. They include Jean-Marc Germain, our Chief Executive Officer, Peter Matt, our Chief Financial Officer, Paul Warton, our President Automotive Structures & Industry, Ingrid Joerg, our President Aerospace & Transportation and Peter Basten, our President Packaging & Automotive Rolled Products. The remuneration information for our executive officers other than our Chief Executive Officer Jean-Marc Germain is presented on an aggregate basis in the row “Other Executive Officers” in the table below.

Name	Base Salary Paid	Bonus EPA Paid	Equity Awards (1)	Pension (2)	Other Compensation (3)	Total (4)
Jean-Marc Germain	€ 868,772	€ 1,335,654	€ 4,058,577	€ 20,978	€ 32,916	€ 6,316,897
Other Executive Officers (Peter Matt, Paul Warton, Ingrid Joerg, and Peter Basten)	€ 2,005,327	€ 2,176,363	€ 3,519,030	€ 184,944	€ 85,468	€ 7,971,132

- (1) The amount reported as Equity Awards represents the grant date fair value of the awards granted in 2018, computed in accordance with IFRS 2. Jean-Marc Germain was granted the following in May 2018: (a) 197,531 performance-based restricted stock units (“PSUs”) (which can become a maximum of 395,062 shares); and (b) 100,765 RSUs. Our other executive officers listed were granted, in the aggregate, 171,287 PSUs (which can become a maximum of 342,574) and 87,378 RSUs. The PSUs vest on the third anniversary of the date of grant, subject to continued service and certain market-related performance conditions being satisfied, and have a vesting range of 0—200%. RSUs vest 100% on the third anniversary of the date of grant, subject to continued service. See hereafter “2018 Long-Term Incentive Plan” for description of market-related performance conditions. See also Note 30 of the Consolidated Financial Statements for more information.
- (2) Pension represents amounts contributed by the Company during the 2018 fiscal year to the U.S. and Swiss governments as part of the employer overall pension requirements apportioned to the base salary of these individuals.
- (3) Other compensation for Jean-Marc Germain includes car allowance, parking and premium for health, life and long-term disability insurance. Other compensation for Ms. Joerg as well as for Messrs. Matt, Warton and Basten includes flights (including for family members), car allowance, lunch allowance, tax and medical services, relocation and premiums for life and long-term disability insurance.
- (4) The total remuneration paid to such executive officers, including Mr. Germain and Mr. Matt, during our 2018 fiscal year amounted to €6,710,422, consisting of (i) an aggregate base salary of €2,874,099, (ii) aggregate short-term incentive compensation of €3,512,017, and (iii) aggregate other compensation in an amount equal to €118,384. The total amount contributed to the value of the pensions for such executive officers was €205,922.

Below is a brief description of the compensation and benefit plans as well as share ownership guidelines in which our executive officers participate.

### Share Ownership Guidelines for Executive Officers

In 2018, we adopted Share-Ownership Guidelines (SOGs) for our executive officers to further encourage minimum levels of ownership and to further foster alignment between the Executive Committee and shareholder interests. The SOGs are as follows:

- 400% of base salary      CEO
- 200% of base salary      CFO and Business Unit Presidents
- 100% of base salary      Other executive officers



The SOGs give the executive officers five years from appointment to achieve guideline percentages. It is expected that, depending on Constellium share price, all of our executive officers will reach the SOGs in advance of the five-year requirement.

### **2018 Employee Performance Award Plan**

Each of our executive officers, among other selected employees, participates in the Employee Performance Award Plan (which we refer to as the “EPA”). The EPA is an annual cash bonus plan intended to provide performance-related award opportunities to employees contributing substantially to the success of Constellium. Under the EPA, participants are provided opportunities to earn cash bonuses (expressed as a percentage of base salary, and paid in the year following the performance period) based on the level of achievement of certain Financial and EHS Objectives as approved by our human resources and remuneration committee for the applicable annual performance period, as well as Individual Objectives established by the applicable participant’s supervisor (as described below).

The three components of bonuses awarded under the EPA for 2018 had the following weights:

- Financial Objectives—70%;
- EHS Objective—10%; and
- Individual Objectives—20%.

The *Financial Objectives* are calculated on an annual basis and take into account two components as defined and reported by the Company’s corporate controller: Adjusted EBITDA (50%) and Trade Working Capital Days (20%). To promote synergies throughout the Company, the EPA is designed to encourage individual plants, business units and our corporate division to work closely together to achieve common strategic, operating and financial goals. Therefore, the Financial Objectives are defined, depending on the level of the employee, as a combination of the financial results of the Company, the business unit and / or operating unit/site. The threshold performance level for the Financial Objectives is set at 80% of the target level. If threshold performance is not achieved, there is no payout for the Financial Objectives. Between threshold performance and target performance, payouts increase linearly from 0% to 100%. The maximum performance level is set at 120% of the target level. Achieving 120% of the target level results in a payout of 200%, with linear interpolation (meaning each percentage point higher than 100% adds additional payout of 5%).

The *EHS Objective* is measured on a quarterly basis for Constellium and its subsidiaries. In case of a fatality or type I (major) environmental event, the payout for the EHS Objective is zero for (i) employees of the operating site, (ii) the associated business unit leadership as well as (iii) the members of the Executive Committee. This substantial impact on EPA payout reflects the fact that the safety for our employees is our number one priority. Payout for EHS Objectives can range from 0% to 200%.

The *Individual Objectives* are evaluated annually via the Performance Management Program, and achievement against these objectives is used to determine the percentage attained of the Individual Objectives target.

The payout scale defines the performance levels and resulting payouts. Achieving target performance results in a payout at 100% of the target amount. Overall payout can range from 0% to 150% of the target amount.

The EPA 2018 was applicable to approximately 1,900 employees worldwide. For its payout in 2019, the following results were earned by our employees:

- *Financial Objectives* : The payout ranged from 0% to 200%.

- *EHS Objective* : The payout ranged from 0% to 187%.
- *Individual Objectives* : The payout ranged from 0% to 150%. The payout for Mr. Germain was 125%.

#### ***Constellium N.V. 2013 Equity Incentive Plan***

The Company adopted the Constellium N.V. 2013 Equity Incentive Plan (the “Constellium 2013 Equity Plan”). The principal purposes of this plan are to focus directors, officers and other employees and consultants on business performance to help create shareholder value, to encourage innovative approaches to the business of the Company and to encourage ownership of our ordinary shares by directors, officers and other employees and consultants. It is also intended to recognize and retain our key employees and high potentials needed to sustain and ensure our future and business competitiveness.

The Constellium 2013 Equity Plan provides for a variety of awards, including “incentive stock options” (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”) (“ISOs”), nonqualified stock options, stock appreciation rights (“SARs”), restricted stock, restricted stock units, performance units, other stock-based awards or any combination of those awards. The Constellium 2013 Equity Plan provides that awards may be made under the plan for 10 years. We have reserved a total of 14,292,291 ordinary shares (of which 7,292,291 ordinary shares originally reserved, as well as 7,000,000 ordinary shares newly reserved, as approved in the annual general meeting of shareholders in 2018) for issuance under the Constellium 2013 Equity Plan, subject to adjustment in certain circumstances to prevent dilution or enlargement.

#### *Administration*

The Constellium 2013 Equity Plan is administered by our human resources and remuneration committee. The board of directors or the human resources and remuneration committee may delegate administration to one or more members of our board of directors. The human resources and remuneration committee has the power to interpret the Constellium 2013 Equity Plan and to adopt rules for the administration, interpretation and application of the Constellium 2013 Equity Plan according to its terms. The human resources and remuneration committee determines the number of our ordinary shares that will be subject to each award granted under the Constellium 2013 Equity Plan and may take into account the recommendations of our senior management in determining the award recipients and the terms and conditions of such awards. Subject to certain exceptions as may be required pursuant to Rule 16b-3 under the Exchange Act, if applicable, our board of directors may, at any time and from time, to time exercise any and all rights and duties of the human resources and remuneration committee under the Constellium 2013 Equity Plan.

#### *Eligibility*

Certain directors, officers, employees and consultants are eligible to be granted awards under the Constellium 2013 Equity Plan. Our human resources and remuneration committee determines:

- which directors, officers, employees and consultants are to be granted awards;
- the type of award that is granted;
- the number of our ordinary shares subject to the awards; and
- the terms and conditions of such awards, consistent with the Constellium 2013 Equity Plan.

Our human resources and remuneration committee has the discretion, subject to the limitations of the Constellium 2013 Equity Plan and applicable laws, to grant awards under the plan (except that only our employees may be granted ISOs).

### *Stock Options*

Subject to the terms and provisions of the Constellium 2013 Equity Plan, stock options to purchase our ordinary shares may be granted to eligible individuals at any time and from time to time as determined by our human resources and remuneration committee. Stock options may be granted as ISOs, which are intended to qualify for favorable treatment to the recipient under U.S. federal tax law, or as nonqualified stock options, which do not qualify for this favorable tax treatment. Subject to the limits provided in the Constellium 2013 Equity Plan, our human resources and remuneration committee has the authority to determine the number of stock options granted to each recipient. Each stock option grant is evidenced by a stock option agreement that specifies the stock option exercise price, whether the stock options are intended to be incentive stock options or nonqualified stock options, the duration of the stock options, the number of shares to which the stock options pertain, and such additional limitations, terms and conditions as our human resources and remuneration committee may determine.

Our human resources and remuneration committee determines the exercise price for each stock option granted, except that the stock option exercise price may not be less than 100% of the fair market value of an ordinary share on the date of grant. All stock options granted under the Constellium 2013 Equity Plan expire no later than 10 years from the date of grant. Stock options are nontransferable except by will or by the laws of descent and distribution or, in the case of nonqualified stock options, as otherwise expressly permitted by our human resources and remuneration committee. The granting of a stock option does not accord the recipient the rights of a shareholder, and such rights accrue only after the exercise of a stock option and the registration of ordinary shares in the recipient's name.

### *Stock Appreciation Rights*

Our human resources and remuneration committee in its discretion may grant SARs under the Constellium 2013 Equity Plan. SARs may be "tandem SARs," which are granted in conjunction with a stock option, or "free-standing SARs," which are not granted in conjunction with a stock option. A SAR entitles the holder to receive from us, upon exercise, an amount equal to the excess, if any, of the aggregate fair market value of a specified number of our ordinary shares to which such SAR pertains over the aggregate exercise price for the underlying shares. The exercise price of a free-standing SAR may not be less than 100% of the fair market value of an ordinary share on the date of grant.

A tandem SAR may be granted at the grant date of the related stock option. A tandem SAR may be exercised only at such time or times and to the extent that the related stock option is exercisable and has the same exercise price as the related stock option. A tandem SAR terminates or is forfeited upon the exercise or forfeiture of the related stock option, and the related stock option terminates or is forfeited upon the exercise or forfeiture of the tandem SAR.

Each SAR is evidenced by an award agreement that specifies the exercise price, the number of ordinary shares to which the SAR pertains and such additional limitations, terms and conditions as our human resources and remuneration committee may determine. We may make payment of the amount to which the participant exercising the SARs is entitled by delivering ordinary shares, cash or a combination of stock and cash as set forth in the award agreement relating to the SARs. SARs are not transferable except by will or the laws of descent and distribution or, with respect to SARs that are not granted in "tandem" with a stock option, as expressly permitted by our human resources and remuneration committee.

### *Restricted Stock*

The Constellium 2013 Equity Plan provides for the award of ordinary shares that are subject to forfeiture and restrictions on transferability to the extent permitted by applicable law and as set forth in the Constellium 2013 Equity Plan, the applicable award agreement and as may be otherwise determined by our human resources

and remuneration committee. Except for these restrictions and any others imposed by our human resources and remuneration committee to the extent permitted by applicable law, upon the grant of restricted stock, the recipient will have rights of a shareholder with respect to the restricted stock, including the right to vote the restricted stock and to receive all dividends and other distributions paid or made with respect to the restricted stock on such terms as set forth in the applicable award agreement. During the restriction period set by our human resources and remuneration committee, the recipient is prohibited from selling, transferring, pledging, exchanging or otherwise encumbering the restricted stock to the extent permitted by applicable law.

*Restricted Stock Units*

The Constellium 2013 Equity Plan authorizes our human resources and remuneration committee to grant RSUs. RSUs are not ordinary shares and do not entitle the recipient to the rights of a shareholder, although the award agreement may provide for rights with respect to dividend equivalents. The recipient may not sell, transfer, pledge or otherwise encumber RSUs granted under the Constellium 2013 Equity Plan prior to their vesting. RSUs may be settled in cash, ordinary shares or a combination thereof as provided in the applicable award agreement, in an amount based on the fair market value of an ordinary share on the settlement date.

*Performance-Based Restricted Stock Units*

The Constellium 2013 Equity Plan provides for the award of PSUs that are valued by reference to a designated amount of cash or to property other than ordinary shares. The payment of the value of a PSU is conditioned upon the achievement of performance goals set by our human resources and remuneration committee in granting the PSU and may be paid in cash, ordinary shares, other property or a combination thereof. Any terms relating to the termination of a participant's employment will be set forth in the applicable award agreement.

*Other Stock-Based Awards*

The Constellium 2013 Equity Plan also provides for the award of ordinary shares and other awards that are valued by reference to our ordinary shares, including unrestricted stock, dividend equivalents and convertible debentures.

*Performance Goals*

The Constellium 2013 Equity Plan provides that performance goals may be established by our human resources and remuneration committee in connection with the grant of any award under the Constellium 2013 Equity Plan.

*Termination without Cause Following a Change in Control*

Upon a termination of employment of a plan participant occurring upon or during the two years immediately following the date of a "change in control" (as defined in the Constellium 2013 Equity Plan) by the Company without "cause" (as defined in the Constellium 2013 Equity Plan), unless otherwise provided in the applicable award agreement, (i) all awards held by such participant will vest in full (in the case of any awards that are subject to performance goals, at target) and be free of restrictions, and (ii) any option or SAR held by the participant as of the date of the change in control that remains outstanding as of the date of such termination of employment may thereafter be exercised until (A) in the case of ISOs, the last date on which such ISOs would otherwise be exercisable or (B) in the case of nonqualified options and SARs, the later of (x) the last date on which such nonqualified option or SAR would otherwise be exercisable and (y) the earlier of (I) the second anniversary of such change in control and (II) the expiration of the term of such nonqualified option or SAR.

*Amendments*

Our board of directors or our human resources and remuneration committee may amend, alter or discontinue the Constellium 2013 Equity Plan, but no amendment, alteration or discontinuation will be made that would

materially impair the rights of a participant with respect to a previously granted award without such participant's consent, unless such an amendment is made to comply with applicable law, including, without limitation, Section 409A of the Code, stock exchange rules or accounting rules. In addition, no such amendment will be made without the approval of the Company's shareholders to the extent such approval is required by applicable law or the listing standards of the applicable stock exchange.

#### *2018 Long-Term Incentive Plan*

The 2018 Long-Term Incentive Plan (which we refer to as the "2018 LTIP") had mainly the same plan design as the 2017 Long-Term Incentive Plan. For our executive officers, as well as for other selected employees, awards consisted of PSUs and RSUs. These awards were granted on May 25, 2018, and are subject to a three-year cliff vesting period, subject to the participant's continued service through the applicable vesting date, and for PSUs, certain market-related performance conditions being satisfied. For other selected employees, awards consisted of RSUs only.

With regard to PSUs, for the purposes of computing the Constellium Total Shareholder Return (the "Constellium TSR"), (i) the stock price at the beginning of the performance period is deemed to be the average closing share price for the 20 trading days preceding the grant date, and (ii) the stock price at the end of the performance period is deemed to be the average closing share price for the 20 trading days preceding the third anniversary of the grant date. Constellium measures itself against a peer group consisting of the S&P MidCap 400 Materials Index and the S&P SmallCap 600 Materials Index, which represents approximately 60 constituents. The 20-day average starting point of a Constellium share for the May 25, 2018 grant date is \$11.70. The level of achievement shall be determined by comparing the Constellium TSR to the average of the TSRs of the two indices indicated above as follows:

- If the Constellium TSR is below the average of the two median TSRs, no PSUs will vest.
- If the Constellium TSR is at the average of the two median TSRs, 100% of the target PSUs will vest.
- If the Constellium TSR is at or above the average of the two 75th percentile TSRs, 200% of the target PSUs will vest.
- If the Constellium TSR is between the average of the two median TSRs and the average of the two 75th percentile TSRs, then the number of PSUs will be determined by linear interpolation on a straight line basis.
- If the Constellium TSR is negative, the number of PSUs that vest will be capped at 100% of target.

For purposes of the 2018 LTIP, a double trigger was re-established with respect to the vesting of RSUs and PSUs upon a change in control (i.e., accelerated vesting requires two triggers: (i) change in control as well as (ii) termination of employment without cause or voluntary termination for good reason). In the event of such a double trigger being applied at any time prior to vesting, unvested RSUs and PSUs will be converted into cash-denominated rights that vest on the date of employment termination. For both RSUs and PSUs, the reference date for the share price will be the date immediately preceding the change in control. For PSUs, the rights will be based on the higher of (I) the base amount (i.e., at target) or (II) the measured TSR on the reference date.

For the 2018 LTIP, 701,109 PSUs (which can become 1,402,218) and 587,687 RSUs were granted on May 25, 2018. 90 participants were granted both PSUs and RSUs and an additional 74 participants were granted RSUs only. On December 31, 2018, 692,325 PSUs (which can become 1,384,650) and 572,618 RSUs were outstanding. 87 participants held both PSUs and RSUs and an additional 72 participants held RSUs only.

For the 2017 LTIP, 892,781 PSUs (which can become 1,785,562 shares) and 703,180 RSUs were granted on July 31, 2017. 82 participants were granted both PSUs and RSUs and an additional 32 participants were granted RSUs only. On December 31, 2018, 816,137 PSUs (which can become 1,632,274 shares) and 625,906 RSUs were outstanding. 74 participants held both PSUs and RSUs and an additional 27 participants held RSUs only.

## Employment and Service Arrangements

Constellium is party to employment or services agreements with each of its officers. In general, the Company may terminate its officers' employment or services for "cause" upon advance written notice, without compensation, for certain acts of the officer. Each officer may terminate his or her employment at any time upon advance written notice to Constellium. In the event that the officer's employment or services is terminated by Constellium without cause or, in the case of certain executives, by him for "good reason," the officer is entitled to certain payments as provided by applicable laws or collective bargaining agreements or as otherwise provided under the applicable employment or services agreements. Except for the foregoing, our officers are not entitled to any severance payments upon the termination of their employment or services for any reason.

Under such employment and services agreements, each of the officers has also agreed not to engage or participate in any business activities that compete with Constellium or solicit its employees or customers for (depending on the officer) up to two years after the termination of the employment or services. The officers have further agreed not to use or disseminate any confidential information concerning Constellium as a result of performing their duties or using Constellium resources during their employment or services.

Contracts with certain of our executive officers are described below.

### *Employment Agreement with Jean-Marc Germain*

The Company entered into an employment agreement with Jean-Marc Germain, dated April 25, 2016. The employment agreement with Mr. Germain provides for an annual base salary of \$980,000 per year until March 31, 2018, which amount was raised to \$1,040,000 per year as of April 1, 2018, a target annual bonus of 120% of base salary (equal to \$1,248,000), and a maximum annual bonus of 180% of base salary (equal to \$1,872,000). In addition, as described above, Mr. Germain was granted the following equity awards in May 2018: (1) 197,531 PSUs (which can become a maximum of 395,062 shares) and (2) 100,765 RSUs. The PSUs vest on the third anniversary of the grant date, subject to continued service and certain market-related performance conditions being satisfied, and have a vesting range of 0-200%. RSUs vest 100% on the third anniversary of the date of grant, subject to continued service.

If Mr. Germain is terminated by the Company without "cause" or he resigns for "good reason" (each as defined in the employment agreement), he will be entitled to receive, subject to his execution and non-revocation of a general release of claims, cash severance in an amount equal to the product of (1) one (two, if such termination occurs within the 12-month period following a "change in control" (as defined in the employment agreement)) multiplied by (2) the sum of his base salary and target annual bonus, which severance will be payable over the 12-month (24-month, in the case of a termination within the 12-month period following a change in control) period following his termination of employment. The employment agreement also includes a perpetual confidentiality covenant, a perpetual mutual non-disparagement covenant, and 12-month post-termination non-competition and non-solicitation covenants.

### *Employment Agreement with Peter Matt*

The Company entered into an employment agreement with Peter Matt, dated as of October 26, 2016. The employment agreement with Mr. Matt provides for an annual base salary of \$600,000 per year until March 31, 2018, which amount was raised to \$625,000 per year as of April 1, 2018, a target annual bonus of 90% of base salary (equal to \$562,500), and a maximum annual bonus of 135% (equal to \$843,750) of base salary. In addition, Mr. Matt was granted the following equity awards in May 2018: (1) 67,901 (which can become a maximum of 135,802 shares) PSUs and (2) 34,638 RSUs. The PSUs vest on the third anniversary of the grant date, subject to continued service and certain market-related performance conditions being satisfied, and have a vesting range of 0-200%. RSUs vest 100% on the third anniversary of the date of grant, subject to continued service.

If Mr. Matt is terminated by the Company without “cause” or he resigns for “good reason” (each as defined in the employment agreement), he will be entitled to receive, subject to his execution and non-revocation of a general release of claims, (1) cash severance in an amount equal to the sum of his base salary and target annual bonus and (2) six months of continued welfare benefits at the Company’s expense. The employment agreement also includes a perpetual confidentiality covenant and 12-month post-termination non-competition and non-solicitation covenants. If Mr. Matt’s employment is terminated without “cause,” the Company will also offer Mr. Matt an additional amount equal to 50% of the sum of his base salary, target annual bonus, and vacation pay in consideration for his agreeing to not compete.

### **C. Board Practices**

Our board of directors (the “Board”) currently consists of 11 directors, less than a majority of whom are citizens or residents of the United States. The Board held six meetings in 2018.

We currently have a one-tier Board consisting of one Executive Director and ten Non-Executive Directors (each, a “Director”). For a listing of the current terms of service of our Directors, see “—A. Directors and Senior Management” above. Under Dutch law, the Board is responsible for our policy making and day-to-day management. The Non-Executive Directors supervise and provide guidance to the Executive director. None of our Non-Executive Directors have an employment arrangement with the Company. Each Director owes a duty to us to properly perform the duties assigned to him/her and to act in our corporate interest. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as shareholders, creditors, employees, customers and suppliers.

Constellium is required under the Dutch Civil Code to strive for a balanced composition of the Board to the effect that at least 30% of the positions on the Board are held by women and at least 30% by men. There is no legal sanction if the composition of the Board is not balanced in accordance with the Dutch Civil Code. An appointment contrary to these rules is therefore not null and void. However, if the seats on the Board are not apportioned as required, such deviation must be explained in its annual report. With respect to this requirement we refer you to “Item 16G. Corporate Governance—Diversity policy (Best practice provision 2.1.5)”.

Our Articles of Association provide that our shareholders acting at a general meeting (a “General Meeting”) appoint directors upon a binding nomination by the Board. The General Meeting may at all times overrule the binding nature of such nomination by a resolution adopted by a majority of at least two-thirds of the votes cast, provided that such majority represents more than 50% of our issued share capital. If the binding nomination is overruled, the Non-Executive Directors may then make a new nomination. If such a nomination has not been made or has not been made in time, this shall be stated in the notice and the General Meeting shall be free to appoint a director in its discretion. Such a resolution of the General Meeting must be adopted by at least two-thirds of the votes cast, provided that such majority represents more than 50% of our issued share capital.

The Directors may be suspended or dismissed at any time by the General Meeting. A resolution to suspend or dismiss a Director must be adopted by at least two-thirds of the votes cast, provided that such majority represents more than 50% of our issued share capital. If, however, the proposal to suspend or dismiss the Directors is made by the Board, the proposal must be adopted by a simple majority of the votes cast at the General Meeting. The Executive Director can at all times be suspended by the Board.

#### ***Director Independence***

As a foreign private issuer under the NYSE rules, we are not required to have independent Directors on our Board, except to the extent that our audit committee is required to consist of independent Directors. However, our Board has determined that, under current NYSE listing standards regarding independence (which we are not currently subject to), and taking into account any applicable committee standards, as of December 31, 2018, Messrs. Evans, Brandjes, Guillemot, Hartman, Maugis, Ormerod, Paschke and Mmes. Walker, Brooks and

Frachet are deemed independent directors. Under these standards, Mr. Germain is not deemed independent as he serves as the CEO of the Company.

## **Committees**

### ***Audit Committee***

As of December 31, 2018, our audit committee consisted of four independent directors under the NYSE requirements: Werner Paschke (Chair), Martha Brooks, John Ormerod and Lori Walker. Our Board has determined that at least one member is an "audit committee financial expert" as defined by the SEC and also meets the additional criteria for independence of audit committee members set forth in Rule 10A-3(b)(1) under the Exchange Act. The audit committee held eight meetings in 2018.

The principal duties and responsibilities of our audit committee are to oversee and monitor the following:

- our financial reporting process and internal control system;
- the integrity of our consolidated financial statements;
- the independence, qualifications and performance of our independent registered public accounting firm;
- the performance of our internal audit function; and
- our compliance with legal, ethical and regulatory matters.

### ***Human Resources and Remuneration Committee***

As of December 31, 2018, our human resources and remuneration committee consisted of four directors: Peter Hartman (Chair), Martha Brooks, Richard Evans and Guy Maugis. The human resources and remuneration committee held five meetings in 2018.

The principal duties of our human resources and remuneration committee are as follows:

- to review, evaluate and make recommendations to the full Board regarding our compensation policies and establish performance-based incentives that support our long-term goals, objectives and interests;
- to review and approve the compensation of our Chief Executive Officer, all employees who report directly to our Chief Executive Officer and other members of our senior management;
- to review and approve the departure conditions of employees who reported directly to our CEO and who have left Constellium;
- to review and approve compensation structure and level of any new employee who reports directly to our CEO;
- to review and make recommendations to the Board with respect to our incentive compensation plans and equity-based compensation plans;
- to set and review the compensation of and reimbursement policies for members of the Board;
- to provide oversight concerning selection of officers, management succession planning, expense accounts, indemnification and insurance matters, and separation packages; and
- to provide regular reports to the Board and take such other actions as are necessary and consistent with our Articles of Association.

### ***Nominating/Governance Committee***

As of December 31, 2018, our nominating/governance committee consisted of three directors: Richard Evans (Chair), Michiel Brandjes and John Ormerod. The nominating/governance committee held five meetings in 2018.



The principal duties and responsibilities of the nominating/governance committee are as follows:

- to establish criteria for Board and committee membership and recommend to our Board proposed nominees for election to the Board and for membership on committees of our Board; and
- to make recommendations to our Board regarding board governance matters and practices; and
- to review conflicts of interest, related party matters and director independence.

***Environment, Health and Safety Committee***

As of December 31, 2018, our environment, health and safety committee consisted of three directors: Guy Maugis (Chair), Philippe Guillemot and Lori Walker. The environment, health and safety committee held two meetings in 2018.

The principal duties and responsibilities of the environment, health and safety committee are to review and monitor the following:

- the Company's policies, practices and programs with respect to the management of EHS affairs, including sustainability;
- the adequacy of the Company's policies, practices and programs for ensuring compliance with EHS laws and regulations; and
- any significant EHS litigation and regulatory proceedings in which the Company is or may become involved.

**D. Employees**

As of December 31, 2018, we employed approximately 13,000 employees, including approximately 800 fixed-term contractors as well as approximately 800 temporary employees. 90% of our employees were engaged in production and maintenance activities and approximately 10% were employed in support functions. Approximately 37% of our permanent employees were employed in France, 28% in the United States, 20% in Germany, 6% in Switzerland, and 9% in Eastern Europe and other regions, which percentages are comparable to the distribution of employees geographically in 2017.

A vast majority of non-U.S. employees and approximately 46% of U.S. employees are covered by collective bargaining agreements. These agreements are negotiated on site, regionally or on a national level, and are of different durations.

**E. Share Ownership**

Information with respect to share ownership of members of our board of directors and our senior management is included in "Item 7. Major Shareholders and Related Party Transactions."

**Equity Incentive Plans**

The Company has adopted the Constellium 2013 Equity Plan and the 2018 LTIP thereunder pursuant to which certain of our directors, officers, employees, and consultants are eligible to receive equity awards. See "—Constellium N.V. 2013 Equity Incentive Plan" and "—2018 Long-Term Incentive Plan" above.

**Item 7. Major Shareholders and Related Party Transactions**

**A. Major Shareholders**

The following table sets forth the major shareholders of Constellium N.V. as known by us or ascertained from public filings made by our major shareholders (each person or group of affiliated persons who is known to be the beneficial owner of more than 5% of ordinary shares) and the number and percentage of ordinary shares owned by each such shareholder, in each case as of March 8, 2019.

Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has voting or investment power.

The beneficial ownership percentages in this table have been calculated on the basis of the total number of Class A ordinary shares.

<b>Name of beneficial owner</b>	<b>Number of Class A ordinary shares</b>	<b>Beneficial ownership percentage</b>
Caisse des Dépôts (f/k/a Caisse des Dépôts et Consignations), Bpifrance Participations S.A., Bpifrance S.A. (f/k/a BPI-Groupe (bpifrance)), EPIC Bpifrance (f/k/a EPIC BPI-Groupe)	16,393,903(1)	12.1%
<b>Directors and Senior Management</b>		
Richard B. Evans	230,468(2)	*
Guy Maugis	18,198(3)	*
Philippe Guillemot	19,356(4)	*
Werner P. Paschke	100,000(5)	*
Michiel Brandjes	32,366(6)	*
Peter F. Hartman	22,173(7)	*
John Ormerod	22,173(8)	*
Lori A. Walker	19,673(9)	*
Martha Brooks	24,041(10)	*
Stéphanie Frachet	0(11)	*
Jean-Marc Germain	160,976(12)	*
Peter R. Matt	120,000(13)	*
Ingrid Joerg	70,000(14)	*
Paul Warton	215,575(15)	*
Peter Basten	199,003(16)	*

\* Represents beneficial ownership of less than 1%.

(1) This information is based on a Schedule 13D/A filed with the SEC on November 8, 2017. Bpifrance Participations S.A. (“Bpifrance”) is a French public investment fund specializing in the business of equity financing via direct investments or fund of funds and a wholly owned subsidiary of Bpifrance S.A., a French financial institution (“Bpifrance S.A.”). Caisse des Dépôts (“CDC”) and EPIC Bpifrance (“EPIC”) each hold 50% of the share capital of Bpifrance S.A. and jointly control Bpifrance S.A. CDC is principally engaged in the business of long-term investments. EPIC is principally engaged in the business of banking finance. Bpifrance holds directly 16,393,903 ordinary shares. As of the date hereof, neither Bpifrance S.A., CDC nor EPIC holds any ordinary shares directly. Bpifrance S.A. may be deemed to be the beneficial owner of 16,393,903 ordinary shares, indirectly through its sole ownership of Bpifrance. CDC and EPIC may be deemed to be the beneficial owners of 16,393,903 ordinary shares, indirectly through their joint ownership

and control of Bpifrance S.A. The principal address for CDC is 56, rue de Lille, 75007 Paris, France and for Bpifrance, Bpifrance S.A. and EPIC is 27-31 avenue du Général Leclerc 94700 Maisons-Alfort, France.

- (2) Consists of 230,468 Class A ordinary shares held indirectly by Mr. Evans through the Evans Family Inter Vivos Revocable Trust. Excludes the remaining portions of previous grants: 3,676 Class A ordinary shares underlying unvested restricted stock units (“RSUs”) that will vest on June 15, 2019, 2,075 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 2,074 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (3) Consists of 18,198 Class A ordinary shares held directly by Mr. Maugis. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (4) Consists of 19,356 Class A ordinary shares held directly by Mr. Guillemot. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (5) Consists of 100,000 Class A ordinary shares held directly by Mr. Paschke. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (6) Consists of 32,366 Class A ordinary shares held directly by Mr. Brandjes. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (7) Consists of 22,173 Class A ordinary shares held directly by Mr. Hartman. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (8) Consists of 22,173 Class A ordinary shares held by Mr. Ormerod. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (9) Consists of 19,673 Class A ordinary shares held directly by Ms. Walker. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.

- (10) Consists of 24,041 Class A ordinary shares held directly by Ms. Brooks. Excludes the remaining portions of previous grants: 2,941 Class A ordinary shares underlying unvested RSUs that will vest on June 15, 2019, 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2019 or (ii) the date of the annual general meeting of shareholders of that year, and 1,660 Class A ordinary shares underlying unvested RSUs that will vest on the earlier of (i) May 25, 2020 or (ii) the date of the annual general meeting of shareholders of that year, subject to continued service.
- (11) No Class A ordinary shares are held directly by Ms. Frachet and no RSUs or PSUs were granted in 2018.
- (12) Consists of 160,976 Class A ordinary shares held directly by Mr. Germain. Excludes the remaining portions of previous grants: 100,000 Class A ordinary shares underlying unvested RSUs that will vest on August 4, 2019, subject to continued service; a target of 150,000 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 300% of target on August 4, 2019, subject to continued service and certain market-related performance conditions being satisfied at each anniversary during the three-year vesting period; 216,943 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on July 31, 2020, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; 110,667 Class A ordinary shares underlying unvested RSUs that will vest on July 31, 2020, subject to continued service; 197,531 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on May 25, 2021, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; and 100,765 Class A ordinary shares underlying unvested RSUs that will vest on May 25, 2021, subject to continued service.
- (13) Consists of 120,000 Class A ordinary shares held directly by Mr. Matt. Excludes the remaining portions of previous grants: 80,000 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 300% of target on November 14, 2019, subject to continued service and certain market-related performance conditions being satisfied at each anniversary during the three-year vesting period; 71,946 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on July 31, 2020, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; 36,701 Class A ordinary shares underlying unvested RSUs that will vest on July 31, 2020, subject to continued service; 67,901 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on May 25, 2021, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; and 34,638 Class A ordinary shares underlying unvested RSUs that will vest on May 25, 2021, subject to continued service.
- (14) Consists of 70,000 Class A ordinary shares held directly by Ms. Joerg. Excludes the remaining portions of previous grants: 60,000 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 300% of target on March 17, 2019, subject to continued service and certain market-related performance conditions being satisfied at each anniversary during the three-year vesting period; 47,214 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on July 31, 2020, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; 24,085 Class A ordinary shares underlying unvested RSUs that will vest on July 31, 2020, subject to continued service; 34,462 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on May 25, 2021, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; and 17,580 Class A ordinary shares underlying unvested RSUs that will vest on May 25, 2021, subject to continued service.
- (15) Consists of 215,575 Class A ordinary shares held directly by Mr. Warton. Excludes the remaining portions of previous grants: 50,000 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 300% of target on March 17, 2019, subject to continued service and certain market-related performance conditions being satisfied at each anniversary during the three-year vesting period; 42,170 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on July 31, 2020, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; 21,512 Class A ordinary shares underlying unvested RSUs that will vest on July 31, 2020, subject to continued service; 34,462 Class A ordinary shares

underlying invested PSUs that could vest ranging from 0% to 200% of target on May 25, 2021, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; and 17,580 Class A ordinary shares underlying unvested RSUs that will vest on May 25, 2021, subject to continued service.

- (16) Consists of 199,003 Class A ordinary shares held directly by Mr. Basten. Excludes the remaining portions of previous grants: 35,000 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 300% of target on March 17, 2019, subject to continued service and certain market-related performance conditions being satisfied at each anniversary during the three-year vesting period; 35,000 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 300% of target on August 4, 2019, subject to continued service and certain market-related performance conditions being satisfied at each anniversary during the three-year vesting period; 31,485 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on July 31, 2020, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; 16,061 Class A ordinary shares underlying unvested RSUs that will vest on July 31, 2020, subject to continued service; 34,462 Class A ordinary shares underlying unvested PSUs that could vest ranging from 0% to 200% of target on May 25, 2021, subject to continued service and certain market-related performance conditions being satisfied at the end of the three-year vesting period; and 17,580 Class A ordinary shares underlying unvested RSUs that will vest on May 25, 2021, subject to continued service.

None of our principal shareholders have voting rights different from those of our other shareholders.

Over the last three years, the only significant changes of which we have been notified in the percentage ownership of our shares by our major shareholders described above were that prior to the IPO, immediately following the completion of the purchase of the EAP Business: Apollo Funds held 51% of our ordinary shares, Rio Tinto held 39% of our ordinary shares, and Bpifrance (f/k/a FSI) held 10% of our ordinary shares. As of the date of this Annual Report, Apollo Funds holds 0% of our ordinary shares, Rio Tinto holds 10 shares of our ordinary shares and Bpifrance holds 12.1% of our class A ordinary shares, respectively. See “Item 4. Information on the Company—A. History and Development of the Company.”

## **B. Related Party Transactions**

### **Amended and Restated Shareholders Agreement and Related Transactions**

The Company, Apollo Omega, Rio Tinto and Bpifrance entered into an amended and restated shareholders agreement on May 29, 2013 (the “Shareholders Agreement”). The Shareholders Agreement terminated with respect to Apollo Omega and Rio Tinto in connection with certain of their respective sales of our ordinary shares described elsewhere in this Annual Report. The Shareholders Agreement provides for, among other things, piggyback registration rights and demand registration rights for Bpifrance for so long as Bpifrance owns any of our ordinary shares.

In addition, the Shareholders Agreement provides that, except as otherwise required by applicable law, Bpifrance will be entitled to designate for binding nomination one director to our board of directors so long as its percentage ownership interest is equal to or greater than 4% or it continues to hold all of the ordinary shares it subscribed for at the closing of the Acquisition (such share number adjusted for the pro rata share issuance). Our directors will be elected by our shareholders acting at a general meeting upon a binding nomination by the board of directors as described in “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management.” A shareholder’s percentage ownership interest is derived by dividing (i) the total number of ordinary shares owned by such shareholder and its affiliates by (ii) the total number of outstanding ordinary shares. The Company agreed to share financial and other information with Bpifrance to the extent reasonably required to comply with its tax, investor or regulatory obligations and with a view to keeping Bpifrance properly informed about the financial and business affairs of the Company. The Shareholders Agreement contains provisions to the effect that Bpifrance is obliged to treat all information provided to it as confidential, and to

comply with all applicable rules and regulations in relation to the use and disclosure of such information. Stéphanie Frachet, who replaced Nicolas Manardo, was appointed as Non-Executive Director of the Company in May 2018, is currently Managing Director and member of the Mid & Large Cap Executive committee of Bpifrance Investissement that she joined in 2009. Ms. Frachet is also, as permanent representative of Bpifrance, a Director of Eutelsat Communications, and an observer on the Board of Paprec and Horizon Parent Holdings Sarl.

Bpifrance Investissement is an affiliate of Bpifrance, which is a wholly owned subsidiary of BPI-Groupe (bpifrance), a French financial institution jointly owned and controlled by the Caisse des Dépôts et Consignations, a French special public entity ( *établissement special* ) and EPIC BPI-Groupe, a French public institution of industrial and commercial nature. As of March 8, 2019, Bpifrance owns approximately 12.1% of the Company's outstanding ordinary shares. In January 2015, Bpifrance Financement ("BPI Financement"), an affiliate of Bpifrance Investissement, entered into a three-year revolving credit facility with Constellium Isoire (f/k/a Constellium France) for an aggregate amount of €10 million. The facility was subject to automatic reduction of 33% of the aggregate amount per year. The facility was undrawn and in 2018 the amount available for drawing was €3.3 million, subject to a commitment fee of 1% per year. Should any amount have been drawn under this facility, it would have borne interest at a rate equal to 3 months Euribor plus 2.5%. This facility matured on January 12, 2018. On March 28, 2018, BPI Financement entered into a new three-year revolving credit facility with Constellium Isoire for an aggregate amount of €10 million for the purpose of financing various investments. As of December 31, 2018, the facility was undrawn and the amount available for drawing was €10 million, subject to a commitment fee of 1% per year. The maximum amount of authorized ceiling is to be reduced by €3,333,333.32 on March 31, 2019 and thereafter each quarter by €833,333.33. Any amount drawn under this facility will bear interest at a rate equal to 3 months Euribor (with a floor of 0%) plus 2.5%.

In January 2019, the full amount of the facility was drawn.

#### **Transactions with Joint Venture**

Constellium-UACJ ABS LLC, our joint venture with UACJ is a related party. See Note 18 and Note 29 in the Consolidated Financial Statements attached hereto starting on Page F-1 of this Annual Report for additional information about our transactions with Constellium-UACJ ABS LLC.

#### **Management Equity Plan**

Following the Acquisition, a management equity plan (the "MEP") was established effective February 4, 2011, to facilitate investments by our officers and other members of management in Constellium. In connection with the MEP, a German limited partnership, Omega Management GmbH & Co. KG ("Management KG"), was formed.

Management KG was a vehicle that allowed current and former directors, officers and employees of Constellium who invested in the MEP (either directly or indirectly through one or more investment vehicles) (the "MEP Participants") to hold a limited partnership interest in Management KG that corresponded to a portion of the shares in Constellium held by Management KG. Certain of our executive officers participated in the MEP. In connection with our IPO, the MEP was frozen and no other employees, officers or directors of Constellium were invited to become MEP Participants after 2013.

Following the advisory board resolution of Omega MEP GmbH ("GP GmbH"), the general partner of Management KG, dated November 6, 2015, it was resolved to wind-up the MEP. In connection with the wind-up of the MEP and with effect as of November 10, 2015, 2,410,357 Class A ordinary shares were transferred to the 34 MEP Participants in accordance with their respective share allocations under the MEP.

Management KG no longer holds any shares in Constellium and the limited partnership interests no longer represent an indirect economical interest in Constellium; the Management KG was liquidated as of October 31, 2016.

**C. Interests of Experts and Counsel**

Not applicable.

**Item 8. Financial Information**

**A. Consolidated Statements and Other Financial Information**

Our Consolidated Financial Statements as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018 are included in this Annual Report at “Item 18. Financial Statements.”

**Legal Proceedings**

Legal proceedings are disclosed in “Item 4. Information on the Company—B. Business Overview—Litigation and Legal Proceedings.”

**Dividend Policy**

Our board of directors periodically explores the potential adoption of a dividend program; however, no assurances can be made that any future dividends will be paid on the ordinary shares. Any declaration and payment of future dividends to holders of our ordinary shares will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory future prospects and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant. In general, any payment of dividends must be made in accordance with our Amended and Restated Articles of Association and the requirements of Dutch law. Under Dutch law, payment of dividends and other distributions to shareholders may be made only if our shareholders’ equity exceeds the sum of our called up and paid-in share capital plus the reserves required to be maintained by law and by our Amended and Restated Articles of Association.

Generally, we rely on dividends paid to Constellium N.V., or funds otherwise distributed or advanced to Constellium N.V. by its subsidiaries to fund the payment of dividends, if any, to our shareholders. In addition, restrictions contained in the agreements governing our outstanding indebtedness limit our ability to pay dividends on our ordinary shares and limit the ability of our subsidiaries to pay dividends to us. Future indebtedness that we may incur may contain similar restrictions.

**B. Significant Changes**

Except as otherwise disclosed within this annual report, no significant change has occurred since the date of the Consolidated Financial Statements.

On February 20, 2019, we amended the Pan-U.S. ABL Facility to, among other things, (i) join Constellium Bowling Green LLC as an additional borrower and Constellium Property and Equipment Company LLC as an additional guarantor, (ii) increase the maximum commitments thereunder to \$350 million, and (iii) make certain changes to the covenants, terms, and conditions thereof.

In January 2019, we acquired TAAH’s 49% stake in CUA for \$100 million plus the assumption of 49% of approximately \$80 million of third party debt at CUA. See “Item 4. Information on the Company—B. Business Overview—Recent Developments—Acquisition of UACJ’s Interest in Bowling Green Joint Venture” and in our audited consolidated financial statements included elsewhere in this Annual Report.

## Item 9. The Offer and Listing

### A. Offer and Listing Details

Our ordinary shares are listed on the NYSE under the symbol CSTM. We voluntarily delisted our ordinary shares from Euronext Paris on February 2, 2018.

### B. Plan of Distribution

Not applicable.

### C. Markets

We began trading on the NYSE on May 23, 2013 and on the professional segment of Euronext Paris on May 27, 2013 through a public offering in the United States. Trading on the NYSE is under the symbol “CSTM.” In February 2018, we voluntarily delisted our ordinary shares from Euronext Paris to reduce costs and complexity associated with listing in multiple jurisdictions. For more information on our shares see “Item 10. Additional Information—B. Memorandum and Articles of Association.”

### D. Selling Shareholders

Not applicable.

### E. Dilution

Not applicable.

### F. Expenses of the Issue

Not applicable.

## Item 10. Additional Information

### A. Share Capital

Not applicable.

### B. Memorandum and Articles of Association

The information called for by this Item has been reported previously in our Registration Statement on Form F-3ASR (File No. 333-221221), filed with the SEC on October 30, 2017, under the heading “Description of Capital Stock,” and is incorporated by reference into this Annual Report, as supplemented by the following:

- on November 3, 2017 the Company issued 25,000,000 Class A ordinary shares, each with a nominal value of €0.02;
- on November 3, 2017 the Company issued 3,750,000 Class A ordinary shares, each with a nominal value of €0.02;
- on November 15, 2017 the Company issued 25,000 Class A ordinary shares, each with a nominal value of €0.02;
- on March 28, 2018 the Company issued 34,580 Class A ordinary shares, each with a nominal value of €0.02;



- on May 17, 2018 the Company issued 80,000 Class A ordinary shares, each with a nominal value of €0.02;
- on June 20, 2018 the Company issued 68,136 Class A ordinary shares, each with a nominal value of €0.02;
- on August 6, 2018 the Company issued 50,000 Class A ordinary shares, each with a nominal value of €0.02; and
- on November 15, 2018 the Company issued 1,256,055 Class A ordinary shares, each with a nominal value of €0.02.

### C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

- **Employment Agreements and Benefit Plans** . See “Item 6. Directors, Senior Management and Employees—E. Share Ownership” for a description of the material terms of our employment agreements and benefits plans.
- **Amended and Restated Shareholders Agreement** . See “Item 7. Major Shareholders and Related Party Transactions” for a description of material terms of this contract.
- **Notes, Pan-U.S. ABL Facility, French Inventory Facility and Factoring Agreements** . As disclosed below.
- **Metal Supply Agreement** . As disclosed below.

### May 2014 Notes

On May 7, 2014, the Company completed a private offering of \$400 million in aggregate principal amount of 5.750% Senior Notes due 2024 (the “2024 U.S. Dollar Notes”) and €300 million in aggregate principal amount of 4.625% Senior Notes due 2021 (the “2021 Euro Notes,” and together with the 2024 U.S. Dollar Notes, the “May 2014 Notes”) pursuant to indentures among the Company, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee. A portion of the net proceeds of the May 2014 Notes were used to repay amounts outstanding under our senior secured term loan B facility, including related transaction fees, expenses, and prepayment premium thereon. We used the remaining net proceeds for general corporate purposes, including to put additional cash on our balance sheet.

Interest on the 2024 U.S. Dollar Notes and 2021 Euro Notes accrues at rates of 5.750% and 4.625% per annum, respectively, and is payable semi-annually beginning November 15, 2014. The 2024 U.S. Dollar Notes mature on May 15, 2024, and the 2021 Euro Notes mature on May 15, 2021.

Prior to May 15, 2019, we may redeem some or all of the 2024 U.S. Dollar Notes at a price equal to 100% of the principal amount of the 2024 U.S. Dollar Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. On or after May 15, 2019, we may redeem the 2024 U.S. Dollar Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 102.875% during the 12-month period commencing on May 15, 2019, 101.917% during the 12-month period commencing on May 15, 2020, 100.958% during the 12-month period commencing on May 15, 2021, and par on or after May 15, 2022, in each case plus accrued and unpaid interest, if any, to the redemption date.

Prior to May 15, 2017, we were permitted to redeem some or all of the 2021 Euro Notes at a price equal to 100% of the principal amount of the 2021 Euro Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. On or after May 15, 2017, we may redeem the 2021 Euro Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 102.313% during the 12-month period commencing on May 15, 2017, 101.156% during the 12-month period commencing on May 15, 2018, and par on or after May 15, 2019, in each case plus accrued and unpaid interest, if any, to the redemption date.

In addition, at any time or from time to time prior to May 15, 2017, we were permitted to, within 90 days of a qualified equity offering, redeem May 2014 Notes of either series in an aggregate amount equal to up to 35% of the original aggregate principal amount of the May 2014 Notes of the applicable series (after giving effect to any issuance of additional May 2014 Notes of such series) at a redemption price equal to 100% of the principal amount thereof plus a premium (expressed as a percentage of the principal amount thereof) equal to 5.750% for the 2024 U.S. Dollar Notes and 4.625% for the 2021 Euro Notes, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds of such qualified equity offering, provided that at least 50% of the original aggregate principal amount of May 2014 Notes of the series being redeemed would remain outstanding immediately after giving effect to such redemption.

Within 30 days of the occurrence of specific kinds of changes of control, the Company is required to make an offer to purchase all outstanding May 2014 Notes at a price in cash equal to 101% of the principal amount of the May 2014 Notes, plus accrued and unpaid interest, if any, to the purchase date.

The May 2014 Notes are senior unsecured obligations of Constellium and are guaranteed on a senior unsecured basis by Constellium International, Constellium France Holdco, Constellium Neuf Brisach, Constellium Issoire, Constellium Finance, Engineered Products International, Constellium W, Constellium Germany Holdco GmbH & Co. KG, Constellium Switzerland AG, Constellium US Holdings I, LLC, Ravenswood, Wise Metals Intermediate Holdings LLC (which has since been merged into Wise Metals Group LLC), Wise Metals Group LLC (since renamed Constellium Holdings Muscle Shoals LLC), and Wise Alloys LLC (since renamed Constellium Muscle Shoals LLC). Each of Constellium’s existing or future restricted subsidiaries (other than receivables subsidiaries) that guarantees certain indebtedness of Constellium or certain indebtedness of any of the guarantors of the May 2014 Notes must also guarantee the May 2014 Notes.

The indentures governing the May 2014 Notes contain customary terms and conditions, including, among other things, negative covenants limiting our and our restricted subsidiaries’ ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The indentures governing the May 2014 Notes also contain customary events of default.

#### **December 2014 Notes ( *Redeemed in November 2017* )**

On December 19, 2014, the Company completed a private offering of \$400 million in aggregate principal amount of 8.00% Senior Notes due 2023 (the “2023 U.S. Dollar Notes”) and €240 million in aggregate principal amount of 7.00% Senior Notes due 2023 (the “2023 Euro Notes,” and together with the 2023 U.S. Dollar Notes, the “December 2014 Notes”) pursuant to indentures among the Company, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee. A portion of the net proceeds of the December 2014 Notes were used to finance the Wise Acquisition, including related transaction fees and expenses. We used the remaining net proceeds for general corporate purposes.

In November 2017, we completed cash tender offers (the “Tender Offers”) for any and all of the 2023 Euro Notes, 2023 U.S. Dollar Notes, and Senior Secured Notes (as defined below, and together with the 2023 Euro

Notes and the 2023 U.S. Dollar Notes, the “Tender Offer Notes”). We completed the redemption (the “Redemption”) of the Tender Offer Notes not purchased in the Tender Offers, at redemption prices equal to 100% of the principal amount of the respective series of Tender Offer Notes redeemed, plus the Applicable Premium (as defined under the relevant indenture), in each case plus accrued and unpaid interest, if any, to the redemption date, on November 29, 2017, in the case of the Senior Secured Notes and the 2023 U.S. Dollar Notes, and November 30, 2017 in the case of the 2023 Euro Notes.

Interest on the 2023 U.S. Dollar Notes and 2023 Euro Notes accrued at rates of 8.00% and 7.00% per annum, respectively, and was payable semi-annually beginning July 15, 2015. The 2023 U.S. Dollar Notes and 2023 Euro Notes had a stated maturity date of January 15, 2023.

Prior to January 15, 2018, we were permitted to redeem some or all of the 2023 U.S. Dollar Notes at a price equal to 100% of the principal amount of the 2023 U.S. Dollar Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. On or after January 15, 2018, we were permitted to redeem the 2023 U.S. Dollar Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 106.000% during the 12-month period commencing on January 15, 2018, 104.000% during the 12-month period commencing on January 15, 2019, 102.000% during the 12-month period commencing on January 15, 2020, and par on or after January 15, 2021, in each case plus accrued and unpaid interest, if any, to the redemption date.

Prior to January 15, 2018, we were permitted to redeem some or all of the 2023 Euro Notes at a price equal to 100% of the principal amount of the 2023 Euro Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. On or after January 15, 2018, we were permitted to redeem the 2023 Euro Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 105.250% during the 12-month period commencing on January 15, 2018, 103.500% during the 12-month period commencing on January 15, 2019, 101.750% during the 12-month period commencing on January 15, 2020, and par on or after January 15, 2021, in each case plus accrued and unpaid interest, if any, to the redemption date.

In addition, at any time or from time to time prior to January 15, 2018, we were permitted, within 90 days of a qualified equity offering, to redeem December 2014 Notes of either series in an aggregate amount equal to up to 35% of the original aggregate principal amount of the December 2014 Notes of the applicable series (after giving effect to any issuance of additional December 2014 Notes of such series) at a redemption price equal to 100% of the principal amount thereof plus a premium (expressed as a percentage of the principal amount thereof) equal to 8.00% for the 2023 U.S. Dollar Notes and 7.00% for the 2023 Euro Notes, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds of such qualified equity offering, provided that at least 50% of the original aggregate principal amount of December 2014 Notes of the series being redeemed would remain outstanding immediately after giving effect to such redemption.

Within 30 days of the occurrence of specific kinds of changes of control, the Company was required to make an offer to purchase all outstanding December 2014 Notes at a price in cash equal to 101% of the principal amount of the December 2014 Notes, plus accrued and unpaid interest, if any, to the purchase date.

The December 2014 Notes were senior unsecured obligations of Constellium and were guaranteed on a senior unsecured basis by each of its restricted subsidiaries that guaranteed the May 2014 Notes. Each of Constellium’s existing or future restricted subsidiaries (other than receivables subsidiaries) that guaranteed certain indebtedness of Constellium or certain indebtedness of any of the guarantors of the December 2014 Notes was also required to guarantee the December 2014 Notes.

The indentures governing the December 2014 Notes contained customary terms and conditions, including, among other things, negative covenants limiting our and our restricted subsidiaries’ ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell

assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The indentures governing the December 2014 Notes also contained customary events of default.

**March 2016 Senior Secured Notes (Redeemed in November 2017)**

On March 30, 2016, the Company completed a private offering of \$425 million in aggregate principal amount of 7.875% Senior Secured Notes due 2021 (the “Senior Secured Notes”) pursuant to an indenture among the Company, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee and collateral agent. The Company invested €100 million of the net proceeds of the offering in Wise. We used the remaining net proceeds for general corporate purposes, including to put additional cash on our balance sheet. The Senior Secured Notes were redeemed on November 29, 2017 in connection with the Tender Offers and the Redemption.

Interest on the Senior Secured Notes accrued at a rate of 7.875% per annum and is payable semi-annually beginning October 1, 2016.

The Senior Secured Notes had a stated maturity date of April 1, 2021. In addition, each holder of Senior Secured Notes had the right to require the Company to repurchase all or any part of that holder’s Senior Secured Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase, if on the 136th day prior to May 15, 2021 (i.e., the final stated maturity of the 2021 Euro Notes) more than €30 million of the 2021 Euro Notes remained outstanding.

Prior to April 1, 2018, we were permitted to redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. On or after April 1, 2018, we were permitted to redeem the Senior Secured Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 103.938% during the 12-month period commencing on April 1, 2018, 101.969% during the 12-month period commencing on April 1, 2019, and par on or after April 1, 2020, in each case plus accrued and unpaid interest, if any, to the redemption date.

In addition, at any time or from time to time prior to April 1, 2018, we were permitted, within 90 days of a qualified equity offering, to redeem Senior Secured Notes in an aggregate amount equal to up to 35% of the original aggregate principal amount of the Senior Secured Notes (after giving effect to any issuance of additional Senior Secured Notes) at a redemption price equal to 100% of the principal amount thereof plus a premium (expressed as a percentage of the principal amount thereof) equal to 7.875%, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds of such qualified equity offering, provided that at least 50% of the original aggregate principal amount of Senior Secured Notes would remain outstanding immediately after giving effect to such redemption.

Within 30 days of the occurrence of specific kinds of changes of control, the Company was required to make an offer to purchase all outstanding Senior Secured Notes at a price in cash equal to 101% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to the purchase date.

The Senior Secured Notes were senior secured obligations of Constellium and were guaranteed on a senior secured basis by each of its restricted subsidiaries that guaranteed the May 2014 Notes. In addition, the Company was required to cause (a) existing or future subsidiaries to guarantee the Senior Secured Notes from time to time so as to satisfy the Guarantor Coverage Test (as defined below), and (b) each existing or future subsidiary that directly or indirectly owned the capital stock of a guarantor of the Senior Secured Notes, or guaranteed certain indebtedness of Constellium or certain indebtedness of any of the guarantors of the Senior Secured Notes, to guarantee the Senior Secured Notes.

The “Guarantor Coverage Test” required, on any one date between and including the date that the Company’s annual financial statements are delivered and the date that is forty-five (45) days following such delivery, that (a) the EBITDA of the Company and the guarantors of the Senior Secured Notes, taken together, represented not less than 80% of the EBITDA of the Company and its restricted subsidiaries, taken together, and (b) the consolidated total assets of the Company and the guarantors of the Senior Secured Notes, taken together, represented not less than 80% of the consolidated total assets of the Company and its restricted subsidiaries, taken together.

The indenture governing the Senior Secured Notes provided for the obligations of the Company and the guarantors with respect to the Senior Secured Notes and the guarantees thereof to be secured by (i) a pledge by Constellium N.V. of its shares in Constellium Holdco II B.V., (ii) a pledge by Holdco II of its shares in certain of its subsidiaries, (iii) a pledge by certain other guarantors of their shares in certain of their subsidiaries, (iv) subject to certain exceptions, a pledge of intercompany indebtedness owed to the Company and the guarantors and bank accounts owned by the Company and the guarantors, and (v) subject to certain exceptions, substantially all the assets of each guarantor organized in the U.S. The liens on the collateral securing the Senior Secured Notes and the guarantees thereof were required to be first-priority, provided that (x) the liens on the Ravenswood ABL Priority Collateral (as defined below) securing the Senior Secured Notes and the guarantees thereof were required to be junior in priority to the liens on the Ravenswood ABL Priority Collateral securing the obligations under the Ravenswood ABL Facility, and (y) the liens on certain property of Ravenswood securing the Senior Secured Notes and the guarantees thereof were required to be junior in priority to the liens on such property securing certain obligations of Ravenswood to the Pension Benefit Guaranty Corporation. The “Ravenswood ABL Priority Collateral” consisted of the following property owned by Ravenswood: (i) accounts and payment intangibles, (ii) inventory, (iii) deposit accounts and any cash, financial assets or other assets in such accounts, (iv) cash and cash equivalents, (v) all general intangibles, chattel paper, instruments, investment property and books and records pertaining to any of the foregoing, and (vi) all proceeds of the foregoing, in each case subject to certain exceptions.

The indenture governing the Senior Secured Notes contained customary terms and conditions, including, among other things, negative covenants limiting our and our restricted subsidiaries’ ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The indenture governing the Senior Secured Notes also contained customary events of default.

#### **February 2017 Notes**

On February 16, 2017, the Company completed a private offering of \$650 million in aggregate principal amount of 6.625% Senior Notes due 2025 (the “February 2017 Notes”) pursuant to an indenture among the Company, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee. The Company used the net proceeds from the offering, together with cash on hand, to retire all of the outstanding Wise Senior Secured Notes and used the remaining net proceeds, if any, for general corporate purposes.

Interest on the February 2017 Notes accrues at rate of 6.625% per annum and is payable semi-annually beginning September 1, 2017. The February 2017 Notes mature on March 1, 2025.

Prior to March 1, 2020, we may redeem some or all of the February 2017 Notes at a price equal to 100% of the principal amount of the February 2017 Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. On or after March 1, 2020, we may redeem the February 2017 Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 103.313% during the 12-month period commencing on March 1, 2020, 101.656% during the 12-month period commencing on March 1, 2021, and par on or after March 1, 2022, in each case plus accrued and unpaid interest, if any, to the redemption date.

In addition, at any time or from time to time prior to March 1, 2020, we may, within 90 days of a qualified equity offering, redeem February 2017 Notes in an aggregate amount equal to up to 35% of the original aggregate principal amount thereof (after giving effect to any issuance of additional February 2017 Notes) at a redemption price equal to 100% of the principal amount thereof plus a premium (expressed as a percentage of the principal amount thereof) equal to 6.625%, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds of such qualified equity offering, provided that at least 50% of the original aggregate principal amount of February 2017 Notes would remain outstanding immediately after giving effect to such redemption.

Within 30 days of the occurrence of specific kinds of changes of control, the Company is required to make an offer to purchase all outstanding February 2017 Notes at a price in cash equal to 101% of the principal amount of the February 2017 Notes, plus accrued and unpaid interest, if any, to the purchase date.

The February 2017 Notes are senior unsecured obligations of Constellium and are guaranteed on a senior unsecured basis by each of its restricted subsidiaries that guarantees the May 2014 Notes. Each of Constellium's existing or future restricted subsidiaries (other than receivables subsidiaries) that guarantees certain indebtedness of Constellium (including the May 2014 Notes) or certain indebtedness of any of the guarantors of the February 2017 Notes must also guarantee the February 2017 Notes.

The indenture governing the February 2017 Notes contains customary terms and conditions, including, among other things, negative covenants limiting our and our restricted subsidiaries' ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The indenture governing the February 2017 Notes also contains customary events of default.

#### **November 2017 Notes**

On November 9, 2017, the Company completed a private offering (the "November 2017 Notes Offering") of \$500 million in aggregate principal amount of 5.875% Senior Notes due 2026 (the "2026 U.S. Dollar Notes") and €400 million in aggregate principal amount of 4.250% Senior Notes due 2026 (the "2026 Euro Notes," and together with the 2026 U.S. Dollar Notes, the "November 2017 Notes"; and the November 2017 Notes, together with the May 2014 Notes and the February 2017 Notes, the "Notes") pursuant to indentures among the Company, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee. The Company used the net proceeds from the Equity Offering (as defined below) and the November 2017 Notes Offering, together with cash on hand, to fund the Tender Offers and the Redemption, with the remaining net proceeds being used for general corporate purposes.

Interest on the 2026 U.S. Dollar Notes and 2026 Euro Notes accrues at rates of 5.875% and 4.250% per annum, respectively, and is payable semi-annually beginning February 15, 2018. The February 2017 Notes mature on February 15, 2026.

Prior to November 15, 2020, we may redeem some or all of the 2026 U.S. Dollar Notes at a price equal to 100% of the principal amount of the 2026 U.S. Dollar Notes redeemed plus accrued and unpaid interest, if any, to the redemption date plus a "make-whole" premium. On or after November 15, 2020, we may redeem the 2026 U.S. Dollar Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 102.938% during the 12-month period commencing on November 15, 2020, 101.469% during the 12-month period commencing on November 15, 2021, and par on or after November 15, 2022, in each case plus accrued and unpaid interest, if any, to the redemption date.

Prior to November 15, 2020, we may redeem some or all of the 2026 Euro Notes at a price equal to 100% of the principal amount of the 2026 Euro Notes redeemed plus accrued and unpaid interest, if any, to the redemption

date plus a “make-whole” premium. On or after November 15, 2020, we may redeem the 2026 Euro Notes at redemption prices (expressed as a percentage of the principal amount thereof) equal to 102.125% during the 12-month period commencing on November 15, 2020, 101.063% during the 12-month period commencing on November 15, 2021, and par on or after November 15, 2022, in each case plus accrued and unpaid interest, if any, to the redemption date.

In addition, at any time or from time to time prior to November 15, 2020, we may, within 90 days of a qualified equity offering, redeem November 2017 Notes of either series in an aggregate amount equal to up to 35% of the original aggregate principal amount of the November 2017 Notes of the applicable series (after giving effect to any issuance of additional February 2017 Notes of such series) at a redemption price equal to 100% of the principal amount thereof plus a premium (expressed as a percentage of the principal amount thereof) equal to 5.875% for the 2026 U.S. Dollar Notes and 4.250% for the 2026 Euro Notes, plus accrued and unpaid interest thereon (if any) to the redemption date, with the net cash proceeds of such qualified equity offering, provided that at least 50% of the original aggregate principal amount of February 2017 Notes of the series being redeemed would remain outstanding immediately after giving effect to such redemption.

Within 30 days of the occurrence of specific kinds of changes of control, the Company is required to make an offer to purchase all outstanding February 2017 Notes at a price in cash equal to 101% of the principal amount of the February 2017 Notes, plus accrued and unpaid interest, if any, to the purchase date.

The February 2017 Notes are senior unsecured obligations of Constellium and are guaranteed on a senior unsecured basis by each of its restricted subsidiaries that guarantees the May 2014 Notes and the February 2017 Notes. Each of Constellium’s existing or future restricted subsidiaries (other than receivables subsidiaries) that guarantees certain indebtedness of Constellium (including the May 2014 Notes and the February 2017 Notes) or certain indebtedness of any of the guarantors of the November 2017 Notes must also guarantee the November 2017 Notes.

The indentures governing the November 2017 Notes contain customary terms and conditions, including, among other things, negative covenants limiting our and our restricted subsidiaries’ ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The indentures governing the November 2017 Notes also contain customary events of default.

#### **Ravenswood ABL Facility ( *Terminated in June 2017* )**

On May 25, 2012, Ravenswood entered into a \$100 million asset-based revolving credit facility (the “Ravenswood ABL Facility”), with the lenders from time to time party thereto and Deutsche Bank Trust Company Americas, as administrative agent (the “Ravenswood ABL Administrative Agent”) and collateral agent. Ravenswood amended the Ravenswood ABL Facility on October 1, 2013 to, among other things, extend the maturity to October 2018 and reduce pricing. As amended, the Ravenswood ABL Facility had sublimits of \$25 million for letters of credit and 10% of the revolving credit facility commitments for swingline loans. The Ravenswood ABL Facility provided Ravenswood a working capital facility for its operations. The Ravenswood ABL Facility was terminated on June 21, 2017 and was replaced by the Pan-U.S. ABL Facility.

Ravenswood’s ability to borrow under the Ravenswood ABL Facility was limited to a borrowing base equal to the sum of (a) 85% of eligible accounts receivable plus (b) up to the lesser of (i) 80% of the lesser of cost or market value of eligible inventory and (ii) 85% of the net orderly liquidation value of eligible inventory minus (c) applicable reserves, and was subject to other conditions, limitations and reserve requirements.

Interest under the Ravenswood ABL Facility was calculated, at Ravenswood’s election, based on either the LIBOR or base rate (as calculated by the Ravenswood ABL Administrative Agent in accordance with the

Ravenswood ABL Facility). LIBOR loans accrued interest at a rate of LIBOR plus a margin of 1.50-2.00% per annum (determined based on average quarterly excess availability). Base rate loans accrued interest at the base rate plus a margin of 0.50-1.00% per annum (determined based on average quarterly excess availability). Ravenswood was required to pay a commitment fee on the unused portion of the Ravenswood ABL Facility of 0.25% or 0.375% per annum (determined on a ratio of unutilized revolving credit commitments to available revolving credit commitments).

Subject to customary “breakage” costs with respect to LIBOR loans, borrowings under the Ravenswood ABL Facility could be repaid from time to time without premium or penalty.

Ravenswood’s obligations under the Ravenswood ABL Facility were guaranteed by Constellium U.S. Holdings I, LLC and Holdco II. Ravenswood’s obligations under the Ravenswood ABL Facility were not guaranteed by the Company, Wise Metals Intermediate Holdings LLC or any of its subsidiaries or any of Holdco II’s subsidiaries organized outside of the United States. Ravenswood’s obligations under the Ravenswood ABL Facility were, subject to certain permitted liens, secured on a first priority basis by the Ravenswood ABL Priority Collateral, and on a second priority basis (junior to the liens on such assets securing the Senior Secured Notes) by substantially all other assets of Ravenswood. Ravenswood’s obligations under the Ravenswood ABL Facility were not secured by any assets of Wise Metals Intermediate Holdings LLC or any of its subsidiaries or the Company or any of its subsidiaries organized outside of the United States. The guarantee by Holdco II of the Ravenswood ABL Facility was unsecured.

The Ravenswood ABL Facility contained customary terms and conditions, including, among other things, negative covenants limiting Ravenswood’s ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances (including to other Constellium group companies), make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions. The negative covenants contained in the Ravenswood ABL Facility did not apply to Wise Metals Intermediate Holdings LLC or any of its subsidiaries or the Company or any of its subsidiaries organized outside of the United States.

The Ravenswood ABL Facility also contained a minimum availability covenant that required Ravenswood to maintain excess availability under the Ravenswood ABL Facility of at least the greater of (a) \$10 million and (b) 10% of the aggregate revolving loan commitments.

The Ravenswood ABL Facility also contained customary events of default.

#### **Pan-U.S. ABL Facility**

On June 21, 2017, Ravenswood and Wise Alloys, since renamed Constellium Muscle Shoals LLC, entered into a \$300 million asset-based revolving credit facility (the “Pan-U.S. ABL Facility”), with the lenders from time to time party thereto and Wells Fargo Bank, National Association as administrative agent (the “Pan-U.S. ABL Administrative Agent”) and collateral agent. Concurrently with Ravenswood and Wise Alloys’ entry into the Pan-U.S. ABL Facility, the Ravenswood ABL Facility and the Wise ABL Facility were each terminated. On February 20, 2019, we amended the Pan-U.S. ABL Facility to, among other things, (i) join Constellium Bowling Green LLC as an additional borrower and Constellium Property and Equipment Company LLC as an additional guarantor, (ii) increase the maximum commitments thereunder to \$350 million, and (iii) make certain changes to the covenants, terms, and conditions thereof.

The Pan-U.S. ABL Facility provides Ravenswood, Wise Alloys, and Bowling Green a working capital facility for their respective operations. The Pan-U.S. ABL Facility has sublimits of \$35 million for letters of credit and \$35 million for swingline loans. At the option of Ravenswood, Wise Alloys, and Bowling Green, the maximum borrowings under the Pan-U.S. ABL Facility may be increased by up to an additional \$200 million subject to, among other things, payment of a fee in the amount of 0.125% of such increase and the granting of a



lien in favor of the Pan-U.S. ABL Administrative Agent over certain accounts receivable (and termination of any factoring facilities with respect to such receivables). The lenders under the Pan-U.S. ABL Facility have provided commitments with respect to such increase (the “Pan-U.S. ABL Incremental Commitments”).

The Pan-U.S. ABL Facility matures on June 21, 2022.

Ravenswood, Wise Alloys, and Bowling Green’s ability to borrow under the Pan-U.S. ABL Facility is limited to a borrowing base equal to the sum of (a) 85% of eligible accounts plus (b) up to the lesser of (i) 80% of the lesser of cost or market value of eligible inventory and (ii) 85% of the net orderly liquidation value of eligible inventory minus (c) applicable reserves, and is subject to other conditions, limitations and reserve requirements.

Interest under the Pan-U.S. ABL Facility is calculated, at the applicable borrower’s election, based on either the LIBOR or base rate (as calculated by the Pan-U.S. ABL Administrative Agent in accordance with the Pan-U.S. ABL Facility). LIBOR loans accrue interest at a rate of LIBOR plus a margin of 1.50-2.00% per annum (determined based on average quarterly excess availability). Base rate loans accrue interest at the base rate plus a margin of 0.50-1.00% per annum (determined based on average quarterly excess availability). Ravenswood, Wise Alloys, and Bowling Green are required to pay a commitment fee on the unused portion of the Pan-U.S. ABL Facility of 0.25% or 0.375% per annum (determined on a ratio of unutilized revolving credit commitments to available revolving credit commitments). Ravenswood, Wise Alloys, and Bowling Green are also required to pay a commitment fee on the unused Pan-U.S. ABL Incremental Commitments of 0.25% per annum.

Subject to customary “breakage” costs with respect to LIBOR loans, borrowings under the Pan-U.S. ABL Facility may be repaid from time to time without premium or penalty.

Ravenswood, Wise Alloys, and Bowling Green’s obligations under the Pan-U.S. ABL Facility are guaranteed by Constellium U.S. Holdings I, LLC, Wise Metals Group, CPEC, and Constellium International (as successor to Holdco II). Ravenswood, Wise Alloys, and Bowling Green’s obligations under the Pan-U.S. ABL Facility are, subject to certain permitted liens, secured by substantially all assets of Ravenswood, Wise Alloys, and Bowling Green. The guarantee by Constellium International of the Pan-U.S. ABL Facility is unsecured.

The Pan-U.S. ABL Facility contains customary terms and conditions, including, among other things, negative covenants limiting Ravenswood, Wise Alloys, and Bowling Green’s ability to incur debt, grant liens, enter into sale and lease-back transactions, make investments, loans and advances (including to other Constellium group companies), make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The Pan-U.S. ABL Facility also contains a financial maintenance covenant that provides that at any time during which borrowing availability thereunder is below 10% of the aggregate commitments under the Pan-U.S. ABL Facility, the Company will be required to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 and a minimum Borrower EBITDA Contribution of 25%, in each case calculated on a trailing twelve month basis. “Borrower EBITDA Contribution” means, for any period, the ratio of (x) the combined EBITDA of Ravenswood, Wise Alloys, Bowling Green, and their respective subsidiaries for such period, to (y) the consolidated EBITDAs of the Company and its subsidiaries for such period.

The Pan-U.S. ABL Facility also contains customary events of default.

#### **French Inventory Facility**

On April 21, 2017, Constellium Issoire and Constellium Neuf Brisach (the “French Borrowers”) entered into a €100 million asset-based revolving credit facility (the “French Inventory Facility”) with the lenders from time to time party thereto and FactoFrance as agent. The French Inventory Facility was amended on June 13, 2017 to, among other things, make certain changes to the procedure for calculating the Turn Ratio (as defined

below). The French Inventory Facility provides the French Borrowers a working capital facility for their operations. The French Inventory Facility was amended on March 29, 2018 to, among other things, make certain changes to the inventory included in the borrowing base.

The French Borrowers' ability to borrow under the French Inventory Facility is limited to a borrowing base equal to the lesser of (i) the sum of (A) 90% of the net orderly liquidation value of eligible inventory of the applicable French Borrower pledged and in possession of an escrow agent (the "Inventory Pledged With Dispossession" by such French Borrower), plus (B) 70% of the net orderly liquidation value of eligible inventory of the applicable French Borrower pledged without possession by the escrow agent (the "Inventory Pledged Without Dispossession" by such French Borrower), and (ii) the product of 90% of the net orderly liquidation value of the Inventory Pledged With Dispossession by the applicable French Borrower, multiplied by four.

Notwithstanding the foregoing, if on any quarterly test date the ratio of a French Borrower's aggregate sales for the previous 365 days to the average book value of the eligible inventory pledged by such French Borrower under the French Inventory Facility (the "Turn Ratio" for such French Borrower) is less than 3, in the case of Constellium Issoire, or 6, in the case of Constellium Neuf Brisach, the borrowing base for such French Borrower will equal 70% of the net orderly liquidation value of the Inventory Pledged With Dispossession by such French Borrower until the next quarterly test date on which such French Borrower's Turn Ratio is greater than or equal to 3, in the case of Constellium Issoire, or 6, in the case of Constellium Neuf Brisach (such period, a "Borrowing Base Event").

Loans not in excess of 90% of the net orderly liquidation value of the Inventory Pledged with Dispossession of the applicable French Borrower at the time of borrowing bear interest at a rate of EURIBOR plus 2% per annum ("Tranche A Loans"), and loans in excess of that amount at the time of borrowing bear ("Tranche B Loans") interest at a rate of EURIBOR plus 2.75% per annum. The French Borrowers are also required to pay a commitment fee on the unused portion of the French Inventory Facility of 0.80% per annum. Borrowings of Tranche B Loans by a French Borrower are subject to a minimum EBITDA for such French Borrower, calculated on a trailing twelve months of €40 million in the case of Constellium Issoire, and €65 million in the case of Constellium Neuf Brisach.

Subject to customary "breakage" costs, borrowings under the French Inventory Facility are permitted to be repaid from time to time without premium or penalty.

The French Borrowers' obligations under the French Inventory Facility are guaranteed by Constellium International (as successor to Holdco II) and are secured by possessory and non-possessory pledges of the eligible inventory of the French Borrowers.

#### **European Factoring Agreements**

On January 4, 2011, certain of our French subsidiaries (the "French Sellers") entered into a factoring agreement with GE Factofrance S.A.S., as factor (the "French Factor"), which has been amended from time to time, and has been fully restated on December 3, 2015 (the "French Factoring Agreement"). On December 16, 2010, certain of our German and Swiss subsidiaries (the "German/Swiss Sellers") entered into factoring agreements with GE Capital Bank AG, as factor (the "German/Swiss Factor"), which have been amended from time to time or replaced with a factoring agreement entered into on March 26, 2014 (the "Original German/Swiss Factoring Agreements"). On June 26, 2015, our Czech subsidiary (the "Czech Seller," and together with the German/Swiss Sellers and the French Sellers, the "European Factoring Sellers") entered into a factoring agreement with GE Capital Bank AG, as factor (the "Czech Factor," and together with the German/Swiss Factor and the French Factor, the "European Factors"), as amended from time to time (the "Czech Factoring Agreement," and together with the German/Swiss Factoring Agreements and the French Factoring Agreement, the "European Factoring Agreements"). On May 27, 2016, one of our German subsidiaries, Constellium Rolled Products Singen GmbH & Co. KG (another "German/Swiss Seller"), entered into a factoring agreement with the

German/Swiss Factor (the “Additional German/Swiss Factoring Agreement” and, together with the Original German/Swiss Factoring Agreements, the “German/Swiss Factoring Agreements”) while certain of the Original German/Swiss Factoring Agreements were amended.

On July 20, 2016, the Banque Fédérative du Crédit Mutuel purchased the Equipment Finance and Receivable Finance businesses of GE. Pursuant to this transaction, GE Factofrance S.A.S. was renamed Factofrance and GE Capital Bank AG was renamed Targo Commercial Financing AG. The transaction had no other impact on the European Factoring Agreements.

The European Factoring Agreements provide for the sale by the European Factoring Sellers to the European Factors of receivables originated by the European Factoring Sellers, subject to a maximum financing amount of €235 million available to the French Sellers under the French Factoring Agreement and €150 million available to the German/Swiss Sellers and the Czech Seller under the German/Swiss Factoring Agreements and the Czech Factoring Agreement, respectively. The funding made available to the European Factoring Sellers by the European Factors is used by the Sellers for general corporate purposes.

The German/Swiss Factoring Agreements were amended on December 21, 2016 to, among other things, increase the maximum financing amount from €115 million to €150 million, extend the termination date from June 15, 2017 to October 29, 2021, and reduce the fees payable by the German/Swiss Sellers. The French Factoring Agreement was amended and restated on April 19, 2017 to, among other things, extend the commitment period thereunder from December 2018 to October 2021.

Generally speaking, receivables sold to the European Factors under the European Factoring Agreements are with no recourse to the European Factoring Sellers in the event of a payment default by the relevant customer. The European Factors are entitled to claim the repayment of any amount financed by them in respect of a receivable by withdrawing the financing provided against such assigned receivable or requiring the European Factoring Sellers to repurchase/unwind the purchase of such receivable under certain circumstances, including when (i) the nonpayment of that receivable arises from a dispute between a European Factoring Seller and the relevant customer or (ii) the receivable proves not to have satisfied the eligibility criteria set forth in the European Factoring Agreements.

The German/Swiss Factoring Agreements and the Czech Factoring Agreement are without recourse to the German/Swiss Sellers and the Czech Seller, respectively, for any credit risk resulting from the inability of a debtor to meet its payment obligations under the receivables sold to the German/Swiss Factor, and the Czech Factor, respectively. Constellium International (as successor to Holdco II) has provided a performance guaranty for the Sellers’ obligations under the European Factoring Agreements.

Subject to some exceptions, the European Factoring Sellers will collect the transferred receivables on behalf of the European Factors pursuant to a receivables collection mandate under the European Factoring Agreements. The receivables collection mandate may be terminated upon the occurrence of certain events. In the event that the receivables collection mandate is terminated, the European Factors will be entitled to notify the account debtors of the assignment of receivables and collect directly from the account debtors the assigned receivables.

The European Factoring Agreements contain customary fees, including (i) a financing fee on the outstanding amount financed in respect of the assigned receivables, (ii) a non-utilization fee on the portion of the facilities not utilized by the European Factors and (iii) a factoring fee on all assigned receivables in the case of the German/Swiss Factoring Agreements and sold receivables, which were approved by the French Factor in the case of the French Factoring Agreement. In addition, the European Factoring Sellers incur the cost of maintaining the necessary credit insurance (as stipulated in the European Factoring Agreements) on assigned receivables.

The European Factoring Agreements contain certain affirmative and negative covenants, including relating to the administration and collection of the assigned receivables, the terms of the invoices and the exchange of

information, but do not contain restrictive financial covenants. As of and for the fiscal year ended December 31, 2018, the European Factoring Sellers were in compliance with all applicable covenants under the European Factoring Agreements.

**Wise Senior Secured Notes ( Redeemed in March 2017 )**

On December 11, 2013, Wise Metals Group LLC, since renamed Constellium Holdings Muscle Shoals LLC, and Wise Alloys Finance Corporation (which entity has since been dissolved) issued \$650 million in aggregate principal amount of 8.75% Senior Secured Notes due 2018 (the “Wise Senior Secured Notes”). Wise used a portion of the proceeds from the offering of the Wise Senior Secured Notes to repay all outstanding indebtedness under a \$400 million term loan and a \$70 million delayed draw term loan owed to the Employees’ Retirement System of Alabama and the Teachers’ Retirement System of Alabama (collectively, the “RSA”) and to redeem all of the outstanding cumulative-convertible 10% paid-in-kind preferred membership interests in Wise Metals Group LLC held by the RSA. On March 3, 2017, the Wise Senior Secured Notes were redeemed in full in connection with the issuance of the February 2017 Notes.

Interest on the Wise Senior Secured Notes accrued at a rate of 8.75% per annum and was payable semi-annually in arrears on June 15 and December 15 of each year. The Wise Senior Secured Notes had a stated maturity date of December 15, 2018.

The Wise Senior Secured Notes were guaranteed by certain of Wise Metals Group LLC’s 100% owned domestic restricted subsidiaries. The Wise Senior Secured Notes were not guaranteed by the Company or any of its other subsidiaries. The Wise Senior Secured Notes and related guarantees were secured on a first-priority basis, subject to certain exceptions and permitted liens, by a lien on substantially all of the issuers’ and guarantors’ existing and after-acquired material domestic real estate, equipment, stock of subsidiaries, intellectual property and substantially all of the issuers’ and guarantors’ other assets that did not secure the Wise ABL Facility on a first-priority basis, other than the Specified Mill Assets Collateral (as defined below), which had been pledged to secure the Wise Senior Secured Notes and the related guarantees, as well as certain obligations to Rexam under the Rexam Advance Agreement, on a first-priority, equal and ratable basis. The Wise Senior Secured Notes and related guarantees were secured on a second-priority basis by a lien on all of the issuers’ and guarantors’ domestic assets that consisted of Wise ABL Priority Collateral (as defined below).

Prior to June 15, 2016, the Wise Senior Secured Notes could be redeemed in whole or in part at a redemption price equal to 100% of the principal amount of the Wise Senior Secured Notes redeemed plus an applicable make-whole premium and accrued and unpaid interest to, but not including, the redemption date. Prior to June 15, 2016, up to 35% of the aggregate principal amount of Wise Senior Secured Notes outstanding could be redeemed with the net proceeds of specified equity offerings at 108.750% of the principal amount of the Wise Senior Secured Notes to be redeemed plus accrued and unpaid interest, if any, to the date of redemption.

On or after June 15, 2016, the Wise Senior Secured Notes could be redeemed in whole or in part at redemption prices (expressed as percentages of principal amount) of 104.375% for the 12-month period beginning on June 15, 2016, 102.188% for the 12-month period beginning on June 15, 2017, and par on or after June 15, 2018, in each case plus accrued and unpaid interest to the date of redemption.

In addition, upon certain events constituting a “Change of Control” (as defined in the indenture governing the Wise Senior Secured Notes), the issuers of the Wise Senior Secured Notes were required to make an offer (a “Senior Secured Notes Offer to Purchase”) to repurchase all outstanding Wise Senior Secured Notes at a purchase price equal to 101% of the aggregate principal amount of Wise Senior Secured Notes so repurchased, plus accrued and unpaid interest to the date of repurchase.

The Wise Senior Secured Notes contained customary covenants including, among other things, limitations and restrictions on Wise’s ability to: incur additional indebtedness; make dividend payments or other restricted

payments; create liens; sell assets; sell securities of subsidiaries; agree to payment restrictions affecting Wise's restricted subsidiaries; designate subsidiaries as unrestricted subsidiaries; enter into certain types of transactions with affiliates; and enter into mergers, consolidations or certain asset sales.

On October 10, 2014, Constellium, on behalf of the issuers of the Wise Senior Secured Notes, solicited consents from the holders of the Wise Senior Secured Notes to certain amendments (the "Proposed Amendments") to the indenture governing the Wise Senior Secured Notes. The Proposed Amendments provided that the Wise Acquisition would not constitute a "Change of Control." On October 17, 2014, Constellium obtained the requisite consents to the Proposed Amendments and the issuers and guarantors of the Wise Senior Secured Notes and Wells Fargo Bank, National Association, as trustee and collateral agent, entered into a supplemental indenture to the indenture governing the Wise Senior Secured Notes. Pursuant to the terms of the supplemental indenture, the Proposed Amendments became operative immediately prior to the effective time of the Wise Acquisition. Accordingly, the issuers of the Wise Senior Secured Notes were not required to make a Senior Secured Notes Offer to Purchase in connection with the Wise Acquisition.

#### **Wise ABL Facility ( Terminated in June 2017 )**

On December 11, 2013, Wise Alloys, since renamed Constellium Muscle Shoals LLC, as borrower, and Wise Metals Group LLC, since renamed Constellium Holdings Muscle Shoals LLC, Listerhill Total Maintenance Center, LLC ("TMC"), Wise Alloys Finance Corporation, and Alabama Electric Motor Services, LLC ("AEM"), as guarantors, entered into an asset-based revolving credit facility (as amended, the "Wise ABL Facility") with the lenders from time to time party thereto and General Electric Capital Corporation as administrative agent (the "Wise ABL Facility Agent"). The Wise ABL Facility was subsequently amended in connection with the Wise Acquisition, in connection with the Wise RPA, and in connection with the issuance of the February 2017 Notes. On June 21, 2017, the Wise ABL Facility was terminated and was replaced by the Pan-U.S. ABL Facility.

The Wise ABL Facility provided for total commitments of \$170 million. Wise Alloys had the option to increase the commitments under the Wise ABL Facility from time to time by up to \$100 million in the aggregate for all such increases. Any increase of the commitments under the Wise ABL Facility was subject to the commitment of one or more lenders to such increased amount and the satisfaction of certain customary conditions, including the absence of any default under the Wise ABL Facility and, to the extent otherwise required under the Wise ABL Facility at the time of the proposed increase, compliance with the financial covenant (as described below) on an as adjusted basis.

Wise Alloys' ability to borrow under the Wise ABL Facility was limited to a borrowing base equal to the sum of (a) 85% of net book value of Wise Alloys', AEM's, and TMC's eligible accounts receivable (other than any accounts receivable from certain foreign account debtors ("Eligible Foreign Account Debtors")) and other ineligible account debtors (or 90% of the net book value of Wise Alloys', AEM's, and TMC's eligible accounts receivable from Coca-Cola), plus (b) the lesser of (i) 85% of the net book value of Wise Alloys', AEM's, and TMC's eligible accounts receivable from Eligible Foreign Account Debtors and (ii) \$12.5 million, plus (c) the lesser of (i) 75% of the value of Wise Alloys' eligible raw materials, work-in-progress and finished goods inventory and (ii) 85% of the net orderly liquidation value of Wise Alloys' eligible raw materials, work-in-progress and finished goods inventory, plus (d) the lesser of (i) 5% of the value of Wise Alloys' eligible raw materials, work-in-progress and finished goods inventory and (ii) 5% of the net orderly liquidation value of Wise Alloys' eligible raw materials, work-in-process and finished goods inventory; provided that, in the case of each of clauses (i) and (ii), such amount could not exceed \$10 million, minus (e) the excess, if any, of the aggregate amount of TMC's and AEM's eligible accounts receivable included in the borrowing base pursuant to the foregoing clause (a) over \$1.5 million (which could, at the Wise ABL Facility Agent's sole discretion after completion of a collateral audit, be increased to an amount not to exceed \$5 million) minus (f) the aggregate amount of reserves, if any, established by the Wise ABL Facility Agent. Wise Alloys' ability to borrow under the Wise ABL Facility was also subject to other conditions and limitations.

Interest rates under the Wise ABL Facility were based, at Wise Alloys' election, on either the LIBOR rate or a base rate, plus a spread that ranged from 1.75% to 2.25% for LIBOR loans and 0.75% to 1.25% for base rate loans. The spread was determined on the basis of a pricing grid that resulted in a higher spread as Wise Alloys' average quarterly borrowing availability under the Wise ABL Facility declined, and, in each case, was based upon the borrowing base calculation delivered to the Wise ABL Facility Agent for the last calendar month (or, in certain instances, week) of the immediately preceding fiscal quarter.

Letters of credit under the Wise ABL Facility were subject to a fee payable to the lenders equal to the current margin applicable to LIBOR loans multiplied by the daily balance of the undrawn amount of all outstanding letters of credit, payable in cash monthly in arrears.

Unused commitments under the Wise ABL Facility were subject to an unused commitment fee equal to the aggregate amount of such unused commitments multiplied by a rate equal to 0.375% per annum, payable in cash monthly in arrears, of the average available but unused borrowing capacity under the Wise ABL Facility.

Subject to customary "breakage" costs with respect to LIBOR loans, borrowings under the Wise ABL Facility could be repaid from time to time without premium or penalty.

The obligations of Wise Alloys under the Wise ABL Facility were guaranteed by Holdco II and Wise Metals Group LLC. The obligations under the Wise ABL Facility were secured by (i) a first priority (subject to certain specified permitted liens) perfected security interest in all of Wise Alloys and the guarantors' (other than Holdco II) assets and properties consisting of Wise ABL Priority Collateral, (ii) a second priority (subordinate only to the security interest and liens under the Wise Senior Secured Notes and subject to certain specified permitted liens) perfected security interest in all of Wise Alloys and the guarantors' (other than Holdco II) assets and properties, other than Wise ABL Priority Collateral and the Specified Mill Assets Collateral, and (iii) a second priority (subordinate only to the security interest under the Wise Senior Secured Notes and the Rexam Advance Agreement and subject to certain specified permitted liens) perfected security interest in all of Wise Alloys and the guarantors' (other than Holdco II) assets and properties consisting of Specified Mill Assets Collateral. The guarantee of the Wise ABL Facility by Holdco II was unsecured.

"Wise ABL Priority Collateral" consisted of (i) accounts and payment intangibles, (ii) inventory, (iii) deposit accounts and securities accounts, including all monies, uncertificated securities and other funds held in or on deposit therein (including all cash, marketable securities and other funds held in or on deposit in either of the foregoing), (iv) all investment property, equipment, general intangibles, books and records pertaining to the Wise ABL Priority Collateral, documents, instruments, chattel paper, letter-of-credit rights, supporting obligations related to the foregoing, business interruption insurance, commercial tort claims, and (v) all proceeds of the foregoing, in each case subject to certain exceptions.

"Specified Mill Assets Collateral" consisted of the equipment and fixtures of Wise Alloys and the guarantors constituting the three-stand mill located in Muscle Shoals, Alabama which are being financed pursuant to the Rexam Advance Agreement and related assets.

The Wise ABL Facility contained customary terms and conditions, including, among other things, negative covenants limiting Wise Alloys, the guarantors, and their respective restricted subsidiaries' ability to incur debt, grant liens, make investments, loans and advances, make acquisitions, sell assets, pay dividends and other restricted payments, prepay certain debt, merge, consolidate or amalgamate and engage in affiliate transactions.

The Wise ABL Facility provided that if borrowing availability thereunder dropped below a threshold amount equal to the greater of (a) 10% of the aggregate commitments under the Wise ABL Facility and (b) \$20 million, Wise Alloys was required to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0, calculated on a trailing 12-month basis until such time as borrowing availability was at least equal to the greater of \$20 million and 10% of the aggregate commitments under the Wise ABL Facility for 30 consecutive days.

The Wise ABL Facility also contained customary events of default, including an event of default triggered by certain changes of control. The Wise Acquisition constituted such a change of control.

In connection with the Wise Acquisition, we amended the Wise ABL Facility to, among other things, (i) provide that the consummation of the Wise Acquisition did not constitute an event of default, (ii) remove from the collateral securing the Wise ABL Facility the receivables of a single obligor that were to be sold under the Wise RPA (as defined below), (iii) permit transactions between Wise and its subsidiaries on the one hand and Constellium and its subsidiaries on the other, subject to certain conditions, (iv) on the effective date of the Wise RPA, reduce the size of the facility to \$200 million, and (v) provide for Holdco II to guarantee the obligations thereunder.

On November 4, 2015, in connection with the Wise RPA Amendment (as defined below), we amended the Wise ABL Facility to increase the amount of certain receivables permitted to be sold pursuant to receivables factoring arrangements from \$300 million to \$400 million.

On March 1, 2016, General Electric Capital Corporation resigned as the Wise ABL Facility Agent and was replaced by Wells Fargo Bank, National Association.

On February 7, 2017, in connection with the issuance of the February 2017 Notes, we amended the Wise ABL Facility to (i) amend the negative covenants to permit Wise Metals Group LLC and its subsidiaries to guarantee debt of Constellium and its subsidiaries and to grant liens on their assets to secure any such guarantees, (ii) release TMC, AEM, and Wise Alloys Finance Corporation as guarantors of the Wise ABL Facility, (iii) extend the maturity date of the Wise ABL Facility to September 14, 2020, and (iv) make certain other changes to the negative covenants under the Wise ABL Facility. The amendment also reduced the maximum aggregate revolving commitments under the Wise ABL Facility to \$170 million.

#### **Wise Factoring Facility**

On March 16, 2016, Wise Alloys, since renamed Constellium Muscle Shoals LLC, entered into a Receivables Purchase Agreement (the “Wise Factoring Facility”) with New Wise RPA Seller, since renamed Constellium Muscle Shoals Funding II LLC, Hitachi Capital America Corp. (“Hitachi”), and Greensill Capital Inc., as purchaser agent, providing for the sale of certain receivables of Wise Alloys to Hitachi. The Wise Factoring Facility was amended on November 22, 2016 to join Intesa Sanpaolo S.p.A., New York Branch (together with Hitachi, the “Wise Factoring Purchasers”) as a purchaser. As of December 31, 2017, the Wise Factoring Facility provides for the sale of receivables to the Wise Factoring Purchasers in an amount not to exceed \$325 million in the aggregate outstanding at any time. Receivables under the Wise Factoring Facility are sold at a discount based on a rate equal to a LIBOR rate plus 2.00-2.50% (based on the credit rating of the account debtor) per annum. The New Wise RPA Seller is required to pay a commitment fee in the amount of \$20,000 per annum plus 1% per annum of the total commitments under the Wise Factoring Facility.

Subject to certain customary exceptions, each purchase under the Wise Factoring Facility is made without recourse to the New Wise RPA Seller. The New Wise RPA Seller has no liability to the Wise Factoring Purchasers, and the Wise Factoring Purchasers are solely responsible for the account debtor’s failure to pay any purchased receivable when it is due and payable under the terms applicable thereto. Constellium International (as successor to Holdco II) has provided a guaranty for the New Wise RPA Seller’s and Wise Alloys’ performance obligations under the Wise Factoring Facility.

The Wise Factoring Facility contains customary covenants. The Wise Factoring Purchasers’ obligation to purchase receivables under the Wise Factoring Facility is subject to certain conditions, including without limitation that certain changes of control shall not have occurred, that there shall not have occurred a material adverse change in the business condition, operations or performance of the New Wise RPA Seller, Wise Alloys, or Constellium International, and that Constellium’s corporate credit rating shall not have been withdrawn by either Standard & Poor’s or Moody’s or downgraded below B- by Standard & Poor’s and B3 by Moody’s.

On January 25, 2017, the Wise Factoring Facility was amended to extend the date on which the Wise Factoring Purchasers' obligation to purchase receivables under the Wise Factoring Facility will terminate to January 24, 2018.

On May 12, 2017, the Wise Factoring Facility was amended to permit the sale of certain receivables with due dates up to 115 days after the invoice date (increased from 90 days).

On January 2, 2018, the Wise Factoring Facility was amended to, among other things, increase the commitments thereunder to \$375 million in the aggregate outstanding at any time, reduce the discount at which receivables are sold to a rate equal to a LIBOR rate plus 1.75-2.25% (based on the credit rating of the account debtor) per annum, and extend the date on which the Wise Factoring Purchasers' obligation to purchase receivables under the Wise Factoring Facility will terminate to January 24, 2020.

On October 22, 2018, the Wise Factoring Facility was amended to make certain changes to the eligibility requirements for receivables sold pursuant to the Wise Factoring Facility.

#### **Metal Supply Agreement**

In connection with the Acquisition, Constellium Switzerland, a wholly owned indirect subsidiary of Constellium N.V., entered into certain agreements dated as of January 4, 2011 with Rio Tinto Alcan Inc. ("Rio Tinto Alcan"), Aluminium Pechiney and Alcan Holdings Switzerland AG ("AHS"), each of which is an affiliate of Rio Tinto, which provided for, among other things, the supply of metal by Rio Tinto affiliates to Constellium Switzerland, the provision of certain technical assistance and other services relating to aluminium-lithium, a covenant by Rio Tinto Alcan to refrain from producing, supplying or selling aluminium-lithium alloys to third parties and certain cost reimbursement obligations of AHS. Constellium provided a guarantee to Rio Tinto Alcan and Aluminium Pechiney in respect of Constellium Switzerland's obligations under the supply agreements. Constellium Switzerland and Rio Tinto Alcan had a multi-year supply agreement for the supply of sheet ingot. The agreement provided for certain representations and warranties, audit and inspection rights, on-time shipment requirements and other customary terms and conditions. Each party was required to pay certain penalty or reimbursement amounts in the event it fails or is unable to purchase or supply, as applicable, specified minimum annual quantities of metal. This agreement was terminated effective as of December 31, 2017 on December 14, 2018.

#### **D. Exchange Controls**

There are no limits under the laws of the Netherlands or in our Amended and Restated Articles of Association on non-residents of the Netherlands holding or voting our ordinary shares. Currently, there are no exchange controls under the laws of the Netherlands on the conduct of our operations or affecting the remittance of dividends.

French exchange control regulations currently do not limit the amount of payments that we may remit to non-residents of France, subject to any restrictions that may be applicable by reason of embargos or similar measures in force with respect to certain countries and/or persons. Laws and regulations concerning foreign exchange controls do require, however, that all payments or transfers of funds made by a French resident to a non-resident be handled by an accredited intermediary.

#### **E. Taxation**

##### **Material U.S. Federal Income Tax Consequences**

The following discussion describes the material U.S. federal income tax consequences relating to acquiring, owning and disposing of our ordinary shares by a U.S. Holder (as defined below) that holds the ordinary shares as "capital assets" (generally, property held for investment) under the Code. This discussion is based upon



existing U.S. federal income tax law, including the Code, U.S. Treasury regulations thereunder, rulings and court decisions, all of which are subject to differing interpretations or change, possibly with retroactive effect. No ruling from the Internal Revenue Service (the “IRS”) has been sought with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, financial institutions, insurance companies, regulated investment companies, real estate investment trusts, broker-dealers, traders in securities that elect mark-to-market treatment, any entity or arrangement treated as a partnership or pass-through entity for U.S. federal income tax purposes and any investor therein, tax-exempt organizations (including private foundations), individual retirement and other tax-deferred accounts, U.S. expatriates, investors who are not U.S. Holders, U.S. Holders who at any time own or owned (directly, indirectly or constructively) 10% or more of our stock (by vote or value), U.S. Holders that acquire their ordinary shares pursuant to any employee share option or otherwise as compensation, U.S. Holders that hold their ordinary shares as part of a straddle, hedge, conversion, wash sale, constructive sale or other integrated transaction for U.S. federal income tax purposes, U.S. Holders that have a functional currency other than the U.S. dollar or persons required to accelerate the recognition of any item of gross income with respect to our ordinary shares as a result of such income being recognized on an applicable financial statement, all of whom may be subject to tax rules that differ significantly from those summarized below). In addition, this discussion does not discuss any U.S. federal estate, gift or alternative minimum tax consequences, any tax consequences of the Medicare tax on certain investment income pursuant to the Health Care and Education Reconciliation Act of 2010, any considerations with respect to FATCA (which for this purpose means Sections 1471 through 1474 of the Code, the Treasury regulations and administrative guidance promulgated thereunder, any intergovernmental agreement entered in connection therewith, and any non-U.S. laws, rules or directives implementing or relating to any of the foregoing), or any state, local or non-U.S. tax consequences. Each U.S. Holder is urged to consult its tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of an investment in our ordinary shares.

### *General*

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If an entity or arrangement treated as a partnership or pass-through entity for U.S. federal income tax purposes is a beneficial owner of our ordinary shares, the tax treatment of an investor therein will generally depend upon the status of such investor, the activities of the entity or arrangement, and certain determinations made at the investor level or the level of the entity or arrangement. Such entities or arrangements, and investors therein, are urged to consult their own tax advisors regarding their investment in our ordinary shares.

The Tax Cuts and Jobs Act, enacted in December 2017, made significant changes to the Code, many of which are highly complex and may require interpretations and implementing regulations. The expected impact of certain aspects of the legislation is unclear and subject to change. You should consult your tax advisors regarding the application of The Tax Cuts and Jobs Act to your particular circumstances.

### ***Passive Foreign Investment Company Consequences***

We believe that we will not be a “passive foreign investment company” for U.S. federal income tax purposes (“PFIC”) for the current taxable year and that we have not been a PFIC for prior taxable years and we expect that we will not become a PFIC in the foreseeable future, although there can be no assurance in this regard. A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules,” either (i) at least 75% of its gross income is “passive income,” or (ii) at least 50% of its assets produce or are held for the production of “passive income.” For this purpose, “passive income” generally includes dividends, interest, royalties and rents and certain other categories of income, subject to certain exceptions. The determination of whether we are a PFIC is fact-intensive and includes ascertaining the fair market value (or, in certain circumstances, tax basis) of all of our assets on a quarterly basis and the character of each item of income we earn. This determination is made annually and cannot be completed until the close of a taxable year. It depends upon the portion of our assets (including goodwill) and income characterized as passive under the PFIC rules, as described above. Accordingly, it is possible that we may become a PFIC due to changes in our income or asset composition or a decline in the market value of our equity. Because PFIC status is a fact-intensive determination, no assurance can be given that we are not, have not been, or will not become, classified as a PFIC.

If we are a PFIC for any taxable year, U.S. Holders generally will be subject to special tax rules that could result in materially adverse U.S. federal income tax consequences. In such event, a U.S. Holder may be subject to U.S. federal income tax at the highest applicable ordinary income tax rates on (i) any “excess distribution” that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the ordinary shares), or (ii) any gain realized on the disposition of our ordinary shares. In addition, a U.S. Holder may be subject to an interest charge on such tax. Furthermore, the favorable dividend tax rates that may apply to certain U.S. Holders on our dividends will not apply if we are a PFIC during the taxable year in which such dividend was paid, or the preceding taxable year.

As an alternative to the foregoing rules, if we are a PFIC for any taxable year, a U.S. Holder may make a mark-to-market election with respect to our ordinary shares, provided that the ordinary shares are regularly traded. Although no assurances may be given, we expect that our ordinary shares should qualify as being regularly traded. If a U.S. Holder makes a valid mark-to-market election, the U.S. Holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of our ordinary shares held at the end of the taxable year over the adjusted tax basis of such ordinary shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ordinary shares over the fair market value of such ordinary shares held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder’s tax basis in the ordinary shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. Gain on the sale or other disposition of our ordinary shares would be treated as ordinary income, and loss on the sale or other disposition of our ordinary shares would be treated as an ordinary loss, but only to the extent of the amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder’s indirect interest in any investment held by us that is treated as an equity interest in a PFIC for U.S. federal income tax purposes.

A “qualified electing fund” election (“QEF election”), in certain limited circumstances, could serve as a further alternative to the foregoing rules with respect to an investment in a PFIC. However, in order for a U.S. Holder to be able to make a QEF election, we would need to provide such U.S. Holder with certain information. Because we do not intend to provide U.S. Holders with the information they would need to make such an

election, prospective investors should assume that the QEF election will not be available in respect of an investment in our ordinary shares.

Each U.S. Holder is urged to consult its tax advisor concerning the U.S. federal income tax consequences of acquiring, owning or disposing of our ordinary shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market election.

The remainder of the discussion below assumes that we are not a PFIC, have not been a PFIC and will not become a PFIC in the future.

#### ***Distributions***

The gross amount of distributions with respect to our ordinary shares (including the amount of any non-U.S. withholding taxes) will be taxable as dividends, to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such distributions will be includable in a U.S. Holder's gross income as ordinary dividend income on the day actually or constructively received by the U.S. Holder. Such dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will be treated first as a tax-free return of capital to the extent of the U.S. Holder's tax basis in our ordinary shares, and to the extent the amount of the distribution exceeds the U.S. Holder's tax basis, the excess will be taxed as capital gain recognized on a sale or exchange of such ordinary shares. Because we do not expect to determine our earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect that a distribution will generally be reported as a dividend for U.S. federal income tax purposes, even if that distribution would otherwise be treated as a tax-free return of capital or as capital gain under the rules described above.

With respect to noncorporate U.S. Holders, certain dividends received from a "qualified foreign corporation" may be subject to reduced rates of U.S. federal income taxation. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the United States. We believe our ordinary shares, which are listed on the NYSE, are considered to be readily tradable on an established securities market in the United States, although there can be no assurance that this will continue to be the case in the future. Noncorporate U.S. Holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss, or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code, will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, even if the minimum holding period requirement has been met, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. You should consult your own tax advisors regarding the application of these rules given your particular circumstances.

In the event that a U.S. Holder is subject to non-U.S. withholding taxes on dividends paid to such U.S. Holder with respect to our ordinary shares, such U.S. Holder may be eligible, subject to certain conditions and limitations, to claim a foreign tax credit for such non-U.S. withholding taxes against the U.S. Holder's U.S. federal income tax liability or alternatively deduct such non-U.S. withholding taxes in computing such U.S. Holder's U.S. federal income tax liability. Dividends paid to a U.S. Holder with respect to our ordinary shares are expected to generally constitute "foreign source income" and to generally be treated as "passive category income," for purposes of the foreign tax credit, except that a portion of such dividends may be treated as income from U.S. sources if (i) U.S. persons (as defined in the Code and applicable Treasury regulations) own, directly or indirectly, 50% or more of our ordinary shares (by vote or value) and (ii) we receive more than a *de minimis* amount of income from U.S. sources. The rules governing the foreign tax credit and ability to deduct such

non-U.S. withholding taxes are complex and involve the application of rules that depend upon your particular circumstances. You are urged to consult your own tax advisors regarding the availability of, and any limits or conditions to, the foreign tax credit or deduction under your particular circumstances.

#### ***Sale, Exchange or Other Disposition***

For U.S. federal income tax purposes, a U.S. Holder generally will recognize taxable gain or loss on any sale, exchange or other taxable disposition of our ordinary shares in an amount equal to the difference between the amount realized for our ordinary shares and the U.S. Holder's tax basis in such ordinary shares. Such gain or loss will generally be capital gain or loss. Capital gains of individuals derived with respect to capital assets held for more than one year generally are eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. Holder will generally be treated as U.S. source gain or loss. You are urged to consult your tax advisors regarding the tax consequences if a non-U.S. tax is imposed on a sale, exchange or other disposition of our ordinary shares, including the availability of the foreign tax credit or deduction under your particular circumstances.

#### ***Information Reporting and Backup Withholding***

A U.S. Holder with interests in "specified foreign financial assets" (including, among other assets, our ordinary shares, unless such shares were held on such U.S. Holder's behalf through certain financial institutions) may be required to file an information report with the IRS if the aggregate value of all such assets exceeds certain threshold amounts. You should consult your own tax advisor as to the possible obligation to file such information reports in light of your particular circumstances.

Moreover, information reporting generally will apply to dividends in respect of our ordinary shares and the proceeds from the sale, exchange or other disposition of our ordinary shares, in each case, that are paid to a U.S. Holder within the United States (and in certain cases, outside the United States or through certain U.S. intermediaries), unless the U.S. Holder is an exempt recipient. Backup withholding (currently at a rate of 24% for payments made before January 1, 2026) may also apply to such payments, unless the U.S. Holder provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding by providing a properly completed IRS Form W-9 and otherwise complies with applicable requirements of the backup withholding rules, or otherwise establishes an exemption. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS. You should consult your tax advisors regarding the application of the U.S. information reporting and backup withholding rules to your particular circumstances.

#### **Material Dutch Tax Consequences**

##### ***General***

The information set out below is a summary of certain material Dutch tax consequences in connection with the acquisition, ownership and disposition of our ordinary shares in the period covered by this Annual Report. This summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant to a particular holder of our ordinary shares. Such holders may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of our ordinary shares.

This summary is based on the tax laws of the Netherlands as in effect on January 1, 2019, as well as regulations, rulings and decisions of the Netherlands or of its taxing and other authorities available in printed form on or before such date and now in effect, and as applied and interpreted by Netherlands courts, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

For Dutch tax purposes, a holder of our ordinary shares may include an individual who, or an entity that, does not have the legal title to our ordinary shares, but to whom nevertheless our ordinary shares are attributed based either on such individual or entity holding a beneficial interest in our ordinary shares or based on specific statutory provisions, including statutory provisions pursuant to which our ordinary shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds our ordinary shares, such as the separated private assets ( *afgezonderd particulier vermogen* ) provisions of the Dutch Income Tax Act 2001 ( *Wet inkomstenbelasting 2001* ) and the Dutch Gift and Inheritance Tax Act 1956 ( *Successiewet 1956* ).

Because it is a general summary, (prospective) holders of our ordinary shares should consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, holding and disposition of the ordinary shares including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of foreign or other tax laws.

This summary does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the Netherlands in connection with the acquisition, ownership and disposition of our ordinary shares. All references in this summary to the Netherlands and to Netherlands or Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. In addition, any reference hereafter made to a treaty for the avoidance of double taxation concluded by the Netherlands, includes the Tax Arrangement for the Kingdom of the Netherlands ( *Belastingregeling voor het Koninkrijk* ), the Tax Arrangement the Netherlands—Curacao ( *Belastingregeling Nederland—Curacao* ), the Tax Arrangement for the country of the Netherlands ( *Belastingregeling voor het land Nederland* ) and the Tax Arrangement the Netherlands—St. Maarten ( *Belastingregeling Nederland—St. Maarten* ).

This summary is not intended for any holder of our ordinary shares, who:

- (i) is an individual and for whom the income or capital gains derived from the ordinary shares are attributable to (former) employment activities the income from which is taxable in the Netherlands;
- (ii) is an entity that is a resident or deemed to be a resident of the Netherlands and that is, in whole or in part, not subject to or exempt from Netherlands corporate income tax (such as qualifying pension funds);
- (iii) is an entity that has an interest in us to which the participation exemption ( *deelnemingsvrijstelling* ) or the participation credit ( *deelnemingsverrekening* ) is applicable as set out in the Dutch Corporate Income Tax Act 1969;
- (iv) is a fiscal investment institution ( *fiscale beleggingsinstelling* ) or an exempt investment institution ( *vrijgestelde beleggingsinstelling* ) as defined in the Dutch Corporate Income Tax Act 1969;
- (v) is not considered the beneficial owner of our ordinary shares and/or the income and/or capital gains derived from our ordinary shares; or
- (vi) has a substantial interest ( *aanmerkelijk belang* ) or a deemed substantial interest as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969 in us.

Generally a holder of our ordinary shares will have a substantial interest in us in the meaning of paragraph (vi) above if he holds, alone or together with his partner (statutorily defined term), whether directly or indirectly, the ownership of, or certain other rights over shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of our shares), or rights to acquire shares, whether or not already issued, which represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of our shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of the liquidation proceeds of us. A holder of our ordinary shares will also have a substantial interest in us if one of certain relatives of that holder or of his partner (a statutory defined term) has a substantial interest in us.

If a holder of our ordinary shares does not have a substantial interest, a deemed substantial interest will be present if (part of) a substantial interest has been disposed of, or is deemed to have been disposed of, without recognizing taxable gain.

### ***Dividend Withholding Tax***

#### ***General***

The Netherlands levies dividend withholding tax on proceeds from shares, profit participating rights and hybrid loans derived from Dutch resident entities with capital stock. Dividends paid on our ordinary shares to a holder of ordinary shares are generally subject to Dutch dividend withholding tax.

Generally, the dividend withholding tax will not be borne by us, but we will withhold from the gross dividends paid on our ordinary shares. 15% Dutch dividend withholding tax will in principle be levied on the gross amount of dividend. The term “dividends” for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital not recognized for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of ordinary shares or, generally, consideration for the repurchase of ordinary shares by us in excess of the average paid-in capital of those ordinary shares recognized for Dutch dividend withholding tax purposes;
- the nominal value of ordinary shares issued to a shareholder or an increase of the nominal value of ordinary shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognized for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognized for Dutch dividend withholding tax purposes, if and to the extent that there are net profits ( *zuivere winst* ), within the meaning of the Dutch Dividend Withholding Tax Act 1965 ( *Wet op de dividendbelasting 1965* ), unless the general meeting of shareholders has resolved in advance to make such a repayment and provided that the nominal value of the ordinary shares concerned has been reduced by a corresponding amount by way of an amendment of our Amended and Restated Articles of Association.

#### ***Dutch Residents***

##### **Dutch Dividend Withholding Tax**

A holder of our ordinary shares who is, or who is deemed to be, resident in the Netherlands for purposes of Dutch taxation can generally credit the dividend withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such holder of our ordinary shares is not considered to be the beneficial owner ( *uiteindelijk gerechtigde* ) of the dividends.

A holder of our ordinary shares who is the recipient of dividends (the “Recipient”) will in any case not be considered the beneficial owner of these dividends for Dutch dividend withholding tax purposes if:

- as a consequence of a combination of transactions, a person or legal entity other than the Recipient wholly or partly, directly or indirectly, benefits from the dividends;
- such other person or legal entity would in comparison to the Recipient, to a lesser extent be entitled to a credit, reduction or refund of dividend withholding tax; and
- such other person or legal entity has, directly or indirectly, retained or acquired a similar interest in our ordinary shares.

*Non-Dutch Residents*

With respect to a holder of our ordinary shares who is not, and is not deemed to be, resident in the Netherlands for purposes of Dutch taxation, or has a permanent establishment in the Netherlands to which our shares are allocable, and who is considered to be a resident of a country other than the Netherlands under the provisions of a treaty for the avoidance of double taxation concluded by the Netherlands and such country, the following may apply.

Such holders of ordinary shares may, depending on the terms of and subject to compliance with the procedures for claiming benefits under such treaty for the avoidance of double taxation, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax.

On the basis of Article 35 of the Convention Between the Kingdom of the Netherlands and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed in Washington on December 18, 1992, as amended from time to time (the "Netherlands-U.S. Convention"), qualifying U.S. pension trusts are under certain conditions entitled to a full exemption from Dutch dividend withholding tax. Such qualifying exempt U.S. pension trusts must provide us form IB 96 USA, along with a valid certificate, for the application of relief at source from dividend withholding tax. If we receive the required documentation prior to the relevant dividend payment date, then we may apply such relief at source. If a qualifying exempt U.S. pension trust fails to satisfy these requirements prior to the payment of a dividend, then such qualifying exempt pension trust may claim a refund of Dutch withholding tax by filing form IB 96 USA with the Dutch tax authorities. On the basis of Article 36 of the Netherlands-U.S. Convention, qualifying exempt U.S. organizations are under certain conditions entitled to a full exemption from Dutch dividend withholding tax. Such qualifying exempt U.S. organizations are not entitled to claim relief at source, and instead must claim a refund of Dutch withholding tax by filing form IB 95 USA with the Dutch tax authorities.

***Tax on Income and Capital Gains***

*Dutch Resident Individuals*

An individual who is resident or deemed to be resident in the Netherlands (a "Dutch Resident Individual") and who holds our ordinary shares will be subject to Netherlands income tax on income and/or capital gains derived from our ordinary shares at the progressive rate (up to 51.75%; rate for 2019) if:

- (i) the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the ordinary shares are attributable; or
- (ii) the holder derives income or capital gains from the ordinary shares that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001), which include the performance of activities with respect to the ordinary shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*).

If conditions (i) and (ii) above do not apply, any holder of our ordinary shares who is a Dutch Resident Individual will be subject to Netherlands income tax on a deemed return regardless of the actual income and/or capital gains derived from our ordinary shares. This deemed return is calculated by applying the applicable deemed return percentage(s) to the individual's yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrijvermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the ordinary shares) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on January 1 of the relevant year. The deemed return percentage to be applied to the yield basis increases progressively from 1.94% to 5.60% depending on such individual's yield basis. The deemed return percentages will be adjusted annually. The deemed return will be taxed at a rate of 30% (rate for 2019).

#### *Dutch Resident Entities*

An entity that is resident or deemed to be resident in the Netherlands (a “Dutch Resident Entity”) will generally be subject to Netherlands corporate income tax with respect to income and capital gains derived from the ordinary shares. The Netherlands corporate income tax rate is 19% for the first €200,000 of the taxable amount, and 25% for the excess of the taxable amount over €200,000 (rates applicable for 2019).

#### *Non-Dutch Residents*

A person who is neither a Dutch Resident Individual nor Dutch Resident Entity (a “Non-Dutch Resident”) and who holds our ordinary shares is generally not subject to Netherlands income tax or corporate income tax (other than dividend withholding tax described above) on income and capital gains derived from the ordinary shares, provided that:

- (i) such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur ( *ondernemer* ) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the ordinary shares are attributable or deemed attributable;
- (ii) in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Shares that are taxable as benefits from “miscellaneous activities” ( *resultaat uit overige werkzaamheden* , as defined in the Dutch Income Tax Act 2001) performed or deemed to be performed in the Netherlands, which include the performance of activities with respect to the ordinary shares that exceed regular, active portfolio management ( *normaal , actief vermogensbeheer* ) and also includes benefits resulting from a lucrative interest ( *lucratief belang* ); and
- (iii) such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities.

#### **Gift and Inheritance Taxes**

##### *Dutch Residents*

Generally, gift taxes ( *schenkbelasting* ) and inheritance taxes ( *erfbelasting* ) may arise in the Netherlands with respect to a transfer of our ordinary shares by way of a gift by or on the death of a holder of our ordinary shares who is resident or deemed to be resident in the Netherlands for the purpose of the Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his/her death.

##### *Non-Dutch Residents*

No Netherlands gift or inheritance taxes will be levied on the transfer of our ordinary shares by way of gift by or on the death of a holder of our ordinary shares, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- (i) the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; or
- (ii) in the case of a gift of the ordinary shares by an individual who at the date of the gift was neither resident nor deemed to be resident of the Netherlands such holder dies within 180 days after the date of a gift of the ordinary shares while being a resident or deemed resident of the Netherlands.

For purposes of the Dutch Gift and Inheritance Tax Act 1956, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the ten years preceding the date of the gift or his death.



For purposes of Netherlands gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift. The same 12-months rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Applicable tax treaties may override such deemed residency. For purposes of the Dutch Gift and Inheritance Tax Act 1956, a gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is or is deemed to be a resident of the Netherlands at that time.

***Value-Added Tax***

No Netherlands value-added tax will be payable by a holder of our ordinary shares in consideration for the offer of our ordinary shares (other than value-added taxes on fees payable in respect of services not exempt from Netherlands value added tax).

***Other Taxes or Duties***

No Netherlands registration tax, custom duty, stamp duty or any other similar tax or duty will be payable in the Netherlands by a holder of our ordinary shares in respect of or in connection with the acquisition, ownership and disposition of the ordinary shares, except to the extent that the FTT would become applicable. See “Item 3. Key Information—D. Risk Factors—Risks Related to Taxation—Transactions in our ordinary shares could be subject to the European financial transaction tax, if adopted.”

***Residence***

A holder of our ordinary shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these ordinary shares.

**F. Dividends and Paying Agents**

Not applicable.

**G. Statement of Experts**

Not applicable.

**H. Documents on Display**

The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that site is [www.sec.gov](http://www.sec.gov).

We also make available on our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is [www.constellium.com](http://www.constellium.com). The information contained on our website is not incorporated by reference in this document.

**I. Subsidiary Information**

Not applicable.

**Item 11. Quantitative and Qualitative Disclosures About Market Risk**

Refer to the information set forth under the Notes to the Consolidated Financial Statements at “Item 18. Financial Statements”:

- Note 2—Summary of Significant Accounting Policies—2.6— Principles governing the preparation of the Consolidated Financial Statements— Financial Instruments; and
- Note 23—Financial Risk Management.

**Item 12. Description of Securities Other than Equity Securities**

Not applicable.

**PART II**

**Item 13. Defaults, Dividend Arrearages and Delinquencies**

None.

**Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds**

**A. Material Modifications to the Rights of Security Holders**

None.

**B. Use of Proceeds**

None.

**Item 15. Controls and Procedures**

**A. Disclosure Controls and Procedures**

Our Chief Executive Officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this Form 20-F, have concluded that, as of such date, our disclosure controls and procedures were effective.

**B. Management's Annual Report on Internal Control over Financial Reporting**

The management of the Company, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Securities Exchange Act of 1934, as amended, Rule 13a-15(f).

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU).

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Constellium's management has assessed the effectiveness of the Company's internal controls over financial reporting as of December 31, 2018 based on the criteria established in Internal Control—Integrated Framework

(2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and, based on such criteria, Constellium's management has concluded that, as of December 31, 2018, the Company's internal control over financial reporting is effective.

**C. Attestation report of the registered public accounting firm.**

The effectiveness of the Company's internal control over financial reporting as of December 31, 2018 has been audited by PricewaterhouseCoopers Audit, an independent registered public accounting firm, as stated in their report which appears herein.

**D. Changes in Internal Control over Financial Reporting**

During the period covered by this report, we have not made any change to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 16.**

**Item 16A. Audit Committee Financial Expert**

Our board of directors has determined that the members of our audit committee, Messrs. Paschke and Ormerod and Mmes. Walker and Brooks satisfy the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. Our board of directors has also determined that each of Messrs. Paschke and Ormerod and Ms. Walker is an "audit committee financial expert" as defined in Item 16A of Form 20-F under the Exchange Act.

**Item 16B. Code of Ethics**

We have adopted a Worldwide Code of Employee and Business Conduct that applies to all our employees, officers and directors, including our principal executive, principal financial and principal accounting officers. Our Worldwide Code of Employee and Business Conduct addresses, among other things, competition and fair dealing, conflicts of interest, financial integrity, government relations, confidentiality and corporate opportunity requirements and the process for reporting violations of the Worldwide Code of Business Conduct and Ethics, employee misconduct, conflicts of interest or other violations. Our Worldwide Code of Employee and Business Conduct is intended to meet the definition of "code of ethics" under Item 16B of Form 20-F under the Exchange Act.

A copy of our Worldwide Code of Employee and Business Conduct is available on our website at [www.constellium.com](http://www.constellium.com). Any amendments to the Worldwide Code of Employee and Business Conduct, or any waivers of its requirements, will be disclosed on our website.

**Item 16C. Principal Accountant Fees and Services**

PricewaterhouseCoopers Audit has served as our independent registered public accounting firm for each of the fiscal years in the three-year period ended December 31, 2018.

The following table sets out the aggregate fees for professional services and other services rendered to us by PricewaterhouseCoopers in the years ended December 31, 2018 and 2017, and breaks down these amounts by category of service:

	For the year ended December 31,	
	2018	2017
	(€ in thousands)	
Audit fees	4,048	4,770
Audit-related fees	224	101
Tax fees	276	554
All other fees	3	2
<b>Total*</b>	<b>4,551</b>	<b>5,427</b>

\* Including out-of-pocket expenses amounting to €427,000 and €439,000 for the years ended December 31, 2018 and 2017, respectively.

#### **Audit Fees**

Audit fees consist of fees related to the annual audit of our Consolidated Financial Statements, the audit of the statutory financial statements of our subsidiaries, other audit or interim review services provided in connection with statutory and regulatory filings or engagements.

#### **Audit-Related Fees**

Audit-related fees consist of fees rendered for assurance and related services that are reasonably related to the performance of the audit or review of the company's financial statements, or that are traditionally performed by the independent auditor, and include consultations concerning financial accounting and reporting standards; advice and assistance in connection with local statutory accounting requirements and due diligence related to acquisitions or disposals.

#### **Tax Fees**

Tax fees relate to tax compliance, including the preparation of tax returns and assistance with tax audits.

#### **Pre-Approval Policies and Procedures**

The advance approval of the audit committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

#### **Item 16D. Exemptions from the Listing Standards for Audit Committees**

None.

#### **Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

#### **Item 16F. Change in Registrant's Certifying Accountant**

None.

## Item 16G. Corporate Governance

### Dutch Corporate Governance Code

We are subject to the Dutch Corporate Governance Code (the “Dutch Code”). The Dutch Code, as amended, became effective on January 1, 2017, and applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere.

The Dutch Code is based on a “comply or explain” principle. Accordingly, companies are required to disclose in their annual report filed in the Netherlands whether or not they are complying with the various rules of the Dutch Code that are addressed to the board of directors or, if any, the supervisory board of the company and, if they do not apply those provisions, to give the reasons for such non-application. The Dutch Code contains principles and best practice provisions for managing boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

We acknowledge the importance of good corporate governance. The Board agrees with the general approach and with the majority of the provisions of the Dutch Code. However, considering our interests and the interest of our stakeholders, at this stage, there are a limited number of best practice provisions we do not apply either because such provisions conflict with or are inconsistent with the corporate governance rules of the NYSE and U.S. securities laws that apply to us, or because such provisions do not reflect best practices of global companies listed on the NYSE. For the complete Dutch Code please click on this link: <http://www.mccg.nl/english>.

The best practice provisions of the Dutch Code that we do not comply with include the following:

- *Diversity policy (Best practice provision 2.1.5)*

Diversity and equal opportunity employment are core values to Constellium. The Company aims to be a diverse workplace where everyone is respected irrespective of age, gender, race, disability, religion or sexual orientation. A diversity policy may be introduced in the future.

The present Board composition fell short of the Board objective and article 2:391(7) of the Dutch Civil Code regarding gender diversity. As referred to in Item 6 C. regarding gender diversity, the Dutch Civil Code requires at least 30% male and at least 30% female representation.

There are currently three women on our Board, including Lori Walker who was appointed on June 11, 2014, Martha Brooks who was appointed on June 15, 2016, and most recently Stéphanie Frachet who was appointed on May 24, 2018, each as a Non-Executive Director.

Although the Company’s Board remains mostly comprised of men, diversity and equal opportunity employment are core values to Constellium and, subject to the availability of suitable candidates at the time of Board appointments, the Company aims at reaching a well-balanced mix of men and women amongst its Directors .

- *Independence ( Best practice provision 2.1.10 )*

Eight of our eleven Directors are independent and three are not independent. In addition to our CEO, Mr. Germain, who is an Executive Director, Mr. Evans who served as our interim chief executive officer from December 2011 to March 2012, and Ms. Frachet who was selected in 2018 to serve as a director by Bpifrance, our largest shareholder, are not independent pursuant to the Code.

- *A person may be appointed as non-executive member of the board for a period of four years and may then be reappointed once for another four-year period. The non-executive board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the board. In any appointment or reappointment, the profile referred to in best practice provision 2.1.1 should be observed (Best practice provision 2.2.2) .*

Mr. Michiel Brandjes, Ms. Martha Brooks, Mr. Philippe Guillemot, Mr. Peter Hartman, Mr. John Ormerod, and Ms. Lori Walker were each reappointed as Non-Executive Directors for a period of one (1) year, effective from May 24, 2018.

Ms. Stéphanie Frachet was appointed as a Non-Executive Board Member for a period of one (1) year, effective from May 24, 2018.

This deviation gives the shareholders the possibility to already vote on a possible re-appointment after one year. Since we are a relatively recent public company, the maximum term is not an issue at this point.

- *Pursuant to best practice provision 2.2.4, the board should ensure that the company has a sound plan in place for the succession of board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the profile referred to in best practice provision 2.1.1 in drawing up the plan for non-executive board members. The non-executive board members should also draw up a retirement schedule in order to avoid, as much as possible, non-executive board members retiring simultaneously. The retirement schedule should be published on the company's website .*

Most of our Non-Executive Directors are (re-) appointed for one year, we currently do not have a retirement schedule. Although there is no plan in place for the succession of members of the Board, the Company shall determine each year how the balance in the requisite expertise, experience and diversity can be retained.

- *The vice-chairman of the board shall deputize for the chairman when the occasion arises. By way of addition to best practice provision 2.2.6 and 2.2.7, the vice-chairman shall act as contact for individual board members concerning the functioning of the chairman of the board (Best practice provisions 2.3.7 and 2.4.3).*

We intend to continue to comply with certain corporate governance requirements of the NYSE in lieu of the Dutch Code. Under the corporate governance requirements of the NYSE, we are not required to appoint a Vice-Chairman. If the chairman of our Board is absent, the directors that are present may elect a Non-Executive Director to chair the meeting.

- *Conflicts of interest and related party transactions (Principle 2.7 and associated best practice provisions).*

We have a policy on conflicts of interests and related party transactions. The policy provides that the determination of a conflict of interest exists will be made in accordance with Dutch law and on a case-by-case basis. We believe that it is not in the interest of the Company to provide a general listing of potential conflict of interest transactions that require the approval of our Board, as we review each on a case-by-case basis.

- *The terms of reference of the board shall contain rules on dealing with conflicts of interest and potential conflicts of interest between board members and the external auditor on the one hand and the company on the other. The terms of reference shall also stipulate which transactions require the approval of the non-executive board members. The company shall draw up regulations governing ownership of and transactions in securities by board members, other than securities issued by their "own" company (Best practice provision 2.7.2).*

We believe that Directors should not be further limited by internal regulations in addition to the rules and restrictions under applicable securities laws.

- *Remuneration (Principles 3.1 up to 3.4 and associated best practice provisions).*

We believe that our remuneration policy is clear and understandable and helps to focus directors, officers and other employees and consultants on business performance that creates long-term value for the Company and its affiliated business, to encourage innovative approaches to the business of the Company and to encourage ownership of our shares by directors, officers and other employees and consultants. Certain aspects of our remuneration policy may deviate from the Dutch Code in certain instances to comply with applicable NYSE and SEC rules. We do not prepare a separate remuneration report that we post on our website.

- *The company shall formulate an “outline policy on bilateral contacts,” as described in the Dutch Code, with the shareholders and publish this policy on its website (Best practice provision 4.2.2).*

We will not formulate an “outline policy on bilateral contacts” with the shareholders. We will comply with applicable NYSE and SEC rules and the relevant provisions of applicable law with respect to contacts with our shareholders. We believe that all contacts with our shareholders should be assessed on a case-by-case basis.

- *Best practice provision 4.2.3 recommends that we should enable the shareholders to follow in real time all meetings with analysts, investors and press conferences.*

We believe that enabling shareholders to follow in real time all the meetings with analysts, presentations to analysts, and presentations to investors as referred to in best practice provision 4.2.3 of the Dutch Code would create an excessive burden on our resources. We will ensure that analyst presentations are posted on our website after meetings with analysts. In addition, we hold quarterly earnings calls where we report our financial results to which all our investors are invited to attend via web conference.

- *Pursuant to best practice provision 4.3.3, a general meeting of shareholders may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favor of a resolution to cancel the binding nature of the nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.*

Our Amended and Restated Articles of Association currently provide that the General Meeting may at all times overrule a binding nomination pursuant to a resolution adopted by at least a two-thirds majority of the votes cast, if such majority represents at least half of the issued share capital.

A resolution of the General Meeting to dismiss a member of the Board other than pursuant to a proposal by the Board shall require a majority of two-thirds of the votes cast, representing at least half of the issued capital.

Although this constitutes a deviation from provision 4.3.3 of the Dutch Code, we hold the view that these provisions will enhance the continuity of our management and policies.

- *The chairman of the board may not also be or have been an executive board member (Best practice provision 5.1.3).*

Mr. Evans has served as our Chairman since December 2012. Mr. Evans also served as our interim chief executive officer from December 2011 until the appointment of our former CEO Mr. Pierre Vareille in March 2012. We believe the deviation from the Dutch Code is justified considering the short interim period during which Mr. Evans acted as Executive Director.



The NYSE requires that we disclose to investors any significant ways in which our corporate governance practices differ from those followed by U.S. domestic companies under NYSE requirements.

Among these differences, shareholder approval is required by the NYSE prior to the issuance of ordinary stock:

- to a director, officer or substantial security holder of the company (or their affiliates or entities in which they have a substantial interest) in excess of one percent of either the number of shares of ordinary stock or the voting power outstanding before the issuance, with certain exceptions;
- that will have voting power equal to or in excess of 20 percent of either the voting power or the number of shares outstanding before the issuance, with certain exceptions; or
- that will result in a change of control of the issuer.

Under Dutch rules, shareholders can delegate this approval to the board of directors at the annual shareholders meeting. In the past, our shareholders have delegated this approval power to our Board at our annual meeting.

In some situations, NYSE rules are more stringent, and in others the Dutch rules are. Other significant differences include:

- NYSE rules require shareholder approval for changes to equity compensation plans, but under Dutch rules, shareholder approval is only required for changes to equity compensation plans for members of the board of directors;
- Under Dutch corporate governance rules the audit and human resources and remuneration committees may not be chaired by the Chairman of the Board;
- Under Dutch rules, auditors must be appointed by the general meeting of shareholders. NYSE rules require only that they be appointed by the audit committee;
- Both NYSE and Dutch rules require that a majority of the board of directors be independent, but the definition of independence under each set of rules is not identical. For example, Dutch rules require a longer “look-back” period for former directors; and
- The Dutch rules permit deviation from the rules if the deviations are explained in accordance with the rules. The NYSE rules do not allow such deviations.

#### **Item 16H. Mine Safety Disclosure**

Not applicable.

## PART III

### Item 17. Financial Statements

See “Item 18. Financial Statements.”

### Item 18. Financial Statements

The audited Consolidated Financial Statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report. The audit report of PricewaterhouseCoopers Audit, an independent registered public accounting firm, is included herein preceding the audited Consolidated Financial Statements.

Parent Company Condensed Financial Information is included herein in Note 32 to the Consolidated Financial Statements.

The Financial Statements of Constellium-UACJ ABS LLC are incorporated herein by reference to Exhibit 10.32 of this Annual Report pursuant to Rule 3-09 of Regulation S-X promulgated by the United States Securities and Exchange Commission.

### Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

#### EXHIBIT INDEX

The following documents are filed as part of this Annual Report:

- 3.1 [Amended and Restated Articles of Association of Constellium N.V. \(incorporated by reference to Exhibit 3.1 of Constellium N.V.’s Amendment No. 3 to the Registration Statement on Form F-1 filed on May 21, 2013, File No. 333-188556\)](#)
- 3.2 [Deed of Conversion-Constellium N.V. \(incorporated by reference to Exhibit 3.2 of Constellium N.V.’s Amendment No. 4 to the Registration Statement on Form F-1 filed on May 21, 2013, File No. 333-188556\)](#)
- 3.3 [Amendment to the Articles of Association of Constellium N.V. \(incorporated by reference to Exhibit 3.3 of Constellium N.V.’s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.1 [Second Amendment to Credit Agreement, dated as of March 25, 2013, among Constellium Holdco B.V., as the Dutch Borrower, Constellium France S.A.S., as the French Borrower, the new Term Lenders party thereto, Deutsche Bank Trust Company Americas, as the Existing Administrative Agent, and Deutsche Bank AG New York Branch, as the successor Administrative Agent \(incorporated by reference to Exhibit 4.2 of Constellium N.V.’s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 4.2 [Third Amendment to Credit Agreement, dated as of July 31, 2013, among Constellium N.V., as the Dutch Borrower, Constellium France S.A.S., as the French Borrower, the lenders party thereto, and Deutsche Bank AG New York Branch, as Administrative Agent \(incorporated by reference to Exhibit 4.3 of Constellium N.V.’s Registration Statement on Form F-1 filed on October 23, 2013, File No. 333-191863\)](#)

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- 4.3 [ABL Credit Agreement, dated as of May 25, 2012, among Constellium Holdco II B.V., Constellium U.S. Holdings I, LLC, Constellium Rolled Products Ravenswood, LLC, as borrower, the lenders from time to time party hereto, and Deutsche Bank Trust Company Americas, as Administrative Agent and Collateral Agent \(incorporated by reference to Exhibit 4.3 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 4.4 [First Amendment to Credit Agreement, dated as of January 7, 2013, among Constellium Rolled Products Ravenswood, LLC, as borrower, and Deutsche Bank Trust Company Americas, as administrative agent and collateral agent \(incorporated by reference to Exhibit 4.5 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.5 [Second Amendment to Credit Agreement, dated as of March 25, 2013, among Constellium Rolled Products Ravenswood, LLC, as borrower, and Deutsche Bank Trust Company Americas, as administrative agent and collateral agent \(incorporated by reference to Exhibit 4.4 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 4.6 [Third Amendment to Credit Agreement, dated as of October 1, 2013, among Constellium Rolled Products Ravenswood, LLC, as borrower, the lenders party thereto, and Deutsche Bank Trust Company Americas, as Administrative Agent \(incorporated by reference to Exhibit 4.6 of Constellium N.V.'s Registration Statement on Form F-1 filed on October 23, 2013, File No. 333-191863\)](#)
- 4.7 [Fourth Amendment to Credit Agreement, dated as of May 7, 2014, among Constellium Rolled Products Ravenswood, LLC, as borrower, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, and the lenders party thereto \(incorporated by reference to Exhibit 4.8 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.8 [Indenture, dated as of May 7, 2014, between Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee, providing for the issuance of the 5.750% Senior Notes due 2024 \(incorporated by reference to Exhibit 4.7 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.9 [Supplemental Indenture, dated as of March 31, 2015, among Constellium Neuf Brisach and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.15 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.10 [Supplemental Indenture, dated as of March 30, 2016, among Constellium Holdco III B.V., Constellium Rolled Products Singen GmbH & Co. KG, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.16 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.11 [Third Supplemental Indenture \(5.750% Senior Notes due 2024\), dated as of February 16, 2017, among Engineered Products International S.A.S., Constellium W S.A.S., Wise Metals Intermediate Holdings LLC, Wise Metals Group LLC, Wise Alloys LLC, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.16 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.12 [Fourth Supplemental Indenture, dated as of November 30, 2017, among Constellium International S.A.S. and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.12 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 4.13 [Indenture, dated as of May 7, 2014, between Constellium N.V., the guarantors party thereto, Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent, providing for the issuance of the 4.625% Senior Notes due 2021 \(incorporated by reference to Exhibit 4.8 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)

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- 4.14 [Supplemental Indenture, dated as of March 31, 2015, among Constellium Neuf Brisach, Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent \(incorporated by reference to Exhibit 4.18 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.15 [Supplemental Indenture, dated as of March 30, 2016, among Constellium Holdeco III B.V., Constellium Rolled Products Singen GmbH & Co. KG, Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent \(incorporated by reference to Exhibit 4.19 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.16 [Third Supplemental Indenture \(4.625% Senior Notes due 2021\), dated as of February 16, 2017, among Engineered Products International S.A.S., Constellium W.S.A.S., Wise Metals Intermediate Holdings LLC, Wise Metals Group LLC, Wise Alloys LLC, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.20 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.17 [Fourth Supplemental Indenture, dated as of November 30, 2017, among Constellium International S.A.S., Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent \(incorporated by reference to Exhibit 4.17 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 4.18 [Indenture, dated as of December 19, 2014, between Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee, providing for the issuance of the 8.00% Senior Notes due 2023 \(incorporated by reference to Exhibit 4.12 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.19 [Supplemental Indenture, dated as of March 31, 2015, among Constellium Neuf Brisach, Constellium N.V., and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.21 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.20 [Supplemental Indenture, dated as of March 30, 2016, among Constellium Holdeco III B.V., Constellium Rolled Products Singen GmbH & Co. KG, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.22 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.21 [Supplemental Indenture \(8.00% Senior Notes due 2023\), dated as of February 16, 2017, among Engineered Products International S.A.S., Constellium W.S.A.S., Wise Metals Intermediate Holdings LLC, Wise Metals Group LLC, Wise Alloys LLC, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.24 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.22 [Indenture, dated as of December 19, 2014, between Constellium N.V., the guarantors party thereto, Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent, providing for the issuance of the 7.00% Senior Notes due 2023 \(incorporated by reference to Exhibit 4.13 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.23 [Supplemental Indenture, dated as of March 31, 2015, among Constellium Neuf Brisach, Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent \(incorporated by reference to Exhibit 4.24 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)

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- 4.24 [Supplemental Indenture, dated as of March 30, 2016, among Constellium Holdeo III B.V., Constellium Rolled Products Singen GmbH & Co. KG, Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent \(incorporated by reference to Exhibit 4.25 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.25 [Supplemental Indenture \(7.00% Senior Notes due 2023\), dated as of February 16, 2017, among Engineered Products International S.A.S., Constellium W.S.A.S., Wise Metals Intermediate Holdings LLC, Wise Metals Group LLC, Wise Alloys LLC, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.28 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.26 [Indenture, dated as of March 30, 2016, among Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee, providing for the issuance of the 7.875% Senior Secured Notes due 2021 \(incorporated by reference to Exhibit 4.26 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.27 [Supplemental Indenture \(7.875% Senior Secured Notes due 2021\), dated as of February 16, 2017, among Engineered Products International S.A.S., Constellium W.S.A.S., Wise Metals Intermediate Holdings LLC, Wise Metals Group LLC, Wise Alloys LLC, and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.30 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.28 [Parity Lien Intercreditor Agreement, dated as of March 30, 2016, among Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee and Collateral Agent \(incorporated by reference to Exhibit 4.27 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.29 [Indenture, dated as of December 11, 2013, among Wise Metals Group LLC, Wise Alloys Finance Corporation, the guarantors party thereto, and Wells Fargo Bank, National Association, as Trustee and Collateral Agent, providing for the issuance of the 8 3/4% Senior Secured Notes due 2018 \(incorporated by reference to Exhibit 4.14 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.30 [First Supplemental Indenture, dated as of April 16, 2014, among Wise Metals Group LLC, Wise Alloys Finance Corporation, the guarantors party thereto, and Wells Fargo Bank, National Association, as Trustee and Collateral Agent \(incorporated by reference to Exhibit 4.29 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.31 [Second Supplemental Indenture, dated as of June 4, 2014, among WAC I, LLC, Wise Metals Group LLC, and Wells Fargo Bank, National Association, as Trustee and Collateral Agent \(incorporated by reference to Exhibit 4.30 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.32 [Third Supplemental Indenture, dated as of October 17, 2014, among Wise Metals Group LLC, Wise Alloys Finance Corporation, the guarantors party thereto, and Wells Fargo Bank, National Association, as Trustee and Collateral Agent \(incorporated by reference to Exhibit 4.31 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.33 [Credit Agreement, dated as of December 11, 2013, among Wise Alloys LLC, as Borrower, the credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Administrative Agent \(incorporated by reference to Exhibit 4.15 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.34 [Waiver and Amendment No. 1 to Credit Agreement, dated as of March 4, 2014, among Wise Alloys LLC, as Borrower, the credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Agent \(incorporated by reference to Exhibit 4.33 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)

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- 4.35 [Consent and Amendment No. 2 to Credit Agreement, dated as of June 30, 2014, among Wise Alloys LLC, as Borrower, the credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Agent \(incorporated by reference to Exhibit 4.34 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.36 [Amendment No. 3 to Credit Agreement, dated as of November 26, 2014, by and among Wise Alloys LLC, the other credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Agent \(incorporated by reference to Exhibit 4.16 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.37 [Consent and Amendment No. 4 to Credit Agreement, dated as of December 23, 2014, by and among Wise Alloys LLC, the other credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Agent \(incorporated by reference to Exhibit 4.17 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 4.38 [Amendment No. 5 to Credit Agreement, dated as of March 23, 2015, among Wise Alloys LLC, the credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Agent \(incorporated by reference to Exhibit 4.37 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.39 [Amendment No. 6 to Credit Agreement, dated as of November 4, 2015, by and among Wise Alloys LLC, as Borrower, the other credit parties party thereto, the lenders party thereto, and General Electric Capital Corporation, as Agent \(incorporated by reference to Exhibit 4.38 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 4.40 [Amendment No. 7 to Credit Agreement, dated as of February 7, 2017, by and among Wise Alloys LLC, as Borrower, the other credit parties party thereto, the lenders party thereto, and Wells Fargo Bank, National Association, as successor Agent \(incorporated by reference to Exhibit 4.43 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.41 [Indenture, dated as of February 16, 2017, among Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee, providing for the issuance of the 6.625% Senior Notes due 2025 \(incorporated by reference to Exhibit 4.45 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 4.42 [Indenture, dated as of November 9, 2017, among Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee, providing for the issuance of the 5.875% Senior Notes due 2026 \(incorporated by reference to Exhibit 4.42 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 4.43 [First Supplemental Indenture \(5.875% Senior Notes due 2026\), dated as of November 30, 2017, among Constellium International S.A.S. and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.43 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 4.44 [Indenture, dated as of November 9, 2017, among Constellium N.V., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent, providing for the issuance of the 4.250% Senior Notes due 2026 \(incorporated by reference to Exhibit 4.44 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 4.45 [First Supplemental Indenture \(4.250% Senior Notes due 2026\), dated as of November 30, 2017, among Constellium International S.A.S., Deutsche Bank Trust Company Americas, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent \(incorporated by reference to Exhibit 4.45 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)

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- 4.46 [Credit Agreement, by and among Wise Alloys LLC and Constellium Rolled Products Ravenswood, LLC, as Borrowers, Wise Metals Group LLC and Constellium US Holdings I, LLC, as Loan Parties, Constellium Holdco II B.V., as Parent Guarantor, the lenders party thereto, Wells Fargo Bank, N.A., as Administrative Agent and Collateral Agent, the Joint Lead Arrangers and Joint Bookrunners party thereto, and the Co-Syndication Agents party thereto, dated as of June 21, 2017 \(incorporated by reference to Exhibit 10.1 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)](#)
- 4.46.1 [Amended and Restated Credit Agreement, by and among Constellium Muscle Shoals LLC, Constellium Rolled Products Ravenswood, LLC, and Constellium Bowling Green LLC, as Borrowers, Constellium Holdings Muscle Shoals LLC, Constellium US Holdings I, LLC, and Constellium Property and Equipment Company, LLC, as Loan Parties, Constellium International S.A.S., as Parent Guarantor, the lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent, dated as of February 20, 2019\\*\\*](#)
- 4.47 [Underwriting Agreement, dated as of October 31, 2017, by and among the Company, Credit Suisse Securities \(USA\) LLC and Deutsche Bank Securities Inc., as representatives of the underwriters named therein \(incorporated by reference to Exhibit 99.1 of Constellium N.V.'s Form 6-K filed on November 3, 2017, File No. 001-35931\)](#)
- 4.48 [First Supplemental Indenture \(6.625% Senior Notes due 2025\), dated as of November 30, 2017, among Constellium International S.A.S. and Deutsche Bank Trust Company Americas, as Trustee \(incorporated by reference to Exhibit 4.48 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 10.1 [Amended and Restated Shareholders Agreement, dated May 29, 2013, among Constellium N.V. and the other signatories thereto \(incorporated by reference to Exhibit 10.1 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 10.2 [2017 Long-Term Incentive Award Agreement \(incorporated by reference to Exhibit 10.7 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)](#)
- 10.3 [Amended and Restated Factoring Agreement between Alcan Rhenalu S.A.S. as French Seller, Alcan Aerospace S.A.S. as French Seller, Alcan Softal S.A.S. as French Seller, Alcan France Extrusions S.A.S. as French Seller, Alcan Aviatube S.A.S. as French Seller, Omega Holdco II B.V. as Parent Company, Engineered Products Switzerland A.G. as Sellers' Agent and GE FactoFrance S.N.C. as Factor, dated January 4, 2011, as amended as of November 8, 2013 \(incorporated by reference to Exhibit 10.7 of Constellium N.V.'s Registration Statement on Form F-1 filed on December 10, 2013, File No. 333-192680\)](#)
- 10.4 [Amendment and Consent Letter No 10 between GE FactoFrance S.A.S. as Factor and Constellium Switzerland AG, Constellium Holdco II B.V., Constellium France S.A.S., Constellium Extrusions France S.A.S. and Constellium Aviatube S.A.S. as French Sellers, dated February 3, 2014 \(incorporated by reference to Exhibit 10.7.1 of Constellium N.V.'s Registration Statement on Form F-1 filed on January 27, 2014, File No. 333-193583\)](#)
- 10.5 [Amendment and Restatement Agreement among Constellium Issoire, as Seller, Constellium Neuf Brisach, as Seller, Constellium Extrusions France, as Seller, Constellium Holdco II B.V., as Parent Company, Constellium Switzerland A.G., as Sellers agent, and GE FactoFrance SAS, as Factor, dated December 3, 2015 \(incorporated by reference to Exhibit 10.8 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 10.6 [Factoring Agreement between GE Capital Bank AG and Alcan Aluminium Valais S.A., dated December 16, 2010 \(incorporated by reference to Exhibit 10.8 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)

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- 10.7 [Country Specific Amendment Agreement \(Switzerland\) to the Factoring Agreement between GE Capital Bank AG and Alcan Aluminium Valais S.A., dated December 16, 2010 \(incorporated by reference to Exhibit 10.9 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 10.8 [Amendment Agreement to a Factoring Agreement between GE Capital Bank AG and Constellium Valais AG \(formerly: Alcan Aluminium Valais AG\), dated November 12, 2013 \(incorporated by reference to Exhibit 10.9.1 of Constellium N.V.'s Registration Statement on Form F-1 filed on December 10, 2013, File No. 333-192680\)](#)
- 10.8.1 [Amendment Agreement to a Factoring Agreement between GE Capital Bank AG and Constellium Valais S.A. Sierre, dated May 27, 2016 \(incorporated by reference to Exhibit 10.10.1 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.8.2 [Amendment Agreement to a Factoring Agreement between TARGO Commercial Finance AG \(f/k/a GE Capital Bank AG\) and Constellium Valais S.A., dated December 21, 2016 \(incorporated by reference to Exhibit 10.10.2 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.9 [Factoring Agreement between GE Capital Bank AG and Alcan Aluminium-Presswerke GmbH, dated December 16, 2010 \(incorporated by reference to Exhibit 10.10 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 10.9.1 [Amendment Agreement to a Factoring Agreement between GE Capital Bank AG and Constellium Extrusions Deutschland GmbH \(formerly Alcan Aluminium-Presswerke GmbH\), dated November 12, 2013 \(incorporated by reference to Exhibit 10.10.1 of Constellium N.V.'s Registration Statement on Form F-1 filed on December 10, 2013, File No. 333-192680\)](#)
- 10.9.2 [Amendment Agreement to a Factoring Agreement between GE Capital Bank AG and Constellium Extrusions Deutschland GmbH, dated May 27, 2016 \(incorporated by reference to Exhibit 10.11.2 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.9.3 [Amendment Agreement to a Factoring Agreement between TARGO Commercial Finance AG \(f/k/a GE Capital Bank AG\) and Constellium Extrusions Deutschland GmbH, dated December 21, 2016 \(incorporated by reference to Exhibit 10.11.3 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.10 [Factoring Agreement between GE Capital Bank AG and Constellium Rolled Products Singen GmbH & Co. KG, dated May 27, 2016 \(incorporated by reference to Exhibit 10.12 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.10.1 [Amendment Agreement to a Factoring Agreement between TARGO Commercial Finance AG and Constellium Rolled Products Singen GmbH & Co. KG, dated December 21, 2016 \(incorporated by reference to Exhibit 10.12.1 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.11 [Factoring Agreement between GE Capital Bank AG and Alcan Singen GmbH, dated December 16, 2010 \(incorporated by reference to Exhibit 10.11 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 10.11.1 [Amendment Agreement to a Factoring Agreement between GE Capital Bank AG and Constellium Singen GmbH \(formerly: Alcan Singen GmbH\), dated November 12, 2013 \(incorporated by reference to Exhibit 10.10.1 of Constellium N.V.'s Registration Statement on Form F-1 filed on December 10, 2013, File No. 333-192680\)](#)
- 10.12 [Factoring Agreement between GE Capital Bank AG and Constellium Singen GmbH, dated March 26, 2014 \(incorporated by reference to Exhibit 10.13 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)



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- 10.12.1 [Amendment Agreement to a Factoring Agreement between GE Capital Bank AG and Constellium Singen GmbH, dated May 27, 2016 \(incorporated by reference to Exhibit 10.14.1 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.12.2 [Amendment Agreement to a Factoring Agreement between TARGO Commercial Finance AG \(f/k/a GE Capital Bank AG\) and Constellium Singen GmbH, dated December 21, 2016 \(incorporated by reference to Exhibit 10.14.2 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.13 [Factoring Agreement between GE Capital Bank AG and Constellium Extrusions D & ĩ in S.R.O., dated June 26, 2015 \(incorporated by reference to Exhibit 10.14 of Constellium N.V.'s Form 20-F furnished on April 18, 2017, File No. 001-35931\)](#)
- 10.13.1 [Amendment Agreement to a Factoring Agreement between GE Capital AG and Constellium Extrusions D & ĩ in s.r.o., dated May 27, 2016 \(incorporated by reference to Exhibit 10.15.1 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.13.2 [Amendment Agreement to a Factoring Agreement between TARGO Commercial Finance AG \(f/k/a GE Capital Bank AG\) and Constellium Extrusions D & ĩ in s.r.o., dated December 21, 2016 \(incorporated by reference to Exhibit 10.15.2 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.14 [Metal Supply Agreement between Engineered Products Switzerland AG and Rio Tinto Alcan Inc. for the supply of sheet ingot in Europe, dated January 4, 2011 \(incorporated by reference to Exhibit 10.12 of Constellium N.V.'s Amendment No. 3 to the Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)+](#)
- 10.15 [Constellium N.V. 2013 Equity Incentive Plan \(incorporated by reference to Exhibit 10.13 of Constellium N.V.'s Registration Statement on Form F-1 filed on May 13, 2013, File No. 333-188556\)](#)
- 10.16 [Form of Restricted Stock Unit Award Agreement under the Constellium N.V. 2013 Equity Incentive Plan \(incorporated by reference to Exhibit 10.14 of Constellium N.V.'s Registration Statement on Form F-1 filed on January 27, 2014, File No. 333-193583\)](#)
- 10.17 [Unit Purchase Agreement between Constellium N.V., Wise Metals Holdings LLC and Silver Knot, LCC, dated October 3, 2014 \(incorporated by reference to Exhibit 10.1 of Constellium N.V.'s Form 6-K furnished on October 3, 2014\)](#)
- 10.18 [Receivables Purchase Agreement, dated as of March 23, 2015, between Wise Alloys Funding LLC, as Seller, Wise Alloys LLC, as Servicer, and HSBC Bank USA, National Association, as Purchaser \(incorporated by reference to Exhibit 10.16 of Constellium N.V.'s Form 20-F furnished on April 24, 2015, File No. 001-35931\)](#)
- 10.19 [First Amendment to Receivables Purchase Agreement, dated as of October 27, 2015, between Wise Alloys Funding LLC, as Seller, Wise Alloys LLC, as Servicer, and HSBC Bank USA, National Association, as Purchaser \(incorporated by reference to Exhibit 10.20 of Constellium N.V.'s Form 20-F furnished on April 18, 2016, File No. 001-35931\)](#)
- 10.20 [Amended and Restated Receivables Purchase Agreement, dated November 22, 2016, among Wise Alloys LLC, as Servicer, Wise Alloys Funding II LLC, as Seller, Hitachi Capital America Corp., as Purchaser, Intesa Sanpaolo S.p.A., New York Branch, as Purchaser, and Greensill Capital Inc., as Purchaser Agent \(incorporated by reference to Exhibit 10.23 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.22 [Employment Agreement of Jean-Marc Germain, dated as of April 25, 2016 \(incorporated by reference to Exhibit 10.25 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)

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- 10.23 [Employment Agreement of Peter R. Matt, dated as of October 26, 2016 \(incorporated by reference to Exhibit 10.26 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)](#)
- 10.24 [Amendment to the Facility Agreement, by and among Constellium Issoire and Constellium Neuf Brisach, as Borrowers, Constellium Holdco II B.V., as Parent Company, the lenders party thereto, and FactoFrance, as Arranger and Agent, dated as of June 13, 2017 \(incorporated by reference to Exhibit 10.2 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)](#)
- 10.24.1 [Second Amendment to the Facility Agreement, by and among Constellium Issoire and Constellium Neuf Brisach, as Borrowers, Constellium Holdco II B.V., as Parent Company, the lenders party thereto, and FactoFrance, as Arranger and Agent, dated as of March 29, 2018\\*\\*†](#)
- 10.25 [Facility Agreement, by and among Constellium Issoire and Constellium Neuf Brisach, as Borrowers, Constellium Holdco II B.V., as Parent Company, the lenders party thereto, and FactoFrance, as Arranger and Agent, dated as of April 21, 2017 \(incorporated by reference to Exhibit 10.3 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)](#)
- 10.25.1 [First Omnibus Amendment, by and among Wise Alloys LLC, as seller/servicer, Wise Alloys Funding II LLC, as purchaser/seller, Hitachi Capital America Corp., as purchaser and Greensill Capital Inc., as purchaser agent, dated June 28, 2016 \(incorporated by reference to Exhibit 10.4 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)\\*\\*](#)
- 10.25.2 [Second Omnibus Amendment, dated as of January 25, 2017, among Wise Alloys LLC, as Servicer, Wise Alloys Funding II LLC, as Seller, Hitachi Capital America Corp., as Purchaser, Intesa Sanpaolo S.p.A., New York Branch, as Purchaser, and Greensill Capital Inc., as Purchaser Agent \(incorporated by reference to Exhibit 10.24 of Constellium N.V.'s Form 20-F furnished on March 21, 2017, File No. 001-35931\)\\*\\*](#)
- 10.25.3 [Third Omnibus Amendment, by and among Wise Alloys LLC, as seller/servicer, Wise Alloys Funding II LLC, as purchaser/seller, Hitachi Capital America Corp., as purchaser, Intesa Sanpaolo S.P.A., New York Branch, as purchaser, and Greensill Capital Inc., as purchaser agent, dated May 12, 2017 \(incorporated by reference to Exhibit 10.5 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)\\*\\*](#)
- 10.25.4 [Fourth Omnibus Amendment, by and among Wise Alloys LLC, as seller/servicer, Wise Alloys Funding II LLC, as purchaser/seller, Hitachi Capital America Corp., as purchaser, Intesa Sanpaolo S.P.A., New York Branch, as purchaser, and Greensill Capital \(UK\) Ltd., as successor purchaser agent to Greensill Capital Inc., dated January 2, 2018 \(incorporated by reference to Exhibit 10.31 of Constellium N.V.'s Form 20-F furnished March 12, 2018, File No. 001-35931\)](#)
- 10.25.5 [Fifth Omnibus Amendment, by and among Constellium Muscle Shoals LLC \(f/k/a Wise Alloys LLC\), as seller/servicer, Wise Alloys Funding II LLC, as purchaser/seller, Hitachi Capital America Corp., as purchaser, Intesa Sanpaolo S.P.A., New York Branch, as purchaser, and Greensill Capital \(UK\) Ltd., as purchaser agent, dated October 22, 2018\\*\\*](#)
- 10.28 [Amendment and Restatement Agreement, by and among Constellium Issoire, Constellium Neuf Brisach and Constellium Extrusions France, as Sellers, Constellium Holdco II BV, as Parent Company, Constellium Switzerland AG, as Sellers' Agent, and FactoFrance S.A.S., as Factor, dated as of April 19, 2017 \(incorporated by reference to Exhibit 10.6 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)](#)
- 10.29 [Long-Term Incentive Award Agreement, effective as of July 31, 2017 \(incorporated by reference to Exhibit 10.7 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221\)](#)

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10.30	<a href="#">Form of 2017 Long-Term Incentive Award Agreement Award Letter (incorporated by reference to Exhibit 10.8 of Constellium N.V.'s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221)</a>
10.30.1	<a href="#">2018 Long Term Incentive Award Agreement, effective as of May 25, 2018**</a>
10.30.2	<a href="#">Form of 2018 Long Term Incentive Award Letter for a grant of Restricted Stock Units**</a>
10.30.3	<a href="#">Form of 2018 Long Term Incentive Award Letter for a grant of Restricted Stock Units and Performance Share Units**</a>
10.30.4	<a href="#">Long Term Incentive Award Letter—Clarification, dated as of June 26, 2018**</a>
10.32	<a href="#">Constellium-UACJ ABS LLC Financial Statements as of and for the years ended December 31, 2018, 2017 and 2016**</a>
10.33	<a href="#">Information under the heading “Description of Capital Stock” in Constellium N.V.’s Registration Statement on Form F-3ASR, filed with the SEC on October 30, 2017 (incorporated by reference to the “Description of Capital Stock” in Constellium N.V.’s Registration Statement on Form F-3ASR filed on October 30, 2017, File No. 333-221221)</a>
10.34	<a href="#">Constellium US Holdings I, LLC U.S. Nonqualified Deferred Compensation and Restoration Plan, effective as of January 1, 2019**</a>
12.1	<a href="#">Certification by Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated as of March 11, 2019**</a>
12.2	<a href="#">Certification by Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated as of March 11, 2019**</a>
13.1	<a href="#">Certification by Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated as of March 11, 2019**</a>
13.2	<a href="#">Certification by Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated as of March 11, 2019**</a>
15.1	<a href="#">Consent of Independent Registered Public Accounting Firm**</a>
15.2	<a href="#">Consent of Independent Registered Public Accounting Firm**</a>
21.1	<a href="#">List of subsidiaries**</a>
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**

\*\* Filed herein.

+ Confidential treatment granted as to certain portions, which portions have been provided separately to the Securities and Exchange Commission.

‡ Translated in part.

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

CONSTELLIUM N.V.

By: /s/ Jean-Marc Germain

Name: Jean-Marc Germain

Title: Chief Executive Officer

Date: March 11, 2019

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Constellium N.V. Audited Consolidated Financial Statements as of December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Constellium N.V.

***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated statements of financial position of Constellium N.V. and its subsidiaries (the “Company”) as of December 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income/ (loss), changes in equity, and cash flows for each of the three years in the period ended December 31, 2018, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as endorsed by the European Union. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

***Basis for Opinions***

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15B. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Neuilly-sur-Seine, France

PricewaterhouseCoopers Audit

/s/ Cédric Le Gal

Cédric Le Gal  
Partner

March 11, 2019

We have served as the Company's auditor since 2011.

**CONSOLIDATED INCOME STATEMENT**

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Revenue	3	5,686	5,237	4,743
Cost of sales		(5,148)	(4,682)	(4,208)
Gross profit		538	555	535
Selling and administrative expenses		(247)	(247)	(253)
Research and development expenses		(40)	(36)	(31)
Restructuring costs		(1)	(4)	(5)
Other gains / (losses)—net	8	154	70	21
Income from operations		404	338	267
Finance costs—net	10	(149)	(260)	(188)
Share of loss of joint-ventures	18	(33)	(29)	(14)
Income before income tax		222	49	65
Income tax expense	11	(32)	(80)	(69)
Net income / (loss)		190	(31)	(4)
Net income / (loss) attributable to:				
Equity holders of Constellium		188	(31)	(4)
Non-controlling interests		2	—	—
Net income / (loss)		190	(31)	(4)

**Earnings per share attributable to the equity holders of Constellium**

<i>(in Euros per share)</i>	<u>Notes</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Basic	12	1.40	(0.28)	(0.04)
Diluted	12	1.37	(0.28)	(0.04)

The accompanying Notes are an integral part of these Consolidated Financial Statements.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME / (LOSS)**

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Net income / (loss)		<b>190</b>	<b>(31)</b>	<b>(4)</b>
Other comprehensive income / (loss):				
<i>Items that will not be reclassified subsequently to the consolidated income statement</i>				
Remeasurement on post-employment benefit obligations		24	12	(20)
Income tax on remeasurement on post-employment benefit obligations		(6)	(8)	2
<i>Items that may be reclassified subsequently to the consolidated income statement</i>				
Cash flow hedges	23	(25)	46	(27)
Net investment hedges	23	(4)	—	—
Income tax on hedges	19	8	(15)	9
Currency translation differences		10	(20)	6
Other comprehensive income / (loss)		<u>7</u>	<u>15</u>	<u>(30)</u>
Total comprehensive income / (loss)		<u>197</u>	<u>(16)</u>	<u>(34)</u>
Attributable to:				
Equity holders of Constellium		195	(15)	(34)
Non-controlling interests		2	(1)	—
Total comprehensive income / (loss)		<u>197</u>	<u>(16)</u>	<u>(34)</u>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	164	269
Trade receivables and other	14	587	419
Inventories	15	660	643
Other financial assets	22	30	69
		<u>1,441</u>	<u>1,400</u>
<b>Non-current assets</b>			
Property, plant and equipment	16	1,666	1,517
Goodwill	17	422	403
Intangible assets	17	70	68
Investments accounted for under the equity method	18	1	1
Deferred income tax assets	19	163	164
Trade receivables and other	14	64	48
Other financial assets	22	74	110
		<u>2,460</u>	<u>2,311</u>
<b>Total Assets</b>		<b><u>3,901</u></b>	<b><u>3,711</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables and other	20	968	930
Borrowings	21	57	106
Other financial liabilities	22	60	23
Income tax payable		8	11
Provisions	25	46	40
		<u>1,139</u>	<u>1,110</u>
<b>Non-current liabilities</b>			
Trade payables and other	20	27	54
Borrowings	21	2,094	2,021
Other financial liabilities	22	29	43
Pension and other post-employment benefit obligations	24	610	664
Provisions	25	94	113
Deferred income tax liabilities	19	22	25
		<u>2,876</u>	<u>2,920</u>
<b>Total Liabilities</b>		<b><u>4,015</u></b>	<b><u>4,030</u></b>
<b>Equity</b>			
Share capital	27	3	3
Share premium	27	420	420
Retained deficit and other reserves		(545)	(750)
Equity attributable to equity holders of Constellium		(122)	(327)
Non-controlling interests		8	8
<b>Total Equity</b>		<b><u>(114)</u></b>	<b><u>(319)</u></b>
<b>Total Equity and Liabilities</b>		<b><u>3,901</u></b>	<b><u>3,711</u></b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<i>(in millions of Euros)</i>	Share capital	Share premium	Re-measurement	Cash flow hedges and net investment hedges	Foreign currency translation reserve	Other reserves	Retained losses	Total Equity holders of Constellation	Non-controlling interests	Total equity
At January 1, 2018	3	420	(147)	13	(7)	25	(634)	(327)	8	(319)
Change in accounting policies	—	—	—	—	—	—	(2)	(2)	—	(2)
At January 1, 2018 restated	3	420	(147)	13	(7)	25	(636)	(329)	8	(321)
Net income	—	—	—	—	—	—	188	188	2	190
Other comprehensive income / (loss)	—	—	18	(21)	10	—	—	7	—	7
Total comprehensive income / (loss)	—	—	18	(21)	10	—	188	195	2	197
Transactions with equity holders										
Share-based compensation	—	—	—	—	—	12	—	12	—	12
Transactions with non-controlling interests	—	—	—	—	—	—	—	—	(2)	(2)
At December 31, 2018	3	420	(129)	(8)	3	37	(448)	(122)	8	(114)

<i>(in millions of Euros)</i>	Share capital	Share premium	Re-measurement	Cash flow hedges	Foreign currency translation reserve	Other reserves	Retained losses	Total Equity holders of Constellation	Non-controlling interests	Total equity
At January 1, 2017	2	162	(151)	(18)	12	17	(603)	(579)	9	(570)
Net loss	—	—	—	—	—	—	(31)	(31)	—	(31)
Other comprehensive income / (loss)	—	—	4	31	(19)	—	—	16	(1)	15
Total comprehensive income / (loss)	—	—	4	31	(19)	—	(31)	(15)	(1)	(16)
Transactions with equity holders										
Share issuance	—	1	258	—	—	—	—	259	—	259
Share-based compensation	—	—	—	—	—	8	—	8	—	8
Transactions with non-controlling interests	—	—	—	—	—	—	—	—	—	—
At December 31, 2017	3	420	(147)	13	(7)	25	(634)	(327)	8	(319)

<i>(in millions of Euros)</i>	Share capital	Share premium	Re-measurement	Cash flow hedges	Foreign currency translation reserve	Other reserves	Retained losses	Total Equity holders of Constellation	Non-controlling interests	Total equity
At January 1, 2016	2	162	(133)	—	6	11	(599)	(551)	11	(540)
Net loss	—	—	—	—	—	—	(4)	(4)	—	(4)
Other comprehensive (loss) / income	—	—	(18)	(18)	6	—	—	(30)	—	(30)
Total comprehensive (loss) / income	—	—	(18)	(18)	6	—	(4)	(34)	—	(34)
Transactions with equity holders										
Share-based compensation	—	—	—	—	—	6	—	6	—	6
Transactions with non-controlling interests	—	—	—	—	—	—	—	—	(2)	(2)
At December 31, 2016	2	162	(151)	(18)	12	17	(603)	(579)	9	(570)

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(in millions of Euros)</i>	Notes	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Net income / (loss)		190	(31)	(4)
Adjustments				
Depreciation and amortization	16, 17	197	171	155
Finance costs—net	10	149	260	188
Income tax expense	11	32	80	69
Share of loss of joint-ventures	18	33	29	14
Unrealized losses / (gains) on derivatives—net and from remeasurement of monetary assets and liabilities—net		86	(54)	(74)
(Gains) / losses on disposal	8	(186)	3	10
Other—net		14	7	(14)
Interest paid		(129)	(185)	(174)
Income tax paid		(23)	(18)	(14)
Change in trade working capital				
Inventories		(9)	(99)	(42)
Trade receivables		(145)	(91)	28
Trade payables		(27)	124	(18)
Margin calls		(5)	—	—
Change in provisions and pension obligations		(58)	(24)	(26)
Other working capital		(53)	(12)	(10)
Net cash flows from operating activities		66	160	88
Purchases of property, plant and equipment	4	(277)	(276)	(355)
Acquisition of subsidiaries net of cash acquired		—	—	21
Proceeds from disposals net of cash		200	2	(5)
Equity contribution and loan to joint-ventures		(24)	(41)	(37)
Other investing activities		10	23	11
Net cash flows used in investing activities		(91)	(292)	(365)
Net proceeds received from issuance of shares		—	259	—
Proceeds from issuance of Senior Notes	21	—	1,440	375
Repayment of Senior Notes	21	—	(1,559)	(148)
(Repayments) / proceeds from revolving credit facilities and other loans	21	(68)	29	(69)
Payment of deferred financing costs and exit fees		—	(118)	(19)
Transactions with non-controlling interests		—	—	(2)
Other financing activities		(14)	10	8
Net cash flows (used in) / from financing activities		(82)	61	145
Net (decrease) / increase in cash and cash equivalents		(107)	(71)	(132)
Cash and cash equivalents—beginning of year		269	347	472
Cash and cash equivalents classified as held for sale—beginning of year		—	—	4
Effect of exchange rate changes on cash and cash equivalents		2	(7)	3
Cash and cash equivalents—end of year	13	164	269	347

The accompanying Notes are an integral part of these Consolidated Financial Statements.

## Notes to the Consolidated Financial Statements

### NOTE 1—GENERAL INFORMATION

Constellium is a global leader in the design and manufacture of a broad range of innovative specialty rolled and extruded aluminium products, serving primarily the packaging, aerospace and automotive end-markets. The Group has a strategic footprint of manufacturing facilities located in North America, Europe and China and operates 26 production facilities, 3 administrative centers and 3 R&D centers. The Group has approximately 13,000 employees.

Constellium is a public company with limited liability. The business address (head office) of Constellium N.V. is Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands.

Unless the context indicates otherwise, when we refer to “we”, “our”, “us”, “Constellium”, the “Group” and the “Company” in this document, we are referring to Constellium N.V. and its subsidiaries.

### NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

The Consolidated Financial Statements of Constellium N.V. and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU). The Group’s application of IFRS results in no difference between IFRS as issued by the IASB and IFRS as endorsed by the EU ([https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002\\_en](https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_en)).

The Consolidated Financial Statements have been authorized for issue by the Board of Directors on March 11, 2019.

#### 2.2 Application of new and revised IFRS

The Group has adopted IFRS 15— *Revenue from Contracts with Customers* and IFRS 9— *Financial Instruments* effective January 1, 2018.

Several other amendments and interpretations apply for the first time in 2018, but do not have any impact on the Consolidated Financial Statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11— *Construction Contracts*, IAS 18— *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted IFRS 15 using the cumulative effect method of adoption at the date of initial application for contracts that were not completed at that date. There was no cumulative effect adjustment to the opening balance of retained earnings in the Consolidated Financial Statements of Financial Position as of January 1, 2018, as a result of the adoption of IFRS 15.

The Group primarily contracts with customers for the sale of rolled or extruded aluminium products. For the majority of our business, performance obligations with customers begin when we acknowledge a purchase order for a specific customer order of product to be delivered in the near-term. These purchase orders are short-term in nature, although they may be governed by long-term multi-year frame agreements.

The Group has concluded that revenue from sale of goods, measured at the fair value of the consideration received or receivable, should be recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery, similar to the Group revenue recognition model under IAS 18. In certain limited circumstances, the Group may be required to recognize revenue over time for products that have no alternative use and for which the Group has an enforceable right to payment for production completed to date. This could result in recognizing revenue earlier than under prior IFRS rules which required recognition at a point in time for these transactions. However, as of the date of initial application and for the year ended December 31, 2018, IFRS 15 had no impact on the timing of our revenue recognition.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from product sales, net of trade discounts, allowances and volume-based incentives, is recognized for the amount the Group expects to be entitled to, generally upon delivery, and provided persuasive evidence that control has transferred.

Upon adoption of IFRS 15, the Group made the following reclassifications in its opening financial position:

<i>(in millions of Euros)</i>	<b>Carrying amount December 31, 2017</b>	<b>Contract liabilities reclassification</b>	<b>Carrying amount January 1, 2018</b>
Trade receivables and other	467	18	<b>485</b>
Trade payables and other	(984)	(41)	<b>(1,025)</b>
Provisions	(153)	23	<b>(130)</b>

Contract liabilities, which have been reclassified, consist of expected volume discounts, rebates, incentives, refunds and penalties and price concessions. Contract liabilities were previously presented as provisions or as a reduction in trade receivables. Contract liabilities as of December 31, 2018 are presented in NOTE 20—Trade payables and other.

#### *IFRS 9 Financial Instruments*

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9—*Financial Instruments* from January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the Consolidated Financial Statements. The new accounting policies are set out in the note below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

##### *i. Classification and measurement*

On January 1, 2018 (the date of initial application of IFRS 9), the Group's management assessed which business models apply to the financial assets held by the group and classified its financial instruments into the appropriate IFRS 9 categories. The main effect results from the reclassification of Trade receivables from the Loan and receivables category to Fair value through OCI category (FVOCI), as receivables may be either held until collection or sold as part of factoring arrangements. There was no significant difference between the previous carrying amount and the fair value of the other financial assets as of January 1, 2018 to be recognized in opening retained earnings, as a result of their liquidity or short maturity.

Consistent with IAS 39, derivatives are required to be held at Fair Value through Profit and Loss (FVPL) under IFRS 9 as they do not meet the criteria for amortized cost or FVOCI unless they are designated for hedge accounting.

- *Financial assets*

Financial assets are classified either: (a) at amortized cost, (b) at fair value through other comprehensive income (FVOCI), or (c) at fair value through profit or loss (FVPL). The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing the financial assets. Management determines the classification of Constellium's financial assets at initial recognition.

- i. Assets at amortized cost are comprised of other receivables, non-current loans receivable and current loans receivable in the Consolidated Statement of Financial Position. They are held within a business model whose objective is to hold assets in order to collect contractual cash flows provided they give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. They are carried at amortized cost using the effective interest rate method, less any impairment. They are classified as current or non-current assets based on their maturity date.
- ii. Assets at fair value through OCI are comprised of trade receivables in the Consolidated Statement of Financial Position. The business model is to maintain liquidity for the Group, should the need arise, which leads to sales through factoring agreements that are more than infrequent and significant in value. Therefore, trade receivables are managed under an objective that results in both collecting the contractual cash flows and selling the receivables to the factors. The portfolio of trade receivables is therefore classified as measured at fair value through OCI. Foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss. These assets are classified as current or non-current assets based on their maturity date.
- iii. Assets at fair value through profit or loss are comprised of derivatives except when they are designated as hedging instruments in a hedging relationship that qualifies for hedge accounting in accordance with IAS 39, 'Financial instruments'. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Consolidated Income Statement.

- *Financial liabilities*

Borrowings and other financial liabilities (excluding derivative liabilities) are recognized initially at fair value, net of transaction costs incurred and directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Any difference between the amounts originally received (net of transaction costs) and the redemption value is recognized in the Consolidated Income Statement using the effective interest rate method.

*ii. Impairment of financial assets*

Financial assets subject to IFRS 9's new expected credit loss model includes: cash and cash equivalents, trade receivables and other and loans to joint ventures.

The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed as follows:

- For cash and cash equivalents, the identified impairment loss was immaterial.
- For trade receivables and other (including contract assets and other receivables), the group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The application of the IFRS 9 expected credit loss model resulted in an immaterial impairment loss.
- For loans to joint ventures the application of the amendment to IAS 28 and the IFRS 9 expected credit loss model resulted in the recognition of a loss allowance of €2 million in opening retained earnings net of tax (previous loss allowance was nil).

*iii. Hedging*

The Group did not adopt the disposition of IFRS 9 on hedging and will therefore continue to apply the provisions of IAS 39. (Refer to Note 2.6)

*iv. Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**2.3 New standards and interpretations not yet mandatorily applicable**

The Group has not applied the following new standards and interpretations that have been issued but are not yet effective and which could affect the Group's future Consolidated Financial Statements:

IFRS 16— *Leases* , deals with principles for the recognition, measurement, presentation and disclosures of leases. The standard provides an accounting model, requiring a lessee to recognize assets and liabilities for eligible leases.

The standard will replace IAS 17— *Leases* and will be effective for accounting years beginning on or after January 1, 2019. The Group plans to adopt IFRS 16 retrospectively with the cumulative effect of initially applying the standard recognized at the initial date of application. The group has elected to apply the practical expedients for low value assets, short term leases and non-lease components as a single component.

The group expects to recognize right-of-use assets of approximately €102 million and lease liabilities of €102 million on January 1, 2019.

*IFRIC 23—Uncertainty over Income Tax Treatments*

This interpretation provides a framework to consider, recognize and measure the accounting impact of tax uncertainties. It specifies how to determine the unit of account and the recognition and measurement guidance to be applied to that unit. The interpretation also explains when to reconsider the accounting for a tax uncertainty, and it states specifically that the absence of comment from the tax authority is unlikely, in isolation, to trigger a reassessment. The impact of this interpretation on the Group's results and financial situation is being evaluated. The Company expects no significant impact on its Consolidated Financial Statements from the effect of applying IFRIC 23.

The interpretation is effective for annual years beginning on or after January 1, 2019.

The Group plans to adopt the new standards and interpretations on their required effective dates.

**2.4 Basis of preparation**

In accordance with IAS 1— *Presentation of Financial Statements* , the Consolidated Financial Statements are prepared on the assumption that Constellium is a going concern and will continue in operation for the foreseeable future.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Consolidated Financial Statements respectively in NOTE 13—Cash and Cash Equivalents, NOTE 21—Borrowings and NOTE 23—Financial Risk Management.



The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, including an assessment of the current macroeconomic environment, indicate that the Group should be able to operate within the level of its current facilities and related covenants.

Accordingly, the Group continues to adopt the going concern basis in preparing the Consolidated Financial Statements. Management considers that this assumption is not invalidated by the Group's negative equity at December 31, 2018. This assessment was confirmed by the Board of Directors on March 11, 2019.

## **2.5 Presentation of the operating performance of each operating segment and of the Group**

In accordance with IFRS 8— *Operating Segments* , operating segments are based upon the product lines, markets and industries served, and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Constellium's CODM measures the profitability and financial performance of its operating segments based on Adjusted EBITDA as it illustrates the underlying performance of continuing operations by excluding certain non-recurring and non-operating items. Adjusted EBITDA is defined as income /(loss) from continuing operations before income taxes, results from joint ventures, net finance costs, other expenses and depreciation and amortization as adjusted to exclude restructuring costs, impairment charges, unrealized gains or losses on derivatives and on foreign exchange differences on transactions that do not qualify for hedge accounting, metal price lag, share-based compensation expense, effects of certain purchase accounting adjustments, start-up and development costs or acquisition, integration and separation costs, certain incremental costs and other exceptional, unusual or generally non-recurring items.

## **2.6 Principles governing the preparation of the Consolidated Financial Statement**

### **Basis of consolidation**

These Consolidated Financial Statements include all the assets, liabilities, equity, revenues, expenses and cash flows of the entities and businesses controlled by Constellium. All intercompany transactions and balances are eliminated.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the investee, is exposed to, or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments over which the Group has significant influence are accounted for under the equity method. Investments over which the Group has joint control are accounted for either as joint ventures under the equity method or as joint arrangements in relation to their interest in the joint operation.

Joint venture investments are initially recorded at cost. Subsequently they are increased or decreased by the Group's share in the profit or loss, or by other movements reflected directly in the equity of the entity.

### **Business combinations**

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the Group. The consideration transferred includes the fair

value of any asset or liability resulting from a contingent consideration arrangement. 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 amount of non-controlling interests is determined for each business combination and is either based on the fair value (full goodwill method) or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets, resulting in recognition of only the share of goodwill attributable to equity holders of the parent (partial goodwill method).

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a gain in Other gains / (losses)—net in the Consolidated Income Statement.

At the acquisition date, the Group recognizes the identifiable acquired assets, liabilities and contingent liabilities (identifiable net assets) of the subsidiaries on the basis of fair value at the acquisition date. Recognized assets and liabilities may be adjusted during a maximum of 12 months from the acquisition date, depending on new information obtained about the facts and circumstances existing at the acquisition date.

Significant assumptions used in determining allocation of fair value include the following valuation techniques: the cost approach, the income approach and the market approach which are determined based on cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions.

Acquisition related costs are expensed as incurred and are included in Other gains / (losses)—net in the Consolidated Income Statement.

#### **Cash-generating units**

The reporting units (which generally correspond to industrial sites), the lowest level of the Group's internal reporting, have been identified as cash-generating units.

#### **Goodwill**

Goodwill arising from a business combination is carried at cost as established at the date of the business combination less accumulated impairment losses, if any.

Goodwill is allocated and monitored at the operating segments level which are the groups of cash-generating units that are expected to benefit from the synergies of the combination. The operating segments represent the lowest levels within the Group at which the goodwill is monitored for internal management purposes.

Gains and losses on the disposal of a cash-generating unit include the carrying amount of goodwill relating to the cash-generating unit sold.

#### **Impairment of goodwill**

A group of cash-generating units to which goodwill is allocated is tested for impairment annually, or more frequently when there is an indication that the group of units may be impaired.

The net carrying value of a group of cash-generating units is compared to its recoverable amount, which is the higher of the value in use and the fair value less cost of disposal.

Value in use calculations use cash flow projections based on financial budgets approved by management and usually covering a 5-year period. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years.

The value in use is the sum of discounted cash flows over the projected period and the terminal value. Discount rates are determined based on the weighted-average cost of capital of each operating segment.

The fair value is the price that would be received for the group of cash-generating units, in an orderly transaction, from a market participant. This value is estimated on the basis of available and relevant market data or a discounted cash flow model reflecting market participant assumptions.

An impairment loss is recognized for the amount by which the group of units carrying amount exceeds its recoverable amount.

Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the group of cash-generating units and then, to the other assets of the group of units pro rata on the basis of the carrying amount of each asset in the group of units.

Any impairment loss is recognized in the line Impairment in the Consolidated Income Statement. An impairment loss recognized for goodwill cannot be reversed in subsequent years.

#### **Non-current assets (and disposal groups) classified as held for sale & Discontinued operations**

IFRS 5— *Non-current Assets Held for Sale and Discontinued Operations* defines a discontinued operation as a component of an entity that (i) generates cash flows that are largely independent from cash flows generated by other components, (ii) is classified as held for sale or has been disposed of, and (iii) represents a separate major line of business or geographic areas of operations.

Assets and liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

Assets and liabilities are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Assets and liabilities held for sale are presented in separate line items in the Consolidated Statement of Financial Position of the year during which the decision to sell is made.

The results of discontinued operations are shown separately in the Consolidated Income Statement and Consolidated Statement of Cash Flows.

#### **Foreign currency transactions and foreign operations**

##### *Functional currency*

Items included in the Consolidated Financial Statements of each of the entities and businesses of Constellium are measured using the currency of the primary economic environment in which each of them operates (their functional currency).

##### *Foreign currency transactions*

Transactions denominated in currencies other than the functional currency are recorded in the functional currency at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented within Finance costs—net.

Realized foreign exchange gains and losses that relate to commercial transactions are presented in Cost of sales. All other foreign exchange gains and losses, including those that relate to foreign currency derivatives hedging commercial transactions, are presented within Other gains / (losses)—net.

*Foreign operations: presentation currency and foreign currency translation*

In the preparation of the Consolidated Financial Statements, the year-end balances of assets, liabilities and components of equity of Constellium’s entities and businesses are translated from their functional currencies into Euros, the presentation currency of the Group, at their respective year-end exchange rates. Revenue, expenses and cash flows of Constellium’s entities and businesses are translated from their functional currencies into Euros using their respective average exchange rates for the year.

The net differences arising from exchange rate translation are recognized in the Consolidated Statement of Comprehensive Income / (Loss).

The following table summarizes the main exchange rates used for the preparation of the Consolidated Financial Statements:

<i>Foreign exchange rate for 1 Euro</i>		Year ended December 31, 2018		Year ended December 31, 2017		Year ended December 31, 2016	
		Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
U.S. Dollars	USD	1.1798	1.1450	1.1273	1.1993	1.1063	1.0541
Swiss Francs	CHF	1.1546	1.1269	1.1103	1.1702	1.0901	1.0739
Czech Koruna	CZK	25.6452	25.7240	26.3151	25.5349	27.0342	27.0210

**Research and development costs**

Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete and use the intangible asset;
- There is an ability to use the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Development expenditures which do not meet these criteria are expensed as incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

**Other gains / (losses)—net**

Other gains / (losses)—net include: (i) realized and unrealized gains and losses on derivatives contracted for commercial purposes and accounted for at fair value through profit or loss, (ii) unrealized exchange gains and losses from the remeasurement of monetary assets and liabilities and (iii) the ineffective portion of changes in fair value of derivatives, which are designated for hedge accounting.

Other gains / (losses)—net separately identifies other unusual, infrequent or non-recurring items. Such items are those that in management’s judgment need to be disclosed by virtue of their size, nature or incidence. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

#### **Interest income and expense**

Interest income is recorded using the effective interest rate method on loans, receivables and on the interest bearing components of cash and cash equivalents.

Interest expense on short and long-term financing is recorded at the relevant rates on the various borrowing agreements.

Borrowing costs (including interests) incurred for the construction of any qualifying asset are capitalized during the period of time required to complete and prepare the asset for its intended use.

#### **Share-based payment arrangements**

Equity-settled share-based payments to employees and Board members providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest.

#### **Property, plant and equipment**

##### *Recognition and measurement*

Property, plant and equipment acquired by the Company are recorded at cost, which comprises the purchase price (including import duties and non-refundable purchase taxes), any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with the asset. Borrowing costs (including interests) directly attributable to the acquisition or construction of a Property, plant and equipment are included in the cost. Subsequent to the initial recognition, Property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. Costs are capitalized into construction work-in-progress until such projects are completed and the assets are available for use.

##### *Subsequent costs*

Enhancements and replacements are capitalized as additions to Property, plant and equipment only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured with reliability. Ongoing regular maintenance costs related to Property, plant and equipment are expensed as incurred.

##### *Depreciation*

Land is not depreciated. Property, plant and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method as follows:

- Buildings 10 – 50 years;

- Machinery and equipment 3 – 40 years;
- Vehicles 5 – 8 years.

### **Intangible assets**

#### *Recognition and measurement*

Technology and customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses. The useful lives of the Group intangible assets are assessed to be finite.

#### *Amortization*

Intangible assets are amortized over the estimated useful lives of the related assets using the straight-line method as follows:

- Technology 20 years;
- Customer relationships 25 years;
- Software 3 – 5 years.

### **Impairment of property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets subject to amortization are reviewed for impairment if there is any indication that the carrying amount of the asset (or cash-generating unit to which it belongs) may not be recoverable. The recoverable amount is based on the higher of fair value less cost of disposal (market value) and value in use (determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs).

Any impairment loss is recognized in the line Impairment in the Consolidated Income Statement.

### **Derivatives financial instruments**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, relevant market prices are used to determine fair values. The Group periodically estimates the impact of credit risk on its derivatives instruments aggregated by counterparties and takes it into account when estimating the fair value of its derivatives.

Credit Value Adjustments are calculated for asset derivatives based on Constellium counterparties credit risk. Debit Value Adjustments are calculated for credit derivatives based on Constellium own credit risk. The fair value method used is based on historical probability of default, provided by leading rating agencies.

For derivative instruments that do not qualify for hedge accounting, changes in the fair value are recognized immediately in profit or loss and are included in 'Other gains / (losses)—net'.

For derivative instruments that are designated for hedge accounting, the group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk

management objective and strategy for undertaking the hedge transaction. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Income Statement in 'Other gains / (losses)—net'.

Amounts accumulated in equity are reclassified to the Consolidated Income Statement when the hedged item affects the Consolidated Income Statement. The gain or loss relating to the effective portion of derivative instruments hedging forecasted cash-flows under customer agreements is recognized in 'Revenue'. When the forecasted transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts would ultimately be recognized in the Consolidated Income Statement upon the sale, depreciation or impairment of the asset.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in the Consolidated Income Statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity is immediately reclassified to the Consolidated Income Statement.

## **Leases**

### *Constellium as the lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Various buildings, machinery and equipment are leased from third parties under operating lease agreements. Under operating leases, lease payments are recognized as rent expense on a straight-line basis over the term of the lease agreement, and are included in Cost of sales or Selling and administrative expenses, depending on the nature of the leased assets.

Leases of property, plant and equipment under which the Group has substantially all the risks and rewards of ownership are classified as finance leases. Various buildings and equipment are leased from third parties under finance lease agreements. Under such finance leases, the asset financed is recognized in Property, plant and equipment and the financing is recognized as a financial liability, in Borrowings.

### *Constellium as the lessor*

Certain land, buildings, machinery and equipment are leased to third parties under finance lease agreements. At lease inception, the net book value of the related assets is removed from Property, plant and equipment and a Finance lease receivable is recorded at the lower of the fair value and the aggregate future cash payments to be received from the lessee computed at an interest rate implicit in the lease. As the Finance lease receivable from the lessee is due, interest income is recognized.

## **Inventories**

Inventories are valued at the lower of cost and net realizable value, primarily on a weighted-average cost basis.

Weighted-average costs for raw materials, stores, work in progress and finished goods are calculated using the costs experienced in the current period based on normal operating capacity (and include the purchase price of materials, freight, duties and customs, the costs of production, which includes labor costs, materials and other expenses, that are directly attributable to the production process and production overheads).

## **Trade account receivables**

### *Recognition and measurement*

Trade account receivables are recognized at fair value through OCI since they are managed under an objective that results in both collecting the contractual cash flows and selling the receivables to the factors. Prior to the adoption of IFRS 9, trade account receivables were recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less impairment. In prior years, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was an objective evidence that an impairment had been incurred but not yet identified.

### *Factoring arrangements*

In non-recourse factoring arrangements, under which the Group has transferred substantially all the risks and rewards of ownership of the receivables, the receivables are derecognized from the Consolidated Statement of Financial Position. When trade account receivables are sold with limited recourse, and substantially all the risks and rewards associated with these receivables are not transferred, receivables are not derecognized. Where the entity does not derecognize the receivables, the cash received from the Factor is classified as a financing cash inflow, the derecognition of the related liability as a financing cash outflow and the settlement of the receivables as an operating cash inflow. Arrangements in which the Group derecognizes receivables result in changes in trade receivables, which are reflected as cash flows from operating activities.

## **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash in bank accounts and on hand, short-term deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value, less bank overdrafts that are repayable on demand, provided there is an offset right.

## **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Trade payables**

Trade payables are initially recorded at fair value and classified as current liabilities if payment is due in one year or less.

## **Provisions**

Provisions are recorded for the best estimate of expenditures required to settle liabilities of uncertain timing or amount when management determines that a legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. Provisions are measured at the present value of the expected expenditures to be required to settle the obligation.

The ultimate cost to settle such liabilities is uncertain, and cost estimates can vary in response to many factors. The settlement of these liabilities could materially differ from recorded amounts. In addition, the expected timing of expenditure can also change. As a result, there could be significant adjustments to provisions, which could result in additional charges or recoveries affecting future financial results.



Types of liabilities for which the Group establishes provisions include:

*Close down and restoration costs*

Estimated close down and restoration costs are accounted for in the year when the legal or constructive obligation arising from the related disturbance occurs and it is probable that an outflow of resources will be required to settle the obligation. These costs are based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan including feasibility and engineering studies, are updated annually during the life of the operation to reflect known developments (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to formal review at regular intervals each year.

The initial closure provision together with subsequent movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalized within Property, plant and equipment. These costs are then depreciated over the remaining useful lives of the related assets. The amortization or unwinding of the discount applied in establishing the net present value of the provisions is charged to the Consolidated Income Statement as a financing cost.

*Environmental remediation costs*

Environmental remediation costs are accounted for based on the estimated present value of the costs of the Group's environmental clean-up obligations. Movements in the environmental clean-up provisions are presented as an operating cost within Cost of sales. Remediation procedures may commence soon after the time at which the disturbance, remediation process and estimated remediation costs become known, and can continue for many years depending on the nature of the disturbance and the technical remediation.

*Restructuring costs*

Provisions for restructuring are recorded when Constellium's management is demonstrably committed to the restructuring plan and where such liabilities can be reasonably estimated. The Group recognizes liabilities that primarily include one-time termination benefits, or severance, and contract termination costs, primarily related to equipment and facility lease obligations. These amounts are based on the remaining amounts due under various contractual agreements, and are periodically adjusted for any anticipated or unanticipated events or changes in circumstances that would reduce or increase these obligations.

*Legal, tax and other potential claims*

Provisions for legal claims are made when it is probable that liabilities will be incurred and when such liabilities can be reasonably estimated. For asserted claims and assessments, liabilities are recorded when an unfavorable outcome of a matter is deemed to be probable and the loss is reasonably estimable.

Management determines the likelihood of an unfavorable outcome based on many factors such as the nature of the matter, available defenses and case strategy, progress of the matter, views and opinions of legal counsel and other advisors, applicability and success of appeals, process and outcomes of similar historical matters, amongst others. Once an unfavorable outcome is considered probable, management weights the probability of possible outcomes and the most likely loss is recorded.

Legal matters are reviewed on a regular basis to determine if there have been changes in management's judgment regarding the likelihood of an unfavorable outcome or the estimate of a potential loss. Depending on their nature, these costs may be charged to the line Cost of sales or Other gains / (losses)—net in the Consolidated Income

Statement. Included in other potential claims are provisions for product warranties and guarantees to settle the net present value portion of any settlement costs for potential future legal actions, claims and other assertions that may be brought by Constellium's customers or the end-users of products. Provisions for product warranty and guarantees are charged to the line Cost of sales in the Consolidated Income Statement.

When any legal action, claim or assertion related to product warranty or guarantee is settled, the net settlement amount incurred is charged against the provision established in the Consolidated Statement of Financial Position. The outstanding provision is reviewed periodically for adequacy and reasonableness by Constellium management.

Management establishes tax reserves and accrues interest thereon, if deemed appropriate, in expectation that certain tax return positions may be challenged and that the Group might not succeed in defending such positions, despite management's belief that the positions taken were fully supportable.

#### **Pension, other post-employment plans and other long-term employee benefits**

For defined contribution plans, the contribution paid in respect of service rendered over the service year is recognized in the Consolidated Income Statement. This expense is included in Cost of sales, Selling and administrative expenses or Research and development expenses, depending on its nature.

For defined benefit plans, the retirement benefit obligation recognized in the Consolidated Statements of Financial Position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. The effects of changes in actuarial assumptions and experience adjustments are presented in the Consolidated Statement of Comprehensive Income / (Loss). The amount charged to the Consolidated Income Statement in respect of these plans is included within the Income / (Loss) from operations except for the net Interest costs which are included within Finance costs—net.

The defined benefit obligations are assessed using the projected unit credit method. The most significant assumption is the discount rate.

Other post-employment benefit plans mainly relate to health and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents. Eligibility for coverage is dependent upon certain age and service criteria. These benefit plans are unfunded and are accounted for as defined benefit obligations, as described above.

Other long-term employee benefits mainly include jubilees and other long-term disability benefits. For these plans, actuarial gains and losses arising in the year are recognized immediately in the Consolidated Income Statement.

#### **Taxation**

The current Income tax (expense) / benefit is calculated on the basis of the tax laws enacted or substantively enacted at the Consolidated Statement of Financial Position date in the countries where the Company and its subsidiaries operate and generate taxable income.

The Group is subject to income taxes in the Netherlands, France, United States and numerous other jurisdictions. Certain of Constellium's businesses may be included in consolidated tax returns within the Company. In certain circumstances, these businesses may be jointly and severally liable with the entity filing the consolidated return, for additional taxes that may be assessed.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the Consolidated Financial Statement carrying amounts of existing assets and liabilities and their respective tax bases. This approach also requires the recognition of deferred income tax assets for operating loss carryforwards and tax credit carryforwards.

The effect on deferred tax assets and liabilities of a change in tax rates and laws is recognized as income tax benefit/ (expense) in the year when the rate change is substantively enacted. Deferred income tax assets and liabilities are measured using tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

#### **Presentation of financial statements**

The Consolidated Financial Statements are presented in millions of Euros, except Earnings per share in Euros. Certain reclassifications may have been made to prior year amounts to conform to the current year presentation.

The net interest cost component of pension and other benefits expense which was previously presented as an expense in income from operations has been reclassified in Finance costs—net for €15 million, €17 million and €21 million for years ended December 31, 2018, 2017 and 2016 respectively. The change in presentation is expected to improve comparability with peers.

#### **2.7 Judgments in applying accounting policies and key sources of estimation uncertainty**

Many of the amounts included in the Consolidated Financial Statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience. However, actual results may differ from the amounts included in the Consolidated Financial Statements. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below.

##### *Impairment tests for goodwill, intangible assets and property, plant and equipment*

The determination of fair value and value in use of cash-generating units or groups of cash-generating units depends on a number of assumptions, in particular market data, estimated future cash flows and discount rates.

These assumptions are subject to risk and uncertainty. Any material changes in these assumptions could result in a significant change in a cash-generating units' recoverable value or in a goodwill impairment. Details of the key assumptions applied are set out in NOTE 17—Intangible assets (including goodwill) and in NOTE 16—Property, plant and equipment.

##### *Pension, other post-employment benefits and other long-term employee benefits*

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions and its determination requires the application of judgement. Assumptions used and judgements made in determining the defined benefit obligations and net pension costs include discount rates, rates of future compensation increase as well as the criteria considered to determine, in the context of a plan amendment, when the plan amendment has occurred.

Any material changes in these assumptions could result in a significant change in employee benefit expenses recognized in the Consolidated Income Statement, actuarial gains and losses recognized in Equity and prepaid and accrued benefits. Details of the key assumptions made and judgments applied are set out in NOTE 24—Pensions and other post-employment benefit obligations.

##### *Taxes*

Significant judgment is sometimes required in determining the accrual for income taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of

business. The Group recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax provisions, results of operations and possibly cash flows in the year in which such determination is made.

Management judgment is required to determine the extent to which deferred tax assets can be recognized. In assessing the recognition of deferred tax assets, management considers whether it is more likely than not that the deferred tax assets will be utilized. The deferred tax assets will be ultimately utilized to the extent that sufficient taxable profits will be available in the years in which the temporary differences become deductible. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account the scheduled reversals of taxable and deductible temporary differences, past, current and expected future performance deriving from the budget, the business plan and tax planning strategies. Deferred tax assets are not recognized in the jurisdictions where it is less likely than not that sufficient taxable profits will be available against which the deductible temporary differences can be utilized.

#### *Provisions*

Provisions have been recorded for: (a) close-down and restoration costs; (b) environmental remediation and monitoring costs; (c) restructuring programs; (d) legal and other potential claims including provisions for income tax risks, product warranty and guarantees, at amounts which represent management's best estimates of the expenditure required to settle the obligation at the date of the Consolidated Statement of Financial Position. Expectations are revised each year until the actual liability is settled, with any difference accounted for in the year in which the revision is made. Main assumptions used are described in NOTE 25—Provisions.

### **NOTE 3—REVENUE**

#### **3.1 Disaggregation of revenue**

The following table presents our revenue by product line:

<i>(in millions of Euros)</i>	<b>Year ended December 31, 2018</b>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Packaging rolled products	<b>2,245</b>	2,146	2,003
Automotive rolled products	<b>636</b>	483	319
Specialty and other thin-rolled products	<b>169</b>	176	160
Aerospace rolled products	<b>773</b>	760	795
Transportation, Industry and other rolled products	<b>566</b>	541	484
Automotive extruded products	<b>714</b>	614	537
Other extruded products	<b>573</b>	504	456
Other	<b>10</b>	13	(11)
<b>Total Revenue</b>	<b><u>5,686</u></b>	<b><u>5,237</u></b>	<b><u>4,743</u></b>

The following table presents our revenue by destination of shipment:

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
France	554	557	493
Germany	1,339	1,217	1,042
United Kingdom	175	188	203
Switzerland	77	123	86
Other Europe	1,038	940	798
United States	1,897	1,691	1,511
Canada	107	78	68
Asia and Other Pacific	300	270	292
All Other	199	173	250
Total Revenue	<u>5,686</u>	<u>5,237</u>	<u>4,743</u>

Revenue is recognized at a point in time, except for certain products representing less than 1% of total revenue with no alternative use for which we have a right to payment.

### 3.2 Transaction price allocated to remaining performance obligations

The Company elected the practical expedient applicable to performance obligations that are part of contracts that have an original duration of one year or less. The transaction price allocated to remaining performance obligations that are part of contracts with an original duration of more than one year as of December 31, 2018 was immaterial.

### NOTE 4—OPERATING SEGMENT INFORMATION

Management has defined Constellium’s operating segments based upon the product lines, markets and industries it serves, and prepares and reports operating segment information to Constellium’s chief operating decision maker (CODM) (see NOTE 2—Summary of Significant Accounting Policies) on that basis.

#### Packaging and Automotive Rolled Products (P&ARP)

P&ARP produces thin-gauge rolled products for customers in the beverage and closures, automotive, customized industrial sheet solutions and high-quality bright surface product markets. P&ARP operates four facilities, including Bowling Green, in three countries and has approximately 3,800 employees at December 31, 2018.

#### Aerospace and Transportation (A&T)

A&T focuses on thick-gauge rolled high value-added products for customers in the aerospace, defense and mass-transportation markets and engineering industries. A&T operates six facilities in three countries and has approximately 4,000 employees at December 31, 2018.

#### Automotive Structures and Industry (AS&I)

AS&I focuses on specialty products and supplies a variety of hard and soft alloy extruded products, including a range of technically advanced products, to the automotive, rail, industrial, energy and building industries, and to manufacturers of mass transport vehicles and shipbuilders. AS&I operates sixteen facilities in nine countries and has approximately 4,500 employees at December 31, 2018.

## Holdings & Corporate

Holdings & Corporate includes the net cost of Constellium's head office and corporate support functions (including our technology centers).

## Intersegment elimination

Intersegment trading is conducted on an arm's length basis and reflects market prices.

The accounting principles used to prepare the Company's operating segment information are the same as those used to prepare the Group's Consolidated Financial Statements.

### 4.1 Segment Revenue

<i>(in millions of Euros)</i>	Year ended December 31, 2018			Year ended December 31, 2017			Year ended December 31, 2016		
	Segment revenue	Inter segment elimination	External revenue	Segment revenue	Inter segment elimination	External revenue	Segment revenue	Inter segment elimination	External revenue
P&ARP	3,059	(9)	<b>3,050</b>	2,812	(7)	2,805	2,498	(16)	2,482
A&T	1,389	(50)	<b>1,339</b>	1,335	(34)	1,301	1,302	(23)	1,279
AS&I	1,290	(3)	<b>1,287</b>	1,123	(5)	1,118	1,002	(9)	993
Holdings & Corporate (A)	10	—	<b>10</b>	13	—	13	(11)	—	(11)
<b>Total</b>	<b>5,748</b>	<b>(62)</b>	<b>5,686</b>	<b>5,283</b>	<b>(46)</b>	<b>5,237</b>	<b>4,791</b>	<b>(48)</b>	<b>4,743</b>

(A) For the years ended December 31, 2018, 2017 and 2016, Holdings & Corporate segment includes revenues from supplying metal to third parties. For the year ended December 31, 2016, Holdings & Corporate segment includes a €20 million one-time payment related to the re-negotiation of a contract with one of Wise's customers.

**4.2 Segment Adjusted EBITDA and reconciliation of Adjusted EBITDA to Net Income**

<i>(in millions of Euros)</i>	<u>Notes</u>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
P&ARP		243	204	204
A&T		152	146	118
AS&I		125	120	104
Holdings & Corporate		(22)	(22)	(28)
Adjusted EBITDA		<u>498</u>	<u>448</u>	<u>398</u>
Metal price lag (A)		—	22	4
Start-up and development costs (B)		(21)	(17)	(25)
Manufacturing system and process transformation costs		—	(2)	(5)
Wise integration and acquisition costs		—	—	(2)
Wise one-time costs (C)		—	—	(20)
Wise purchase price adjustment (D)		—	—	20
Share-based compensation costs		(12)	(8)	(6)
Gains on pension plan amendments (E)	24	36	20	—
Depreciation and amortization	16, 17	(197)	(171)	(155)
Restructuring costs		(1)	(4)	(5)
Unrealized (losses) / gains on derivatives	8	(84)	57	71
Unrealized exchange (losses) / gains from the remeasurement of monetary assets and liabilities—net	8	—	(4)	3
Gains / (losses) on disposals (F)	8	186	(3)	(10)
Other (G)		(1)	—	(1)
Income from operations		<u>404</u>	<u>338</u>	<u>267</u>
Finance costs—net	10	(149)	(260)	(188)
Share of loss of joint-ventures	18	(33)	(29)	(14)
Income before income tax		<u>222</u>	<u>49</u>	<u>65</u>
Income tax expense	11	(32)	(80)	(69)
Net income		<u>190</u>	<u>(31)</u>	<u>(4)</u>

- (A) Metal price lag represents the financial impact of the timing difference between when aluminium prices included within Constellium Revenues are established and when aluminium purchase prices included in Cost of sales are established. The Group accounts for inventory using a weighted average price basis and this adjustment aims to remove the effect of volatility in LME prices. The calculation of the Group metal price lag adjustment is based on an internal standardized methodology calculated at each of Constellium’s manufacturing sites and is primarily calculated as the average value of product recorded in inventory, which approximates the spot price in the market, less the average value transferred out of inventory, which is the weighted average of the metal element of cost of sales, based on the quantity sold in the year.
- (B) For the years ended December 31, 2018 and 2017, start-up and development costs include respectively €21 million and €16 million related to new projects in our AS&I operating segment. For the year ended December 31, 2016, start-up and development costs include €20 million related to Automotive Body Sheet growth projects.
- (C) For the year ended December 31, 2016, Wise one-time costs related to a one-time payment of €20 million, recorded as a reduction of revenues, in relation to the re-negotiation of payment terms, pass through of Midwest premium amounts and other pricing mechanisms in a contract with one of Wise’s customers. We entered into the re-negotiation of these terms in order to align the terms of this contract, acquired during the acquisition of Wise, with Constellium’s normal business terms.

- (D) The contractual price adjustment relating to the acquisition of Wise Metals Intermediate Holdings was finalized in 2016. We received a cash payment of €21 million and recorded a €20 million gain net of costs.
- (E) For the year ended December 31, 2018, the Group amended one of its OPEB plans in the US, which resulted in a €36 million gain. For the year ended December 31, 2017, amendments to certain Swiss pension plans, US pension plans and OPEB resulted in a €20 million gain.
- (F) In July 2018, Constellium completed the sale of the North Building assets of its Sierre plant in Switzerland to Novelis and contributed the Sierre site shared infrastructure to a joint-venture with Novelis, in exchange for cash consideration of €200 million. This transaction also resulted in the termination of the existing lease agreement for the North Building assets which had been leased and operated by Novelis since 2005. For the year ended December 31, 2018, the transaction generated a €190 million net gain (See NOTE 31 – Subsidiaries and operating segments).
- (G) For the year ended December 31, 2017, other includes €3 million of legal fees and lump-sum payments in connection with the renegotiation of a new 5-year collective bargaining agreement offset by accrual reversals of unused provisions related to one-time loss contingencies.

#### 4.3 Segment capital expenditures

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
P&ARP	(97)	(115)	(166)
A&T	(70)	(73)	(96)
AS&I	(105)	(83)	(84)
Holdings & Corporate	(5)	(5)	(9)
Capital expenditures	<u>(277)</u>	<u>(276)</u>	<u>(355)</u>

#### 4.4 Segment assets

Segment assets are comprised of total assets of Constellium by segment, less deferred income tax assets, cash and cash equivalents and other financial assets.

<i>(in millions of Euros)</i>	At December 31, 2018	At December 31, 2017
P&ARP	1,791	1,629
A&T	831	769
AS&I	544	449
Holdings & Corporate	304	252
Segment assets	<u>3,470</u>	<u>3,099</u>
Unallocated:		
Deferred income tax assets	163	164
Cash and cash equivalents	164	269
Other financial assets	104	179
Total Assets	<u>3,901</u>	<u>3,711</u>

#### 4.5 Information about major customers

Revenue in the P&ARP segment from sales to the Group's largest customer was €812 million for the year ended December 31, 2018. Revenue in the P&ARP segment from sales to the Group's two largest customers was €1,364 million and €1,220 million for the years ended December 31, 2017 and 2016 respectively. No other single customer contributed 10% or more to the Group's revenue for 2018, 2017 and 2016.



**NOTE 5—INFORMATION BY GEOGRAPHIC AREA**

Property, plant and equipment are reported based on the physical location of the assets:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
United States	740	681
France	613	586
Germany	181	156
Czech Republic	84	65
Other	48	29
Total	<u>1,666</u>	<u>1,517</u>

**NOTE 6—EXPENSES BY NATURE**

<i>(in millions of Euros)</i>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Raw materials and consumables used	(3,561)	(3,197)	(2,792)
Employee benefit expenses	(927)	(907)	(876)
Energy costs	(140)	(138)	(140)
Sub-contractors	(92)	(99)	(108)
Freight out costs	(143)	(124)	(128)
Professional fees	(74)	(77)	(85)
Operating lease expenses	(31)	(27)	(27)
Depreciation and amortization	(197)	(171)	(155)
Other operating expenses	(271)	(229)	(186)
Other gains / (losses)—net	154	70	21
Total operating expenses	<u>(5,282)</u>	<u>(4,899)</u>	<u>(4,476)</u>

**NOTE 7—EMPLOYEE BENEFIT EXPENSES**

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Wages and salaries		(889)	(872)	(841)
Pension costs—defined benefit plans	24	(20)	(21)	(22)
Other post-employment benefits	24	(6)	(6)	(7)
Share-based compensation	30	(12)	(8)	(6)
Total employee benefit expenses		<u>(927)</u>	<u>(907)</u>	<u>(876)</u>

**NOTE 8—OTHER GAINS / (LOSSES)—NET**

<i>(in millions of Euros)</i>	<b>Notes</b>	<b>Year ended December 31, 2018</b>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Realized gains / (losses) on derivatives (A)		<b>14</b>	—	(62)
Unrealized (losses) / gains on derivatives at fair value through profit and loss—net (A)	4	<b>(84)</b>	57	71
Unrealized exchange (losses) / gains from the remeasurement of monetary assets and liabilities—net	4	—	(4)	3
Gains on pension plan amendments (B)	24	<b>36</b>	20	—
Gains / (losses) on disposal (C)		<b>186</b>	(3)	(10)
Wise purchase price adjustment (D)		—	—	20
Other		<b>2</b>	—	(1)
Total other gains / (losses)—net		<b><u>154</u></b>	<b><u>70</u></b>	<b><u>21</u></b>

- (A) Realized gains and losses are related to derivatives entered into with the purpose of mitigating exposure to volatility in foreign currencies and commodity prices. Unrealized gains and losses are related to derivatives that do not qualify for hedge accounting.
- (B) For the year ended December 31, 2018, the Group amended one of its OPEB plans in the US, which resulted in a €36 million gain. For the year ended December 31, 2017, amendments to certain Swiss pension plans, US pension plans and OPEB resulted in a €20 million gain.
- (C) In July 2018, Constellium completed the sale of the North Building assets of its Sierre plant in Switzerland to Novelis and contributed the Sierre site shared infrastructure to a joint-venture with Novelis, in exchange for cash consideration of €200 million. This transaction also resulted in the termination of the existing lease agreement for the North Building assets which had been leased and operated by Novelis since 2005. For the year ended December 31, 2018, the transaction generated a €190 million net gain (See NOTE 31—Subsidiaries and operating segments).
- (D) The contractual price adjustment relating to the acquisition of Wise Metals Intermediate Holdings was finalized in 2016. We received a cash payment of €21 million and recorded €20 million gain net of costs. The cash received was presented in net cash flows used in investing activities (acquisition of subsidiaries net of cash acquired) in the Consolidated Statement of Cash flows.

**NOTE 9—CURRENCY GAINS / (LOSSES)**

Currency gains and losses, which are included in Income from operations, are as follows:

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Included in Revenue	23	2	2	—
Included in Cost of sales		2	(4)	4
Included in Other gains / (losses)—net		7	(4)	(3)
Total		<u>11</u>	<u>(6)</u>	<u>1</u>
Realized exchange gains / (losses) on foreign currency derivatives—net	23	11	(15)	(46)
Unrealized (losses) / gains on foreign currency derivatives—net	23	(3)	17	40
Exchange gains / (losses) from the remeasurement of monetary assets and liabilities—net		3	(8)	7
Total		<u>11</u>	<u>(6)</u>	<u>1</u>

See NOTE 22—Financial Instruments and NOTE 23—Financial Risk Management for further information regarding the Company’s foreign currency derivatives and hedging activities.

**Foreign currency translation reserve**

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Foreign currency translation reserve at January 1	(7)	12
Effect of currency translation differences	10	(19)
Foreign currency translation reserve at December 31	<u>3</u>	<u>(7)</u>

**NOTE 10—FINANCE COSTS—NET**

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Interest received	7	7	5
Finance income	7	7	5
Interest expense on borrowings (A)	(118)	(147)	(171)
Expenses on factoring arrangements	(18)	(16)	(12)
Interest expense on finance leases	(5)	(3)	(4)
Net loss on settlement of debt (B)	—	(91)	(4)
Realized and unrealized gains / (losses) on debt derivatives at fair value (C)	28	(79)	45
Realized and unrealized exchange (losses) / gains on financing activities—net (C)	(22)	91	(42)
Interest cost on pension and other benefits	(15)	(17)	(21)
Other finance expenses (D)	(10)	(12)	5
Capitalized borrowing costs (E)	4	7	11
Finance expenses	(156)	(267)	(193)
Finance costs—net	(149)	(260)	(188)

- (A) For the year ended December 31, 2018, the Group incurred mainly (i) €113 million of interest related to Constellium N.V. Senior Notes and (ii) €4 million of interest expense and fees related to the Muscle Shoals and Ravenswood ABL Facility (“Pan US ABL”).
- For the year ended December 31, 2017, the Group incurred (i) €136 million of interest related to Constellium N.V. Senior Notes, (ii) €7 million of interest related to the Muscle Shoals Senior Notes and (iii) €4 million of interest expense and fees related to the Muscle Shoals and Ravenswood ABL Facilities.
- (B) For the year ended December 31, 2017, net loss on settlement of debt related to (i) the Muscle Shoals Senior Notes redemption in February 2017 for €13 million and (ii) the Constellium N.V. Senior Notes redemption in November 2017 for €78 million. The total exit fees incurred and paid related to refinancings in 2017 amounted to €88 million.
- (C) The Group hedges the dollar exposure relating to the principal of its Constellium N.V. U.S. Dollar Senior Notes, for the portion that has not been used to finance directly or indirectly U.S. Dollar functional currency entities. Changes in the fair value of these hedging derivatives are recognized within Finance costs – net in the Consolidated Income Statement and largely offset the unrealized results related to Constellium N.V. U.S. Dollar Senior Notes revaluation.
- (D) For the year ended December 31, 2018, other finance expenses include a €6 million net loss resulting from the modification of our loan to Constellium-UACJ in February 2018.
- (E) Borrowing costs directly attributable to the construction of assets are capitalized. The capitalization rate used for the years ended December 31, 2018 and 2017 was 6%. The capitalization rate was 7% for the year ended December 31, 2016.

**NOTE 11—INCOME TAX**

The current and deferred components of income tax are as follows:

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Current tax expense	(30)	(26)	(19)
Deferred tax expense	(2)	(54)	(50)
<b>Total income tax expense</b>	<b>(32)</b>	<b>(80)</b>	<b>(69)</b>

Using a composite statutory income tax rate applicable by tax jurisdiction, the income tax can be reconciled as follows:

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Income before income tax	222	49	65
Composite statutory income tax rate applicable by tax jurisdiction	24.1%	31.9%	24.9%
Income tax (expense) / benefit calculated at composite statutory tax rate applicable by tax jurisdiction	(53)	(16)	(16)
Tax effect of:			
Changes in recognized and unrecognized deferred tax assets (A)	30	(61)	(45)
Change in tax rate (B)	—	(11)	(6)
Other	(9)	8	(2)
Income tax expense	(32)	(80)	(69)
Effective income tax rate	14%	163%	106%

- (A) For the year ended December 31, 2018, changes in recognized and unrecognized deferred tax assets mainly relate to non-recurring transactions, especially the sale of the North Building of the Sierre plant and termination of an existing lease agreement, that generated a significant taxable profit compensated by the use of previously unrecognized tax losses carried forward. For the years ended December 31, 2017 and 2016, changes mainly relate to unrecognized tax losses carried forward.
- (B) For the year ended December 31, 2017, the change in tax rate relates mainly to the decrease in the US income tax rate from 40% to 27% for €16 million and to the gradual decrease in the French tax rate to 25.82% starting 2022. For the year ended December 31, 2016, the change in tax rate relates to the French income tax rate decrease from 34.43% to 28.92% starting in 2020, enacted by 2016 Financial Tax bill.

Our composite statutory income tax rate of 24.1% for the year ended December 31, 2018, 31.9% for the year ended December 31, 2017 and 24.9% for the year ended December 31, 2016 resulted from the statutory tax rates (i) in the United States of 26% in 2018 and 40% in 2017 and 2016, (ii) in France of 34.43% in 2018, 39.2% in 2017 and 34.43% in 2016 (iii) in Germany of 29%, for each of the last three years (iv) in the Netherlands of 25%, for each of the last three years and (v) in Czech Republic of 19%, for each of the last three years.

The variation in our composite tax rate mainly results from the geographical mix of our pre-tax results.

The decrease in our composite tax rate from 31.9% in 2017 to 24.1% in 2018 is mostly related to the sale of the North Building of the Sierre plant in Switzerland. The increase in our composite tax rate from 24.9% in 2016 to 31.9% in 2017 is mostly related to the increase of pre-tax profits in France and to the increase of the tax rate in France for fiscal year 2017 only.

**NOTE 12—EARNINGS PER SHARE**

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Earnings attributable to equity holders of the parent used to calculate basic and diluted earnings per share	<u>188</u>	<u>(31)</u>	<u>(4)</u>

Number of shares attributable to equity holders of Constellium

<i>(number of shares)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Weighted average number of ordinary shares used to calculate basic earnings per share	134,761,736	110,164,320	105,500,327
Effect of other dilutive potential ordinary shares (A)	<u>3,384,178</u>	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>138,145,914</u>	<u>110,164,320</u>	<u>105,500,327</u>

(A) For the years ended December 31, 2017 and 2016, there were 3,291,875 and 411,902 potential ordinary shares respectively that could have a dilutive impact but were considered antidilutive due to negative earnings.

Earnings per share attributable to the equity holders of Constellium

<i>(in Euro per share)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Basic	1.40	(0.28)	(0.04)
Diluted	<u>1.37</u>	<u>(0.28)</u>	<u>(0.04)</u>

**NOTE 13—CASH AND CASH EQUIVALENTS**

<i>(in millions of Euros)</i>	At December 31, 2018	At December 31, 2017
Cash in bank and on hand	<u>164</u>	<u>269</u>
Total Cash and cash equivalents	<u>164</u>	<u>269</u>

At December 31, 2018, cash in bank and on hand includes a total of €18 million held by subsidiaries that operate in countries where capital control restrictions prevent the balances from being immediately available for general use by the other entities within the Group. At December 31, 2017 the amount subject to these restrictions was €12 million.

**NOTE 14—TRADE RECEIVABLES AND OTHER**

Trade receivables and other are comprised of the following:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>		<u>At December 31, 2017</u>	
	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>	<u>Current</u>
Trade receivables—gross	—	483	—	309
Impairment	—	(2)	—	(3)
Total Trade receivables—net	—	481	—	306
Finance lease receivables	—	—	6	6
Current income tax receivables	28	43	—	58
Other taxes	—	33	—	30
Unbilled tooling costs (until December 31, 2017)	—	—	28	—
Contract assets (from January 1, 2018)	28	2	—	—
Prepaid expenses	1	12	5	8
Restricted cash	—	—	1	—
Other	7	16	8	11
Total Other receivables	64	106	48	113
Total Trade receivables and Other	64	587	48	419

**14.1 Contract assets**

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>		<u>At January 1, 2018</u>	
	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>	<u>Current</u>
Unbilled tooling costs	26	—	28	—
Other	2	2	4	1
Total Contract assets	28	2	32	1

**14.2 Aging**

The aging of total trade receivables—net is as follows:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Not past due	453	286
1 – 30 days past due	23	13
31 – 60 days past due	2	2
61 – 90 days past due	2	3
Greater than 91 days past due	1	2
Total Trade receivables—net	481	306

**Impairment allowance**

Revisions to the impairment allowance arising from changes in estimates are included as either additional allowance or recoveries. An allowance was reversed for €1.1 million during the year ended December 31, 2018 (€0.7 million allowance recognized during the year ended December 31, 2017).

None of the other amounts included in Other receivables were deemed to be impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable shown above. The Group does not hold any collateral from its customers or debtors as security.

### 14.3 Currency concentration

The composition of the carrying amounts of total Trade receivables – net by currency is shown in Euro equivalents as follows:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Euro	177	124
U.S. Dollar	284	164
Swiss franc	4	4
Other currencies	16	14
Total Trade receivables—net	<u>481</u>	<u>306</u>

### 14.4 Factoring arrangements

The Group factors trade receivables in France by entering into factoring agreements with a third party for a maximum capacity of €235 million. This agreement matures on October 29, 2021.

The Group factors trade receivables in Germany, Switzerland and Czech Republic by entering into factoring agreements with a third party for a maximum capacity of €150 million. This agreement matures on October 29, 2021.

Constellium Automotive USA entered into a factoring agreement which provides for the sale of specific account receivables up to a maximum capacity of \$25 million. The facility was amended, on December 11, 2018, to increase maximum capacity to \$33 million and to extend the maturity to December 11, 2019.

Muscle Shoals entered into a factoring agreement which provides for the sale of specific trade receivables up to a maximum capacity of \$375 million. The agreement matures on January 24, 2020.

Under the Group's factoring agreements, most of the trade receivables are sold without recourse. Where the Group has transferred substantially all the risks and rewards of ownership of the receivables, the receivables are derecognized. Some remaining receivables do not qualify for derecognition under IFRS 9 - *Financial Instruments*, as the Group retains substantially all the associated risks and rewards.

Under the agreements, at December 31, 2018, the total carrying amount of the original assets factored is €601 million (December 31, 2017: €642 million) of which:

- €446 million (December 31, 2017: €473 million) have been derecognized from the Consolidated Statement of Financial Position as the Group transferred substantially all of the associated risks and rewards to the factor;
- €155 million (December 31, 2017: €169 million) were recognized on the Consolidated Statement of Financial Position.

There was no debt due to the factor relating to trade account receivables sold at December 31, 2018 and December 31, 2017.

#### Covenants

The factoring arrangements contain certain customary affirmative and negative covenants, including some relating to the administration and collection of the assigned receivables, the terms of the invoices and the exchange of information, but do not contain maintenance financial covenants.

The commitment of the factor to buy receivables under the Muscle Shoals factoring agreement is subject to certain credit ratings being maintained.



The Group was in compliance with all applicable covenants at December 31, 2018 and December 31, 2017.

#### 14.5 Finance lease receivables

The Company was the lessor for certain finance leases with third parties for certain of its property, plant and equipment located in Sierre, Switzerland until July 2018. The finance lease receivables amounted to €12 million for the year ended December 31, 2017.

#### NOTE 15—INVENTORIES

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Finished goods	165	164
Work in progress	347	332
Raw materials	112	111
Stores and supplies	67	64
Inventories write down	(31)	(28)
Total inventories	<u>660</u>	<u>643</u>

Constellium records inventories at the lower of cost and net realizable value. Any change in the net realizable value adjustment on inventories is included in Cost of sales in the Consolidated Income Statement.

#### NOTE 16—PROPERTY, PLANT AND EQUIPMENT

<i>(in millions of Euros)</i>	<u>Land and Property Rights</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction Work in Progress</u>	<u>Other</u>	<u>Total</u>
Net balance at January 1, 2018	14	206	1,089	198	10	1,517
Additions	1	5	98	195	4	303
Disposals	—	—	(6)	—	—	(6)
Depreciation expense	(4)	(13)	(161)	—	(6)	(184)
Transfer during the year	6	16	181	(202)	2	3
Effects of changes in foreign exchange rates	1	3	26	3	—	33
Net balance at December 31, 2018	<u>18</u>	<u>217</u>	<u>1,227</u>	<u>194</u>	<u>10</u>	<u>1,666</u>
Cost	33	349	2,000	200	35	2,617
Less accumulated depreciation and impairment	(15)	(132)	(773)	(6)	(25)	(951)
Net balance at December 31, 2018	<u>18</u>	<u>217</u>	<u>1,227</u>	<u>194</u>	<u>10</u>	<u>1,666</u>

<i>(in millions of Euros)</i>	<u>Land and Property Rights</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction Work in Progress</u>	<u>Other</u>	<u>Total</u>
Net balance at January 1, 2017	19	209	1,020	221	8	1,477
Additions	1	2	50	224	5	282
Disposals	—	(1)	(3)	—	—	(4)
Depreciation expense	(4)	(13)	(135)	—	(7)	(159)
Transfer during the year	—	18	223	(237)	4	8
Effects of changes in foreign exchange rates	(2)	(9)	(66)	(10)	—	(87)
Net balance at December 31, 2017	<u>14</u>	<u>206</u>	<u>1,089</u>	<u>198</u>	<u>10</u>	<u>1,517</u>
Cost	25	321	1,712	204	29	2,291
Less accumulated depreciation and impairment	(11)	(115)	(623)	(6)	(19)	(774)
Net balance at December 31, 2017	<u>14</u>	<u>206</u>	<u>1,089</u>	<u>198</u>	<u>10</u>	<u>1,517</u>

Building, machinery and equipment includes the following amounts where the Group is a lessee under a finance lease:

<i>(in millions of Euros)</i>	At December 31, 2018			At December 31, 2017		
	Gross value	Accumulated depreciation	Net	Gross value	Accumulated depreciation	Net
Building under finance lease	31	(7)	24	30	(5)	25
Machinery and equipment under finance lease	79	(26)	53	62	(27)	35
Total	110	(33)	77	92	(32)	60

The future aggregate minimum lease payments under non-cancellable finance leases are as follows:

<i>(in millions of Euros)</i>	At December 31, 2018	At December 31, 2017
Less than 1 year	20	15
1 to 5 years	50	37
More than 5 years	16	19
Total	86	71

The present value of future aggregate minimum lease payments under non-cancellable finance leases are as follows:

<i>(in millions of Euros)</i>	At December 31, 2018	At December 31, 2017
Less than 1 year	17	14
1 to 5 years	42	30
More than 5 years	14	16
Total	73	60

#### Depreciation expense and impairment losses

Total depreciation expense and impairment losses relating to property, plant and equipment and intangible assets are presented in the Consolidated Income Statement as follows:

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Cost of sales	(184)	(160)	(147)
Selling and administrative expenses	(9)	(8)	(6)
Research and development expenses	(4)	(3)	(2)
Total	(197)	(171)	(155)

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in NOTE 28—Commitments.

#### Impairment tests for property, plant and equipment and intangibles assets

No triggering events were identified at December 31, 2018, 2017 and 2016 regarding our cash-generating units.

**NOTE 17—INTANGIBLE ASSETS (INCLUDING GOODWILL)**

<i>(in millions of Euros)</i>	<u>Goodwill</u>	<u>Technology</u>	<u>Computer Software</u>	<u>Customer relationships</u>	<u>Work in Progress</u>	<u>Other</u>	<u>Total intangible assets (excluding goodwill)</u>
Net balance at January 1, 2018	403	24	18	15	9	2	68
Additions	—	—	2	—	8	1	11
Amortization expense	—	(3)	(8)	(1)	—	(1)	(13)
Transfer during the year	—	—	5	—	(5)	—	—
Effects of changes in foreign exchange rates	19	1	1	1	1	—	4
Net balance at December 31, 2018	422	22	18	15	13	2	70
Cost	422	84	65	39	13	3	204
Less accumulated amortization and impairment	—	(62)	(47)	(24)	—	(1)	(134)
Net balance at December 31, 2018	422	22	18	15	13	2	70

<i>(in millions of Euros)</i>	<u>Goodwill</u>	<u>Technology</u>	<u>Computer Software</u>	<u>Customer relationships</u>	<u>Work in Progress</u>	<u>Other</u>	<u>Total intangible assets (excluding goodwill)</u>
Net balance at January 1, 2017	457	28	21	18	9	3	79
Additions	—	—	—	—	6	—	6
Amortization expense	—	(1)	(9)	(1)	—	(1)	(12)
Transfer during the year	—	1	7	—	(6)	—	2
Effects of changes in foreign exchange rates	(54)	(4)	(1)	(2)	—	—	(7)
Net balance at December 31, 2017	403	24	18	15	9	2	68
Cost	403	81	55	38	9	3	186
Less accumulated amortization and impairment	—	(57)	(37)	(23)	—	(1)	(118)
Net balance at December 31, 2017	403	24	18	15	9	2	68

**Impairment tests for goodwill**

Goodwill in the amount of €422 million has been allocated to the Group's operating segment Packaging and Automotive Rolled Products ("P&ARP") for €415 million, Aerospace and Transportation ("A&T") for €5 million and Automotive Structures and Industry ("AS&I") for €2 million.

At December 31, 2018, the recoverable amount of the A&T and AS&I operating segments has been determined based on value in use calculations and significantly exceeds their carrying value. No reasonable change in the assumptions used could lead to a potential impairment charge.

For the P&ARP operating segment, the recoverable value (determined on the basis of fair value less costs of disposal) was estimated by applying a discounted cash flow model and market participant's assumptions and has been classified as a level 3 measurement under the fair value hierarchy provided by IFRS 13 – *Fair Value Measurement*.

The projected future cash flows are based on the 2019-2025 medium and long term business plan approved by the management and reviewed by the Board of Directors. Considering the Automotive Body Sheet cash inflows

ramping-up from 2019/2020 to reach a normative level in 2023/2024, cash flows were projected over a 7-year period. The terminal value assumes a normative cash flow and a long term growth rate ranging from 0% to 1.5%. The discount rates applied to cash flows projections range between 10% and 12%. It was concluded that the carrying value (€1,354 million) did not exceed the recoverable value (€1,716 million) at December 31, 2018. Accordingly, the impairment test carried out at the P&ARP operating segment level did not lead to a goodwill impairment.

The key assumptions used in the determination of the fair value less costs of disposal for the P&ARP operating segment are the discount rates, the perpetual growth rates used to extrapolate cash-flows beyond the forecast year and the forecasted shipments for Automotive Body Sheet, products and related revenues. They have been determined considering what market participants would assume in estimating fair value:

- Discount rates used represent the current market assessment of the risks specific to the P&ARP operating segment taking into consideration the time value of money and the risks associated with the underlying assets.
- The growth rates used to extrapolate cash-flows beyond the forecast year were developed internally and are consistent with external sources of information.
- Expected shipments and related revenues were determined based on estimates of future supply and demand for Automotive Body Sheet products. These estimates were developed internally based on our industry knowledge and our analysis of available market data regarding expected future demand and industry capacity.

The calculation of the recoverable value of the P&ARP operating segment is most sensitive to the following assumptions:

- Discount rate: an increase in the discount rate by 2.25% would result in the recoverable value equaling the carrying value.
- Perpetual growth rate: a decrease in the perpetual growth rate by 4% would result in the recoverable value equaling the carrying value.
- Automotive Body Sheet shipments: 45% lower shipments in the Automotive Body Sheet US business would result in the recoverable value equaling the carrying value.

**NOTE 18—INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD**

The Group investments accounted for under the Equity method are Constellium-UACJ ABS LLC and Rhenaroll S.A.

<i>(in millions of Euros)</i>	<b>Year ended December 31, 2018</b>	<b>Year ended December 31, 2017</b>
At January 1,	1	16
Group share in loss	(33)	(29)
Additions	—	—
Reclassified to non-current other financial assets	33	14
Effects of changes in foreign exchange rates	—	—
At December 31	<u>1</u>	<u>1</u>

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At December 31, 2018, the loan to Constellium-UACJ ABS LLC is, in substance, part of Constellium's investment in the joint-venture as it represents a long-term strategic investment that is not expected to be settled in the foreseeable future. Constellium's accumulated share of the losses of joint-ventures, in excess of the initial investment, is thus recognized against other financial assets for a cumulative amount of €49 million at December 31, 2018, of which €33 million was recognized during the year ended December 31, 2018.

<i>(in millions of Euros)</i>	% interest	Group share of joint venture's net assets		Group share of joint venture's profit / (loss)	
		At December 31, 2018	At December 31, 2017	At December 31, 2018	At December 31, 2017
Constellium-UACJ ABS					
LLC (A)	51.00%	(49)	(14)	(33)	(29)
Rhenaroll S.A. (B)	49.85%	1	1	—	—
Group share		(48)	(13)	(33)	(29)
Reclassified to non-current other financial assets		49	14	—	—
Investment in joint venture		1	1	(33)	(29)

Constellium-UACJ ABS LLC and Rhenaroll S.A. are private companies with no quoted market prices available for their shares.

- (A) Constellium-UACJ ABS LLC, a joint venture in which Constellium holds a 51% interest, was created in 2014. This joint venture operates a facility located in Bowling Green, Kentucky and supplies aluminium sheet to the North American automotive industry. The joint venture started its operations in 2016. We have determined that, under the terms of the joint venture agreement, we do not control Constellium- UACJ ABS LLC because our existing rights associated with the decision-making process do not give us the ability to direct the relevant activities of the joint venture unilaterally and as a result, Constellium does not have power over the joint venture as of December 31, 2018.
- (B) The Group also holds a 49.85% interest in a joint venture named Rhenaroll S.A. (located in Biesheim, France), specialized in the chrome-plating, grinding and repairing of rolling mills' roll and rollers.

Both investments are included in P&ARP segment assets.

**Constellium-UACJ ABS LLC financial statements**

The information presented hereafter reflects the amounts included in the Consolidated Financial Statements of the relevant entity in accordance with Group accounting principles and not the Company's share of those amounts.

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
<b>Current assets</b>		
Cash and cash equivalents	8	5
Trade receivables and other	49	35
Inventories	68	57
<b>Non-current assets</b>		
Property, plant and equipment	166	161
Intangible assets	—	1
<b>Total Assets</b>	<u>291</u>	<u>259</u>
<b>Current liabilities</b>		
Trade payables and other	79	34
Borrowings (A)	36	206
<b>Non-current liabilities</b>		
Borrowings (A)	271	47
<b>Equity</b>	<u>(95)</u>	<u>(28)</u>
<b>Total Equity and Liabilities</b>	<u>291</u>	<u>259</u>

- (A) In February 2018, the shareholders agreed to modify the terms of their loan to Constellium-UACJ ABS LLC by reducing the interest rate and extending the maturity to March 31, 2023.

<i>(in millions of Euros)</i>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Revenue	262	123
Cost of sales	(309)	(151)
Selling and administrative expenses	(10)	(14)
<b>Loss from operations</b>	<u>(57)</u>	<u>(42)</u>
Finance costs (A)	(7)	(15)
<b>Net loss</b>	<u>(64)</u>	<u>(57)</u>

- (A) Finance costs include a €11 million gain related to the shareholders' loan modification for the year ended December 31, 2018.

**Constellium subsidiaries' intercompany balances with Constellium-UACJ ABS LLC**

The transactions during the years and the year-end balances between Group companies that are fully consolidated and Constellium-UACJ ABS LLC are included in the Group's Consolidated Income Statement and Consolidated Statement of Financial Position and are detailed below:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Trades receivables and other—current	38	15
Other financial assets (A)	69	83

- (A) Other financial assets correspond to the loan to Constellium-UACJ ABS LLC as of December 31, 2018 and 2017. As of December 31, 2018, the carrying value of the loan is €118 million (€97 million at December 31, 2017). The carrying value is presented net of €49 million of Constellium's share of losses of joint venture (€ 14 million at December 31, 2017).

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017
Revenue	169	59
Cost of sales	(19)	—
Fees and recharges (A)	4	3
Finance income	4	6

- (A) Fees and recharges are presented in Cost of sales or Selling and administrative expenses depending on their nature.

**Guarantees and commitments given to Constellium-UACJ ABS LLC by the Group are:**

<i>(in millions of euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017
Financial guarantees	11	11
Loan facility commitment	3	—
Supplier guarantees	3	3

**NOTE 19—DEFERRED INCOME TAXES**

<i>(in millions of Euros)</i>	At December 31, 2018	At December 31, 2017
Deferred income tax assets	163	164
Deferred income tax liabilities	(22)	(25)
Net deferred income tax assets	141	139

The following tables show the changes in net deferred income tax assets / (liabilities) for the years ended December 31, 2018 and 2017.

<i>(in millions of Euros)</i>	At January 1, 2018	Recognized in		FX	At December 31, 2018
		Profit or loss	OCI		
Long-term assets	(76)	(15)	—	(3)	(94)
Inventories	4	1	—	—	5
Pensions	130	(12)	(7)	5	116
Derivative valuation	(20)	22	8	2	12
Tax losses carried forward	78	(13)	—	(4)	61
Other (A)	23	15	—	3	41
Total	139	(2)	1	3	141

- (A) Mainly non-deductible provisions and interests.

<i>(in millions of Euros)</i>	At January 1,	Recognized in		FX	At December 31,
	2017	Profit or loss	OCI		2017
Long-term assets	(90)	5	—	9	(76)
Inventories	6	(2)	—	—	4
Pensions	188	(39)	(5)	(14)	130
Derivative valuation	13	(17)	(15)	(1)	(20)
Tax losses carried forward	79	3	—	(4)	78
Other (A)	26	(3)	—	—	23
<b>Total</b>	<b>222</b>	<b>(54)</b>	<b>(20)</b>	<b>(9)</b>	<b>139</b>

(A) Mainly non-deductible provisions.

For the year ended December 31, 2017, net deferred income tax assets declined primarily due to the US income tax rate decrease with €16 million through Profit or loss and for €8 million through Other Comprehensive Income.

Based on the expected taxable income of the entities, the Group believes that it is more likely than not that a total of €1,257 million (€1,393 million at December 31, 2017) of unused tax losses and deductible temporary differences, will not be used. Consequently, net deferred tax assets have not been recognized. The related tax impact of €321 million (€356 million at December 31, 2017) is attributable to the following:

<i>(in millions of Euros)</i>	At December 31, 2018	At December 31, 2017
Expiring within 5 years	(45)	(69)
Expiring after 5 years and limited	(89)	(96)
Unlimited	(19)	(18)
<b>Tax losses</b>	<b>(153)</b>	<b>(183)</b>
Long-term assets	(107)	(116)
Pensions	(18)	(20)
Other	(43)	(37)
<b>Deductible temporary differences</b>	<b>(168)</b>	<b>(173)</b>
<b>Total</b>	<b>(321)</b>	<b>(356)</b>

Substantially all of the tax losses not expected to be used reside in the Netherlands and the United States as of December 31, 2018.

The holding company in the Netherlands has been generating tax losses over the past seven years. The holding company is not expected to generate sufficient qualifying taxable profits in the foreseeable future to utilize these tax losses before they expire in the years from 2020 to 2027.

The tax loss carryforwards limited to 20 years generated at one of our main operating entities in the United States are not expected to be utilized. Although this entity is expected to be profitable in the medium or long-term, considering notably the anticipated development of the Automotive Body Sheet business, it has significant non-cash depreciation and financial interest expenses that will result in generating additional tax losses in the coming years. Accordingly, it is not probable that the entity will be able to use at its level, given the absence of an overall US tax group, these tax losses before they expire. Consequently, the related deferred tax assets have not been recognized.



The unrecognized tax loss carried forwards generated by our Swiss operating entity were used during the period following the sale of the North Building of the Sierre plant and termination of existing lease agreement which generated a significant taxable profit. At December 31, 2018, the Swiss entity has no more residual tax loss carried forwards.

At December 31, 2018 and 2017, most of the unrecognized deferred tax assets on deductible temporary differences on long-term assets and other differences relate to the US and Swiss entities discussed above. An assessment has been performed on the recoverability of the deferred tax assets on deductible temporary differences for these two entities. The related deferred tax assets on long term assets and on other differences have not been recognized.

**NOTE 20—TRADE PAYABLES AND OTHER**

<i>(in millions of Euros)</i>	At December 31, 2018		At December 31, 2017	
	Non-current	Current	Non-current	Current
Trade payables	—	685	—	717
Fixed assets payables	—	30	—	27
Employees' entitlements	—	160	—	159
Taxes payable other than income tax	—	16	—	12
Deferred revenue (until December 31, 2017)	—	—	34	10
Contract liabilities (from January 1, 2018)	9	68	—	—
Other payables	18	9	20	5
Total Other	27	283	54	213
Total Trade payables and other	27	968	54	930

**20.1 Contract liabilities**

<i>(in millions of Euros)</i>	At December 31, 2018		At January 1, 2018	
	Non-current	Current	Non-current	Current
Deferred tooling revenue	—	—	14	—
Advance payment from customers	7	9	18	9
Unrecognized variable consideration (A)	2	57	—	41
Other	—	2	—	1
Total Contract liabilities	9	68	32	51

(A) Unrecognized variable consideration consists of expected volume rebates, discounts, incentives, refunds penalties and price concessions.

Revenue, included in the contract liabilities as of January 01, 2018, was recognized in 2018 for €55 million and revenue, generated in 2018, in the amount of €45 million was deferred.

**NOTE 21—BORROWINGS**

**21.1 Analysis by nature**

	December 31, 2018							December 31,
	Nominal Value in Currency	Nominal rate	Effective rate	Nominal Value In Euros	(Arrangement fees)	Accrued interests	Carrying value	Carrying value
<i>(in millions of Euros)</i>								
Secured Pan US ABL ( <i>due 2022</i> )	—	Floating	4.51%	—	—	—	—	65
Secured Inventory Based Facility ( <i>due 2019</i> )	—	Floating	—	—	—	—	—	—
<b>Senior Unsecured Notes</b>								
<i>Constellium N.V. (Issued May 2014, due 2024)</i>	\$ 400	5.75%	6.26%	349	(4)	3	348	332
<i>Constellium N.V. (Issued May 2014, due 2021)</i>	€ 300	4.63%	5.16%	300	(2)	2	300	298
<i>Constellium N.V. (Issued February 2017, due 2025)</i>	\$ 650	6.63%	7.13%	568	(12)	12	568	541
<i>Constellium N.V. (Issued November 2017, due 2026)</i>	\$ 500	5.88%	6.26%	437	(7)	10	440	413
<i>Constellium N.V. (Issued November 2017, due 2026)</i>	€ 400	4.25%	4.57%	400	(7)	6	399	395
Unsecured Revolving Credit Facility ( <i>due 2021</i> ) (A)	—	Floating	—	—	—	—	—	—
Other loans (including Finance leases)	—	—	—	94	—	2	96	83
<b>Total Borrowings</b>				<b>2,148</b>	<b>(32)</b>	<b>35</b>	<b>2,151</b>	<b>2,127</b>
<i>Of which non-current</i>							<b>2,094</b>	<b>2,021</b>
<i>Of which current</i>							<b>57</b>	<b>106</b>

Constellium N.V. Senior Notes are guaranteed by certain subsidiaries.

(A) On March 28, 2018, Constellium Issoire entered into a €10 million unsecured Revolving Credit Facility with BPI France, a related party.

## 21.2 Movements in borrowings

<i>(in millions of Euros)</i>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
At January 1,	2,127	2,468
Cash flows		
Proceeds from issuance of Senior Notes (A) (B)	—	1,440
(Repayments) of Senior Notes (B) (C)	—	(1,559)
(Repayments) / Proceeds from US Revolving Credit Facilities and other loans	(68)	29
Arrangement fees payment	—	(29)
Finance lease repayment and others	(15)	(13)
Non-cash changes		
Movement in interests accrued or capitalized	12	(13)
New finance leases	28	17
Deferred arrangement fees, step-up amortization and other	2	7
Effects of changes in foreign exchange rates	65	(220)
At December 31	<u>2,151</u>	<u>2,127</u>

- (A) The proceeds from the Senior Notes issued on November 9, 2017 represented €830 million, converted at the issuance date exchange rate of EUR/USD=1.1630.
- (B) The proceeds from the Senior Notes issued on February 16, 2017 represented €610 million, converted at the issuance date exchange rate of EUR/USD=1.0652. The repurchase of Muscle Shoals Senior Notes was completed on the same day for the same amount.
- (C) The redemption of Secured and Unsecured Notes on November 9, 2017 represented €949 million, converted at the redemption date exchange rate of EUR/USD=1.1630.

## 21.3 Currency concentration

The composition of the carrying amounts of total borrowings in Euro equivalents is denominated in the currencies shown below:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
U.S. Dollar	1,408	1,387
Euro	726	720
Other currencies	17	20
Total borrowings	<u>2,151</u>	<u>2,127</u>

## Covenants

The Group was in compliance with all applicable debt covenants at and for the years ended December 31, 2018 and 2017.

### *Constellium N.V. Senior Notes*

The indentures for our outstanding Senior Notes contain customary terms and conditions, including amongst other things, limitation on incurring or guaranteeing additional indebtedness, on paying dividends, on making

other restricted payments, on creating restriction on dividend and other payments to us from certain of our subsidiaries, on incurring certain liens, on selling assets and subsidiary stock, and on merging.

*Pan US ABL Facility*

This facility contains a fixed charge coverage ratio covenant and EBITDA contribution ratio. Evaluation of compliance is only required if the excess availability falls below 10% of the aggregate revolving loan commitment. It also contains customary affirmative and negative covenants, but no maintenance covenants.

**NOTE 22— FINANCIAL INSTRUMENTS**

**22.1 Financial assets and liabilities by categories**

	Notes	At December 31, 2018				At December 31, 2017			
		At amortized cost	At Fair Value through Profit and loss	At Fair Value through OCI	Total	Loan and receivables	At Fair Value through Profit and loss	At Fair Value through OCI	Total
<i>(in millions of Euros)</i>									
Cash and cash equivalents	13	164	—	—	164	269	—	—	269
Trade receivables	14	—	—	481	481	306	—	—	306
Finance lease receivables	14	—	—	—	—	12	—	—	12
Other financial assets		74	30	—	104	83	77	19	179
<b>Total financial assets</b>		<b>238</b>	<b>30</b>	<b>481</b>	<b>749</b>	<b>670</b>	<b>77</b>	<b>19</b>	<b>766</b>

	Notes	At December 31, 2018				At December 31, 2017			
		At amortized cost	At Fair Value through Profit and loss	At Fair Value through OCI	Total	At amortized cost	At Fair Value through Profit and loss	At Fair Value through OCI	Total
<i>(in millions of Euros)</i>									
Trade payables and fixed assets payables	20	715	—	—	715	744	—	—	744
Borrowings	21	2,151	—	—	2,151	2,127	—	—	2,127
Other financial liabilities		—	79	10	89	—	66	—	66
<b>Total financial liabilities</b>		<b>2,866</b>	<b>79</b>	<b>10</b>	<b>2,955</b>	<b>2,871</b>	<b>66</b>	<b>—</b>	<b>2,937</b>

The table below details other financial assets and other financial liabilities positions:

<i>(in millions of Euros)</i>	At December 31, 2018			At December 31, 2017		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives	7	23	30	29	67	96
<i>Aluminium and premium future contracts</i>	2	7	9	6	39	45
<i>Energy future contracts</i>	—	—	—	—	—	—
<i>Other future contracts</i>	—	—	—	—	1	1
<i>Currency commercial contracts</i>	3	12	15	21	20	41
<i>Currency net debt derivatives</i>	2	4	6	2	7	9
Loans (A)	67	2	69	81	2	83
Margin call	—	5	5	—	—	—
Other financial assets	74	30	104	110	69	179
Derivatives	29	60	89	43	23	66
<i>Aluminium and premium future contracts</i>	6	38	44	—	6	6
<i>Energy future contracts</i>	—	—	—	—	—	—
<i>Other future contracts</i>	5	3	8	—	1	1
<i>Currency commercial contracts</i>	7	12	19	6	12	18
<i>Net investment hedge</i>	—	4	4	—	—	—
<i>Currency net debt derivatives</i>	11	3	14	37	4	41
Other financial liabilities	29	60	89	43	23	66

(A) Corresponds to a loan facility to Constellium-UACJ ABS LLC (See NOTE 18 – Investments accounted for under the equity method).

## 22.2 Fair values

All derivatives are presented at fair value in the Consolidated Statement of Financial Position.

The carrying value of the Group's borrowings at maturity is the redemption value.

The fair value of Constellium N.V. Senior Notes issued in May 2014, February 2017 and November 2017 account for 97%, 94% and 91% respectively of the nominal value and amount to €627 million, €533 million and €760 million, respectively, at December 31, 2018. The fair value was classified as a Level 1 measurement under the fair value hierarchy provided by IFRS 13 – *Fair Value Measurement*.

The fair values of the other financial assets and liabilities approximate their carrying values, as a result of their liquidity or short maturity except for the loan facility to Constellium-UACJ ABS LLC (See NOTE 18—Investments accounted for under the equity method).

## 22.3 Valuation hierarchy

The following table provides an analysis of derivatives measured at fair value, grouped into levels based on the degree to which the fair value is observable:

- Level 1 valuation is based on quoted price (unadjusted) in active markets for identical financial instruments, it includes aluminium, copper and zinc futures that are traded on the LME.
- Level 2 valuation is based on inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices), it includes foreign exchange derivatives.

- Level 3 valuation is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs). Trade receivables are classified as a Level 3 measurement under the fair value hierarchy.

<i>(in millions of Euros)</i>	At December 31, 2018				At December 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other financial assets—derivatives	9	21	—	30	46	50	—	96
Other financial liabilities—derivatives	50	39	—	89	6	60	—	66

There was no material transfer into or out of any Level 1, Level 2 nor Level 3 during the year ended December 31, 2018 and the year ended December 31, 2017.

## NOTE 23—FINANCIAL RISK MANAGEMENT

The Group’s financial risk management strategy focuses on minimizing the cash flow impacts of volatility in foreign currency exchange rates, metal prices and interest rates, while maintaining the financial flexibility the Group requires in order to successfully execute the Group’s business strategies.

Due to Constellium’s capital structure and the nature of its operations, the Group is exposed to the following financial risks: (i) market risk (including foreign exchange risk, commodity price risk and interest rate risk); (ii) credit risk and (iii) liquidity and capital management risk.

### 23.1 Market risk

#### i. Foreign exchange risk

Net assets, earnings and cash flows are influenced by multiple currencies due to the geographic diversity of sales and the countries in which the Group operates.

Constellium is exposed to foreign exchange risk in the following areas:

- Transaction exposures, which include:
  - ◊ Commercial transactions related to forecasted sales and purchases and on-balance sheet receivables/payables resulting from such transactions.
  - ◊ Financing transactions, related to external and internal net debt.
- Translation exposures, which relate to net investments in foreign entities that are converted in Euros in the Consolidated Financial Statements.

#### Commercial transaction exposures

The Group policy is to hedge committed and highly probable forecasted foreign currency operational transactions. The Group uses foreign exchange forwards and foreign exchange swaps for this purpose.

The following tables outline the nominal value (converted in millions of Euros at the closing rate) of derivatives for Constellium’s most significant foreign exchange exposures as at December 31, 2018.

Forward derivative sales	Maturity Year	Less than 1 year	Over 1 year
USD/EUR	2019-2024	519	276
EUR/CHF	2019-2023	64	14
Other currencies	2019-2020	17	1

<u>Forward derivative purchases</u>	<u>Maturity Year</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
USD/EUR	2019-2024	543	93
EUR/CHF	2019-2024	118	62
EUR/CZK	2019-2020	76	61
Other currencies	2019	4	—

Forward derivative sales mean that the Group sells currency 1 versus currency 2. Forward derivative purchases mean that the Group buys currency 1 versus currency 2

In 2016, the Group agreed with a major customer for the sale of fabricated metal products in U.S. Dollars to be supplied from a Euro functional currency entity. In line with its hedging policy, the Group entered into significant foreign exchange derivatives which match related highly probable future conversion sales by selling U.S. Dollars against Euros. The Group designated these derivatives for hedge accounting, with total nominal amount of \$369 million, as of December 31, 2018 (\$484 million as of December 31, 2017), and maturities of 2019 to 2022.

For hedges that do not qualify for hedge accounting, any mark-to-market movements are recognized in Other gains / (losses)—net.

The table below details the effect of foreign currency derivatives in the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income / (Loss):

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
<b>Derivatives that do not qualify for hedge accounting</b>				
<i>Included in Other gains / (losses)—net</i>				
Realized gains / (losses) on foreign currency derivatives—net	9	9	(19)	(46)
Unrealized (losses) / gains on foreign currency derivatives—net (A)	9	(1)	16	40
<b>Derivatives that qualify for hedge accounting</b>				
<i>Included in Revenue</i>				
Realized gains / (losses) on foreign currency derivatives—net	9	4	1	—
Unrealized (losses) / gains on foreign currency derivatives—net	9	(2)	1	—
<i>Included in Other gains / (losses)—net</i>				
Realized (losses) / gains on foreign currency derivatives—net	9	(2)	3	—
Unrealized gains / (losses) on foreign currency derivatives—net		—	—	—
Realized gains / (losses) in ineffective portion of derivatives		—	—	—
<i>Included in other comprehensive income / (Loss)</i>				
Unrealized (losses) / gains on foreign currency derivatives—net		(23)	48	(27)
(Losses) reclassified from cash flow hedge reserve to Consolidated Income Statement		(2)	(2)	—

(A) Gains or losses on the hedging instruments are expected to offset losses or gains on the underlying hedged forecasted sales that will be reflected in future years when these sales are recognized.

### Financing transaction exposures

When the Group enters into intercompany loans and deposits, the financing is generally provided in the functional currency of the subsidiary. The foreign currency exposure of the Group's external funding and liquid assets is systematically hedged either naturally through external foreign currency loans and deposits or through cross currency basis swaps and simple foreign currency swaps.

At December 31, 2018, the net position hedged related to loans and deposits was a forward purchase of \$170 million versus the Euro. This comprised of a forward purchase of \$620 million versus the Euro, a forward sale of \$215 million versus the Euro, both using cross currency basis swaps, and a forward sale of \$235 million versus the Euro using simple foreign exchange forward contracts.

The table below details the effect of foreign currency derivatives in the Consolidated Income Statement:

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
<b>Derivatives</b>			
<i>Included in Finance costs—net</i>			
Realized gains / (losses) on foreign currency derivatives— net	5	31	15
Unrealized gains / (losses) on foreign currency derivatives —net	23	(110)	30
<b>Total</b>	<b>28</b>	<b>(79)</b>	<b>45</b>

In accordance with the Group policy, the net foreign exchange result related to financing activities is expected to be balanced at any time.

Net debt derivatives settled during the year are presented in 'Other financing activities' in the Consolidated Statement of Cash Flows.

### Foreign exchange sensitivity on commercial and financing transaction exposures

The largest exposures of the Group are related to the Euro/US Dollar exchange rate. The table below summarizes the impact on profit and Equity (before tax effect) of a 10% strengthening of the US Dollar versus the Euro for non US Dollar functional currency entities.

<i>(in millions of Euros)</i>	<b>Effect on profit before tax</b>	<b>Effect on pretax equity</b>
Trade receivables	5	—
Trade payables	(1)	—
Derivatives on commercial transaction (A)	18	(34)
Commercial transaction exposure	22	(34)
Cash in Bank and intercompany loans	133	—
Borrowings	(150)	—
Derivatives on financing transaction	17	—
Financing transaction exposure	—	—
<b>Total</b>	<b>22</b>	<b>(34)</b>

- (A) Gains or losses on the hedging instruments are expected to offset losses or gains on the underlying hedged forecasted sales that will be reflected in future years when these sales are recognized. The impact on pretax equity (€34 million) relates to derivatives hedging future sales spread from 2019 to 2022 which are designated as cash flow hedges.



The amounts shown in the table above may not be indicative of future results since the balances of financial assets and liabilities may change.

### Translation exposures

Foreign exchange impacts related to the translation to Euro of net investments in foreign subsidiaries, and related revenues and expenses are not hedged as the Group operates in these various countries on permanent basis (except as described below).

In June 2018, the Group entered into forward contracts for a total nominal amount of CHF174 million in order to hedge the currency risk associated with the translation of the net assets of its Swiss operations into the Group's presentation currency. The Group designated these derivatives as a net investment hedge. The unrealized loss of the net investment hedge is included in Other Comprehensive Income for €4 million as of December 31, 2018.

### Foreign exchange sensitivity

The exposure relates to foreign currency translation of net investments in foreign subsidiaries and arises mainly from operations conducted by US Dollar functional currency subsidiaries.

The table below summarizes the impact on profit and Equity (before tax effect) of a 10% strengthening of the US Dollar versus the Euro (on average rate for profit before tax and closing rate for pretax equity) for US Dollar functional currency entities.

<u>(in millions of Euros)</u>	<u>Effect on profit before tax</u>	<u>Effect on pretax equity</u>
10% strengthening US Dollar/Euro	<u>(5)</u>	<u>7</u>

The amounts shown in the table above may not be indicative of future results since the balances of financial assets and liabilities may change.

### Margin calls

Our financial counterparties may require margin calls should our mark-to-market exceed a pre-agreed contractual limit. In order to protect from the potential margin calls for significant market movements, the Group ensures that financial counterparts hedging the transactional exposure are also hedging the foreign currency loan and deposit exposure. Further, the Group holds a significant liquidity buffer in cash or in availability under its various borrowing facilities, enters into derivatives with a large number of financial counterparties and monitors margin requirements on a daily basis.

At December 31, 2018 and 2017, the margin requirement related to foreign exchange hedges was not material and the Group was not exposed to material margin call risk.

### ii. Commodity price risk

The Group is subject to the effects of market fluctuations in the price of aluminium, which is the Group's primary metal input and a significant component of its output. The Group is also exposed to variation in the premium and in the price of zinc, natural gas, silver and copper but in a less significant way.

The Group policy is to minimize exposure to aluminium price volatility by passing through the aluminium price risk to customers and using derivatives where necessary. All sales and purchases are converted to be on the same floating basis and then ensure that the same quantities are bought and sold at the same (market) price. The Group purchases fixed price aluminium forwards to offset the exposure of LME volatility on its fixed price sales agreements for the supply of metal.

The group also purchases fixed price copper, aluminium premium, silver and zinc forwards to offset the commodity exposure where sales contracts have embedded fixed price agreements for the relevant commodity.

In addition, the Group also purchases natural gas fixed price forwards to lock in energy costs where a fixed price purchase contract is not possible.

At December 31, 2018, the nominal amount of commodity derivatives is as follows:

<i>(in millions of Euros)</i>	<u>Maturity</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
Aluminium	2019-2023	392	48
Premium	2019-2021	10	4
Copper	2019-2021	5	5
Silver	2019-2020	9	—
Zinc	2019-2021	8	17
Natural gas	2019-2020	4	2

The value of the contracts will fluctuate due to changes in market prices but is intended to help protect the Group's margin on future conversion and fabrication activities. At December 31, 2018, these contracts were directly entered into with external counterparties.

The Group does not apply hedge accounting on commodity derivatives and therefore any mark-to-market movements are recognized in Other gains / (losses)—net.

<i>(in millions of Euros)</i>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
<b>Derivatives</b>			
<i>Included in Other gains / (losses)—net</i>			
Realized gain / (loss) on commodity derivatives—net	7	16	(16)
Unrealized (loss) / gain on commodity derivatives—net	<u>(83)</u>	<u>41</u>	<u>31</u>

#### **Commodity price sensitivity: risks associated with derivatives**

The net impact on earnings and equity of a 10% increase in the market price of aluminium, based on the aluminium derivatives held by the Group at December 31, 2018 (before tax effect), with all other variables held constant was estimated to be a €37 million gain. The balances of such financial instruments may change in future years however, and therefore the amounts shown may not be indicative of future results.

#### **Margin Calls**

As the LME price for aluminium falls, the derivative contracts entered into with financial institution counterparties have a negative mark-to-market. The Group's financial institution counterparties may require margin calls should the negative mark-to-market exceed a pre-agreed contractual limit. In order to protect from the potential margin calls for significant market movements, the Group enters into derivatives with a large number of financial counterparties and monitors margin requirements on a daily basis for adverse movements in aluminium prices. At December 31, 2018, the margin requirement related to aluminium or any other commodity hedges was €5 million. Margins call supported by the Group will be partially offset by advance payments received from customers and the Group was not exposed to any other material margin call risk.

#### **iii. Interest rate risk**

Interest rate risk refers to the risk that the value of financial instruments held by the Group and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Group's interest rate risk arises principally from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash and cash

equivalent deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. (See NOTE 22—Financial Instruments). At December 31, 2018, Group’s borrowings were mainly at fixed rate.

**Interest rate sensitivity: risks associated with variable-rate financial instruments**

The impact on income before income tax for the year of a 50 basis point increase or decrease in the LIBOR or EURIBOR interest rates, based on the variable rate financial instruments held by the Group at December 31, 2018, with all other variables held constant, was estimated to be less than €1 million for the years ended December 31, 2018 and 2017. However, the balances of such financial instruments may not remain constant in future years, and therefore the amounts shown may not be indicative of future results.

**23.2 Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank, cash deposits, mark-to-market on derivative transactions and customer trade receivables arising from the Group’s operating activities. The maximum exposure to credit risk for the year ended December 31, 2018 is the carrying value of each class of financial asset as described in NOTE 22—Financial Instruments. The Group does not generally hold any collateral as security.

**Credit risk related to transactions with financial institutions**

Credit risk with financial institutions is managed by the Group’s Treasury department in accordance with a Board approved policy. Management is not aware of any significant risks associated with financial institutions as a result of cash and cash equivalent deposits, including short-term investments, and financial derivative transactions.

The number of financial counterparties is tabulated below showing our exposure to the counterparty by rating type (Parent company ratings from Moody’s Investor Services):

	At December 31, 2018		At December 31, 2017	
	Number of financial counterparties (A)	Exposure (in millions of Euros)	Number of financial counterparties (A)	Exposure (in millions of Euros)
Rated Aa or better	2	22	3	52
Rated A	8	110	12	224
Rated Baa	2	4	3	19
Total	12	136	18	295

(A) Financial Counterparties for which the Group’s exposure is below €0.25 million have been excluded from the analysis.

**Credit risks related to customer trade receivables**

The Group has a diverse customer base geographically and by industry. The responsibility for customer credit risk management rests with management. Payment terms vary and are set in accordance with practices in the different geographies and end-markets served. Credit limits are typically established based on internal or external rating criteria, which take into account such factors as the financial condition of the customers, their credit history and the risk associated with their industry segment.

Trade receivables are actively monitored and managed, at the business unit or site level. Business units report credit exposure information to Constellium management on a regular basis. Over 88% of the Group’s trade

account receivables are insured by insurance companies rated A3 or better, or sold to a factor on a non-recourse basis. In situations where collection risk is considered to be above acceptable levels, risk is mitigated through the use of advance payments, bank guarantees or letters of credit.

Historically, we have a very low level of customer default as a result of long history of dealing with our customer base and an active credit monitoring function. See NOTE 14—Trade Receivables and other for the aging of trade receivables.

### 23.3 Liquidity and capital risk management

Group’s capital structure includes shareholder’s equity, borrowings and various third-party financing arrangements (such as credit facilities and factoring arrangements). Constellium’s total capital is defined as total equity plus net debt. Net debt includes borrowings due to third parties less cash and cash equivalents.

Constellium’s overriding objectives when managing capital are to safeguard the business as a going concern, to maximize returns for its owners and to maintain an optimal capital structure in order to minimize the weighted cost of capital.

All activities around cash funding, borrowings and financial instruments are centralized within Constellium’s Treasury department. Direct external funding or transactions with banks at the operating entity level are generally not permitted, and exceptions must be approved by Constellium’s Treasury department.

The liquidity requirements of the overall Company are funded by drawing on available credit facilities, while the internal management of liquidity is optimized by means of cash pooling agreements and/or intercompany loans and deposits between the Company’s operating entities and central Treasury.

At December 31, 2018, the borrowing base for the pan US ABL facility and the French inventory facility were \$300 million and €80 million respectively. After deduction of amount drawn and letters of credit, the Group had €335 million outstanding availability under these secured revolving credit facilities at December 31, 2018.

At December 31, 2018, liquidity was €669 million, comprised of €164 million of cash and cash equivalents and €505 million of available undrawn facilities, including the €335 million described above.

The tables below show undiscounted contractual financial assets and financial liabilities values by relevant maturity groupings based on the remaining periods from December 31, 2018 and December 31, 2017 respectively to the contractual maturity date.

	At December 31, 2018			At December 31, 2017		
	Less than 1 year	Between 1 - 5 years	Over 5 years	Less than 1 year	Between 1 - 5 years	Over 5 years
<b>Financial assets</b>						
Net debt derivatives	5	12	—	6	3	—
Net cash flows from derivative assets related to currencies and commodities	22	12	—	59	15	—
Total	<u>27</u>	<u>24</u>	<u>—</u>	<u>65</u>	<u>18</u>	<u>—</u>

	Notes	At December 31, 2018			At December 31, 2017		
		Less than 1 year	Between 1 - 5 years	After 5 years	Less than 1 year	Between 1 - 5 years	After 5 years
<b>Financial liabilities</b>							
Borrowings (A)		6	315	1,754	67	318	1,692
Interest (B)		114	422	173	103	421	264
Net debt derivatives		3	4	—	3	10	—
Net cash flows from derivative liabilities related to currencies and commodities		56	35	—	17	11	—
Trade payables and other (excludes deferred revenue and contract liabilities)	20	900	18	—	920	20	—
<b>Total</b>		<b>1,079</b>	<b>794</b>	<b>1,927</b>	<b>1,110</b>	<b>780</b>	<b>1,956</b>

- (A) Borrowings include the pan US ABL facility, which is considered short-term in nature and is included in the category “Less than 1 year” but exclude finance leases.
- (B) Interests disclosed are undiscounted forecast interest.

**NOTE 24—PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS**

The Group operates a number of pensions, other post-employment benefits and other long-term employee benefit plans. Some of these plans are defined contribution plans and some are defined benefit plans, with assets held in separate trustee-administered funds. Benefits paid through pension trusts are sufficiently funded to ensure the payment of benefits to retirees when they become due.

Actuarial valuations are reflected in the Consolidated Financial Statements as described in NOTE 2.6—Principles governing the preparation of the Consolidated Financial Statements.

**24.1 Description of the plans**

*Pension plans*

Constellium’s pension obligations are in the US, Switzerland, Germany and France. Pension benefits are generally based on the employee’s service and highest average eligible compensation before retirement and are periodically adjusted for cost of living increases, either by company practice, collective agreement or statutory requirement. US, Swiss and France benefit plans are funded through long-term employee benefit funds.

*Other post-employment benefits (OPEB)*

The Group provides health care and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents, mainly in the US. Eligibility for coverage depends on certain age and service criteria. These benefit plans are unfunded.

*Other long-term employee benefits*

Other long term employee benefits mainly include jubilees in France, Germany and Switzerland and other long-term disability benefits in the US. These benefit plans are unfunded.

**24.2 Description of risks**

Our estimates of liabilities and expenses for pensions and other post-employment benefits incorporate a number of assumptions, including discount rate, longevity estimate and inflation rate. The defined benefit obligations expose the Group to a number of risks, including longevity, inflation, interest rate, medical cost inflation,

investment performance, and change in law governing the employee benefit obligations. These risks are mitigated when possible by applying an investment strategy for the funded schemes which aims to minimize the long-term costs. This is achieved by investing in a diversified selection of asset classes, which aims to reduce the volatility of returns and also achieves a level of matching with the underlying liabilities.

**Investment performance risk**

Our pension plan assets consist primarily of funds invested in listed stocks and bonds.

The present value of funded defined benefit obligations is calculated using a discount rate determined by reference to high quality corporate bond yields. If the return on plan asset is below this rate, it will increase the plan deficit.

**Interest rate risk**

A decrease in the discount rate will increase the defined benefit obligation. At December 31, 2018, impacts of the change on the defined benefit obligation of a 0.50% increase / decrease in the discount rates are calculated by using a proxy based on the duration of each scheme:

<i>(in millions of Euros)</i>	<b>0.50% increase in discount rates</b>	<b>0.50% decrease in discount rates</b>
France	(9)	10
Germany	(8)	9
Switzerland	(19)	22
United States	(26)	28
<b>Total sensitivity on Defined Benefit Obligations</b>	<b>(62)</b>	<b>69</b>

**Longevity risk**

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

**24.3 Actuarial assumptions**

Pension and other post-employment benefit obligations were updated based on the discount rates applicable at December 31, 2018. The principal actuarial assumptions used at December 31, 2018 and 2017 were as follows:

	<b>At December 31, 2018</b>			<b>At December 31, 2017</b>		
	<b>Rate of increase in salaries</b>	<b>Rate of increase in pensions</b>	<b>Discount rate</b>	<b>Rate of increase in salaries</b>	<b>Rate of increase in pensions</b>	<b>Discount rate</b>
Switzerland	1.50%	—	0.80%	1.50%	—	0.65%
US	—	—	—	—	—	—
Hourly pension	2.20%	—	4.40%-4.45%	2.20%	—	3.70%-3.75%
Salaried pension	3.80%	—	4.45%	3.80%	—	3.80%
OPEB (A)	3.80%	—	4.40%-4.55%	3.80%	—	3.70%-3.85%
Other benefits	3.80%	—	4.25%-4.40%	3.80%	—	3.60%-3.70%
France	1.50%-2.50%	2.00%	—	1.50%-1.75%	2.00%	—
Retirements	—	—	1.65%	—	—	1.50%
Other benefits	—	—	1.35%	—	—	1.20%
Germany	2.75%	1.70%	1.70%	2.75%	1.70%	1.60%

(A) The other main financial assumptions used for the OPEB (healthcare plans, which are predominantly in the US) were:

- Medical trend rate: pre 65: 6.70% starting in 2019 decreasing gradually to 4.50% until 2026 and stable onwards and post 65: 5.80% starting in 2019 decreasing gradually to 4.50% until 2026 and stable onwards, and
- Claims costs are based on individual company experience.

For both pension and healthcare plans, the post-employment mortality assumptions allow for future improvements in life expectancy.

#### 24.4 Amounts recognized in the Consolidated Statement of Financial Position

<i>(in millions of Euros)</i>	At December 31, 2018			At December 31, 2017		
	Pension Benefits	Other Benefits	Total	Pension Benefits	Other Benefits	Total
Present value of funded obligation	674	—	674	691	—	691
Fair value of plan assets	(380)	—	(380)	(387)	—	(387)
Deficit of funded plans	294	—	294	304	—	304
Present value of unfunded obligation	115	201	316	110	250	360
Net liability arising from defined benefit obligation	409	201	610	414	250	664

#### 24.5 Movement in net defined benefit obligations

<i>(in millions of Euros)</i>	At December 31, 2018				
	Defined benefit obligations			Plan Assets	Net defined benefit liability
	Pension benefits	Other benefits	Total		
At January 1, 2018	801	250	1,051	(387)	664
<i>Included in the Consolidated Income Statement</i>					
Current service cost	18	6	24	—	24
Interest cost / (income)	16	8	24	(9)	15
Past service cost	—	(36)	(36)	—	(36)
Immediate recognition of gains / (losses) arising over the year	—	—	—	—	—
Administration expenses	—	—	—	2	2
<i>Included in the Statement of Comprehensive Income / (Loss)</i>					
Remeasurements due to:					
—actual return less interest on plan assets	—	—	—	26	26
—changes in financial assumptions	(30)	(15)	(45)	—	(45)
—changes in demographic assumptions	(5)	(1)	(6)	—	(6)
—experience losses	(1)	(2)	(3)	—	(3)
Effects of changes in foreign exchange rates	22	9	31	(16)	15
<i>Included in the Consolidated Statement of Cash Flows</i>					
Benefits paid	(35)	(19)	(54)	31	(23)
Contributions by the Group	—	—	—	(23)	(23)
Contributions by the plan participants	3	1	4	(4)	—
At December 31, 2018	789	201	990	(380)	610

<i>(in millions of Euros)</i>	At December 31, 2017				
	Defined benefit obligations			Plan Assets	Net defined benefit liability
	Pension benefits	Other benefits	Total		
At January 1, 2017	853	273	1,126	(391)	735
<i>Included in the Consolidated Income Statement</i>					
Current service cost	18	6	24	—	24
Interest cost / (income)	18	9	27	(10)	17
Past service cost	(16)	(4)	(20)	—	(20)
Immediate recognition of gains / (losses) arising over the year	—	—	—	—	—
Administration expenses	—	—	—	3	3
<i>Included in the Statement of Comprehensive Income / (Loss)</i>					
Remeasurements due to:					
—actual return less interest on plan assets	—	—	—	(36)	(36)
—changes in financial assumptions	23	14	37	—	37
—changes in demographic assumptions	—	(1)	(1)	—	(1)
—experience losses	—	—	—	—	—
Effects of changes in foreign exchange rates	(61)	(29)	(90)	42	(48)
<i>Included in the Consolidated Statement of Cash Flows</i>					
Benefits paid	(38)	(18)	(56)	33	(23)
Contributions by the Group	—	—	—	(24)	(24)
Contributions by the plan participants	4	—	4	(4)	—
At December 31, 2017	801	250	1,051	(387)	664

#### 24.6 OPEB amendments

In the third quarter of 2018, the Group announced a plan to transfer certain participants in the Constellium Rolled Products Ravenswood Retiree Medical and Life Insurance Plan (“the Plan”) from a company sponsored program to a third-party health network that provides similar benefits at a lower cost. This change in benefits was accounted for as a plan amendment and resulted in both a reduction of the defined benefit obligation and the recognition of a €36 million gain from negative past service cost.

The United Steelworkers Local Union 5668 is contesting the changes to the Plan and filed a law suit against Constellium Rolled Products Ravenswood, LLC in a federal district court in West Virginia (the “Court”) seeking to enjoin the Plan changes and to compel arbitration. The Court issued an order in December 2018 enjoining the Company from implementing the changes to the Plan pending resolution in arbitration.

The Group believes it has a strong legal position, and that it is probable that it will ultimately prevail and be able to implement the Plan changes.

#### 24.7 Net defined benefit obligations by country

<i>(in millions of Euros)</i>	At December 31, 2018			At December 31, 2017		
	Defined benefit obligations	Plan assets	Net defined benefit liability	Defined benefit obligations	Plan assets	Net defined benefit liability
France	151	(3)	148	148	(3)	145
Germany	136	(1)	135	142	(1)	141
Switzerland	251	(178)	73	251	(177)	74
United States	451	(198)	253	509	(206)	303
Other countries	1	—	1	1	—	1
Total	990	(380)	610	1,051	(387)	664



## 24.8 Plan asset categories

<i>(in millions of Euros)</i>	At December 31, 2018			At December 31, 2017		
	Quoted in an active market	Unquoted in an active market	Total	Quoted in an active market	Unquoted in an active market	Total
Cash & cash equivalents	6	—	6	3	—	3
Equities	95	40	135	109	51	160
Bonds	71	110	181	68	106	174
Property	10	33	43	8	29	37
Other	5	10	15	5	8	13
Total fair value of plan assets	187	193	380	193	194	387

## 24.9 Cash flows

Expected contributions to pension and other benefits amount to €26 million and €19 million respectively for the year ended December 31, 2019.

Benefit payments expected to be paid either by pension funds or directly by the Company to beneficiaries over the next years are as follows:

<i>(in millions of Euros)</i>	Estimated benefits payments
Year ended December 31,	
2019	53
2020	49
2021	52
2022	54
2023	56
2024 to 2028	290

At December 31, 2018, the weighted-average maturity of the defined benefit obligations was 13.3 years (2017: 14.0 years).

## NOTE 25—PROVISIONS

<i>(in millions of Euros)</i>	Notes	Close down and environmental remediation costs	Restructuring costs	Legal claims and other costs	Total
At January 1, 2018		81	5	67	153
Transfer from provision to contract liability	2	—	—	(23)	(23)
Allowance		3	1	15	19
Amounts used		(2)	(2)	(4)	(8)
Unused amounts reversed		—	(1)	(6)	(7)
Unwinding of discounts		(1)	—	—	(1)
Effects of changes in foreign exchange rates		2	—	1	3
Transfer		—	—	4	4
At December 31, 2018		83	3	54	140
Current		5	1	40	46
Non-Current		78	2	14	94
Total Provisions		83	3	54	140

<i>(in millions of Euros)</i>	<u>Notes</u>	<u>Close down and environmental remediation costs</u>	<u>Restructuring costs</u>	<u>Legal claims and other costs</u>	<u>Total</u>
At January 1, 2017		88	5	56	149
Allowance		3	3	19	25
Amounts used		(2)	(2)	(3)	(7)
Unused amounts reversed		—	(1)	(4)	(5)
Unwinding of discounts		(1)	—	—	(1)
Effects of changes in foreign exchange rates		(7)	—	(1)	(8)
At December 31, 2017		81	5	67	153
Current		4	3	33	40
Non-Current		77	2	34	113
Total Provisions		81	5	67	153

#### Close down, environmental and remediation costs

The Group records provisions for the estimated present value of the costs of its environmental clean-up obligations and close down and restoration efforts based on the net present value of estimated future costs of the dismantling and demolition of infrastructure and the removal of residual material of disturbed areas, using an average discount rate of 1.04%. A change in the discount rate of 0.5% would change the provision by €2 million.

It is expected that these provisions will be settled over the next 40 years depending on the nature of the disturbance and the technical remediation plans.

#### Restructuring costs

The Group records provisions for restructuring costs when management has a detailed formal plan, is demonstrably committed to its execution and can reasonably estimate the associated liabilities. The related expenses are presented as Restructuring costs in the Consolidated Income Statement.

#### Legal claims and other costs

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Maintenance and customer related provisions		
(A)	6	25
Litigation (B)	41	36
Disease claims (C)	4	3
Other	3	3
Total Provisions for legal claims and other costs	54	67

- (A) Contract liabilities related to refund penalties and price concessions previously presented as provisions have been reclassified for €23 million as of January 01, 2018.
- (B) The Group is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations. It is not anticipated that the resolution of such litigation and proceedings will have a material effect on the future results, financial position, or cash flows of the Group.
- (C) Since the early 1990s, certain activities of the Group's businesses have been subject to claims and lawsuits in France relating to occupational diseases resulting from alleged asbestos exposure, such as mesothelioma and asbestosis. It is not uncommon for the investigation and resolution of such claims to go on over many years as the latency period for acquiring such diseases is typically between 25 and 40 years. For any such

claim, it is up to the social security authorities in each jurisdiction to determine if a claim qualifies as an occupational illness claim. If so determined, the Group must settle the case or defend its position in court. At December 31, 2018, 6 cases in which gross negligence is alleged (“*faute inexcusable*”) remain outstanding (7 at December 31, 2017), the average amount per claim being less than €0.1 million. The average settlement amount per claim in 2018 and 2017 was less than €0.1 million. It is not anticipated that the resolution of such litigation and proceedings will have a material effect on the future results from continuing operations, financial position, or cash flows of the Group.

### Contingencies

The Group is involved, and may become involved, in various law suits, claims and proceedings relating to customer claims, product liability, and other commercial matters. The Group records provisions for pending litigation matters when it determines that it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. In some proceedings, the issues raised are or can be highly complex and subject to significant uncertainties and amounts claimed are and can be substantial. As a result, the probability of loss and an estimation of damages are and can be difficult to ascertain.

The Group is currently subject to an arbitration by a customer claiming that Constellium supplied defective products as a result of which the customer alleges it has suffered significant damages. The Group considers that the claim is without merit on both technical and legal grounds and is vigorously defending the action. For this matter and in respect of others which the Group considers are without merit, while it is possible that an unfavorable outcome may result, after assessing the information available, the Group has concluded that it is not probable that a loss has been incurred.

In exceptional cases, when the Group considers that disclosures relating to provisions and contingencies may prejudice its position, disclosures are limited to the general nature of the dispute.

### NOTE 26—NON-CASH INVESTING & FINANCING TRANSACTIONS

Property, plant and equipment acquired through finance leases amounted respectively to €28 million, €17 million and €16 million for the years ended December 31, 2018, 2017 and 2016 respectively. These leases are excluded from Statement of Cash Flow as they are non-cash investing transactions.

Fair values of Performance based restricted Shares Units and Restricted Share Units vested during the period amounted to €8 million, €1 million and €4 million for the years ended December 31, 2018, 2017 and 2016 respectively. They are excluded from the Statement of Cash flows as non-cash financing activities.

### NOTE 27—SHARE CAPITAL

At December 31, 2018, authorized share capital amounts to €8 million and is divided into 400,000,000 Class A ordinary shares, each with a nominal value of €0.02. All shares, except for the ones held by Constellium N.V., have the right to one vote.

	Number of shares	in millions of Euros	
		Share capital	Share premium
At January 1, 2018	134,510,623	3	420
New shares issued (A)	1,488,771	—	—
At December 31, 2018 (B)	135,999,394	3	420

(A) Constellium N.V. issued and granted 1,488,771 Class A ordinary shares to certain employees related to share-based compensation plans.

(B) Constellium N.V. holds 38,597 Class A ordinary shares at December 31, 2018.

**NOTE 28—COMMITMENTS****Non-cancellable operating leases commitments**

The Group leases various buildings, machinery, and equipment under operating lease agreements. Total rent expense was €31 million for the year ended December 31, 2018 (€27 million for the year ended December 31, 2017 and €27 million for the year ended December 31, 2016).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Less than 1 year	24	19
1 to 5 years	63	49
More than 5 years	46	40
Total non-cancellable operating leases minimum payments	<u>133</u>	<u>108</u>

**Capital expenditures commitments**

<i>(in millions of Euros)</i>	<u>At December 31, 2018</u>	<u>At December 31, 2017</u>
Computer Software	1	2
Property, plant and equipment	123	99
Total capital expenditure commitments	<u>124</u>	<u>101</u>

**NOTE 29—RELATED PARTIES****Subsidiaries and affiliates**

A list of the principal companies controlled by the Group is presented in NOTE 31—Subsidiaries and operating segments. Transactions between fully consolidated companies are eliminated when preparing the Consolidated Financial Statements.

Investments accounted for under the equity method are the only related parties identified by the Group during the years ended December 31, 2018, 2017 and 2016. Transactions with these related parties are described in NOTE 18—Investments accounted for under the equity method.

**Shareholders**

On March 28, 2018, Constellium Isoire entered into a €10 million unsecured Revolving Credit Facility with BPI France, a related party.

**Key management remuneration**

The Group's key management comprises the Board members and the Executive committee members effectively present during 2018.

Executive committee members are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly reporting to the CEO.

The costs reported below are compensation and benefits for key management:

- Short term employee benefits include their base salary plus bonus.
- Directors' fees include annual director fees, Board and committees' attendance fees.

- Share-based compensation includes the portion of the IFRS 2 expense as allocated to key management.
- Post-employment benefits mainly include pension costs.
- Termination benefits include departure costs.

As a result, the aggregate compensation for the Group's key management is comprised of the following:

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Short term employee benefits	9	8	10
Directors' fees	1	1	1
Share-based compensation	6	4	2
Post-employments benefits	—	—	—
Termination benefits	—	1	1
Employer social contribution	1	1	2
<b>Total</b>	<b>17</b>	<b>15</b>	<b>16</b>

#### NOTE 30—SHARE-BASED COMPENSATION

##### Description of the plans

##### *Performance-Based Restricted Stock Units (equity-settled)*

The Company granted Performance Share Units (PSUs) to selected employees. These units will vest after three years from the grant date if the following conditions are met:

- A vesting condition under which the beneficiaries must be continuously employed by the Company through the end of the vesting period (3 years); and
- For PSUs granted in 2015 and 2016, a performance condition, contingent on the Total Stockholder Return (TSR) performance of Constellium over the measurement periods compared to the TSR of a specified group of peer companies. PSUs will ultimately vest, depending on the TSR performance at each testing period, based on a vesting multiplier in a range from 0% to 300%;
- For PSUs granted in 2017 and 2018, a performance condition, contingent on the TSR performance of Constellium over the three-year measurement period compared to the TSR of specified indices. PSUs will ultimately vest based on a range from 0% to 200%.

The PSUs granted in November 2015 achieved a TSR performance of 118.2% at its first testing period, 251.1% at its second testing period and 184.4% at its third period, which represented respectively 47,229 potential additional shares in 2016, 366,669 potential additional shares in 2017, and 187,648 potential additional shares in 2018. The PSUs vested in November 2018 and 1,231,055 shares were granted to beneficiaries.

The PSUs granted in March 2016, May 2016, August 2016 and November 2016 achieved, respectively, a TSR performance of 115.9%, 98.1%, 191.6% and 223.8% at their first testing period, which represents 186,059 potential additional shares in 2017. They achieved respectively a TSR performance of 229.9%, 217.2%, 282.2% and 148.7% at their second testing period, which represents 446,022 potential additional shares in 2018. Potential shares could vest in 2019 subject to the continued employment of the beneficiaries.

The following table lists the inputs to the model used for the PSUs granted in 2018 and 2017:

	Year ended December 31, 2018	Year ended December 31, 2017
Fair value at grant date (in euros)	15.31	11.52
Share price at grant date (in euros)	10.27	7.50
Dividend yield	—	—
Expected volatility (A)	75%	75%
Risk-free interest rate (US government bond yield)	2.60%	1.51%
Model used	Monte Carlo	Monte Carlo

(A) Volatilities for the Company and companies included in indices were estimated based on observed historical volatilities over period equal to PSU vesting period.

#### ***Restricted Stock Units Award Agreements (equity-settled)***

The Company grants Restricted Stock Units (RSUs) to a certain number of employees' subject to the beneficiaries remaining continuously employed within the Group from the grant date through the end of the vesting period. Vesting period is three years.

In 2016, the Company also granted 150,000 RSUs which vest in equal installments on the first two anniversaries of the grant date, subject to continued employment, of which 75,000 vested on the first anniversary in 2017 and 75,000 in 2018 on the second anniversary.

The fair value of RSUs awarded under the plans described above is the quoted market price at grant date.

#### ***Equity Awards Plans (equity-settled)***

Company Board members have been granted RSU awards annually since 2012. These RSUs vest in equal installments on the first two anniversaries of the date of grant, subject to their continued service.

The fair value of RSUs awarded under the plan is the quoted market price at grant date.

#### ***Expense recognized during the year***

In accordance with IFRS 2, share-based compensation is recognized as an expense over the vesting period. The estimate of this expense is based upon the fair value of a Class A potential ordinary share at the grant date. The total expense related to the potential ordinary shares for the year ended December 31, 2018, 2017 and 2016 amounted to €12 million, €8 million and €6 million respectively.

**Movement of potential shares**

The following table illustrates the number and movements in shares during the year:

	Performance-Based RSU		Restricted Stock Units		Equity Award Plans	
	Potential Shares	Weighted-Average Grant-Date Fair Value per Share	Potential Shares	Weighted-Average Grant-Date Fair Value per Share	Potential Shares	Weighted-Average Grant-Date Fair Value per Share
At January 1, 2017	2,066,835	€ 7.50	479,500	€ 7.82	94,881	€ 5.01
Granted (A)	892,781	€ 11.52	703,180	€ 7.50	54,409	€ 6.09
Over-performance (B)	552,728	€ 7.63	—	—	—	—
Vested	—	—	(125,000)	€ 7.02	(53,950)	€ 5.76
Forfeited (C)	(254,504)	€ 8.29	(113,180)	€ 7.27	—	—
At December 31, 2017	3,257,840	€ 8.56	944,500	€ 7.76	95,340	€ 5.20
Granted (A)	701,109	€ 15.31	595,687	€ 10.23	30,709	€ 10.27
Over-performance (B)	633,670	€ 7.28	—	—	—	—
Vested	(1,265,635)	€ 7.09	(155,000)	€ 10.83	(68,136)	€ 4.85
Forfeited (C)	(241,820)	€ 8.40	(72,663)	€ 8.57	—	—
At December 31, 2018	3,085,164	€ 10.45	1,312,524	€ 8.47	57,913	€ 8.31

- (A) For PSUs, the number of potential shares granted is presented using a vesting multiplier of 100%.
- (B) When the achievement of TSR performance exceeds the vesting multiplier of 100%, the additional potential shares are presented as over-performance shares.
- (C) For potential shares related to PSUs, 213,820 were forfeited following the departure of certain beneficiaries and 28,000 were forfeited in relation to the non-fulfilment of performance conditions.

**NOTE 31—SUBSIDIARIES AND OPERATING SEGMENTS**

The following Group's affiliates are legal entities included in the Consolidated Financial Statements of the Group at December 31, 2018.

Entity	Country	% Group Interest	Consolidation Method
<b>Cross Operating Segment</b>			
Constellium Singen GmbH (AS&I and P&ARP)	Germany	100%	Full
Constellium Valais S.A. (AS&I and A&T)	Switzerland	100%	Full
<b>AS&amp;I</b>			
Constellium Automotive USA, LLC	US	100%	Full
Constellium Engley (Changchun) Automotive Structures Co Ltd.	China	54%	Full
Constellium Extrusions Decin S.r.o.	Czech Republic	100%	Full
Constellium Extrusions Deutschland GmbH	Germany	100%	Full
Constellium Extrusions Landau GmbH	Germany	100%	Full
Constellium Extrusions Burg GmbH	Germany	100%	Full
Constellium Extrusions France S.A.S.	France	100%	Full
Constellium Extrusions Levice S.r.o.	Slovakia	100%	Full
Constellium Automotive Mexico, S. DE R.L. DE C.V.	Mexico	100%	Full
Constellium Automotive Mexico Trading, S. DE R.L. DE C.V.	Mexico	100%	Full
Astrex Inc	Canada	50%	Full

<u>Entity</u>	<u>Country</u>	<u>% Group Interest</u>	<u>Consolidation Method</u>
Constellium Automotive Zilina S.r.o.	Slovakia	100%	Full
Constellium Automotive Nanjing Co Ltd	China	100%	Full
Constellium Automotive Spain SL	Spain	100%	Full
<b>A&amp;T</b>			
Constellium Issoire S.A.S.	France	100%	Full
Constellium Montreuil Juigné S.A.S.	France	100%	Full
Constellium China Limited	China	100%	Full
Constellium Japan KK	Japan	100%	Full
Constellium Rolled Products Ravenswood, LLC	US	100%	Full
Constellium Southeast Asia PTE LTD	Singapore	100%	Full
Constellium Ussel S.A.S.	France	100%	Full
AluInfra Services SA (A)	Switzerland	50%	Full
<b>P&amp;ARP</b>			
Constellium Deutschland GmbH	Germany	100%	Full
Constellium Rolled Products Singen GmbH KG	Germany	100%	Full
Constellium Property and Equipment Company, LLC	US	100%	Full
Constellium Neuf Brisach	France	100%	Full
Constellium Muscle Shoals LLC	US	100%	Full
Constellium Holding Muscle Shoals LLC	US	100%	Full
Constellium Muscle Shoals Funding II LLC	US	100%	Full
Listerhill Total Maintenance Center LLC	US	100%	Full
Constellium Metal Procurement LLC	US	100%	Full
Constellium-UACJ ABS LLC	US	51%	Equity
Rhenaroll	France	50%	Equity
<b>Holdings &amp; Corporate</b>			
C-TEC Constellium Technology Center S.A.S.	France	100%	Full
Constellium Finance S.A.S.	France	100%	Full
Constellium France III	France	100%	Full
Constellium France Holdco S.A.S.	France	100%	Full
Constellium International	France	100%	Full
Constellium Paris S.A.S.	France	100%	Full
Constellium Germany Holdco GmbH & Co. KG	Germany	100%	Full
Constellium Germany Verwaltungs GmbH	Germany	100%	Full
Constellium UK Limited	United Kingdom	100%	Full
Constellium U.S. Holdings I, LLC	US	100%	Full
Constellium Switzerland AG	Switzerland	100%	Full
Constellium W S.A.S.	France	100%	Full
Constellium Treuhand UG	Germany	100%	Full
Engineered Products International S.A.S.	France	100%	Full

(A) AluInfra Services SA, the joint venture created with Novelis in July 2018, is consolidated as a joint operation and is immaterial in the Group Consolidated Financial Statements



**NOTE 32—PARENT COMPANY**

Statement of Financial Position of Constellium N.V. (parent company only).

<i>(in millions of Euros)</i>	<b>At December 31, 2018</b>	<b>At December 31, 2017</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	—	—
Trade receivables and other	109	53
Other financial assets	38	28
	<u>147</u>	<u>81</u>
<b>Non-current assets</b>		
Property, plant and equipment	—	—
Financial assets	2,106	2,143
Investments in subsidiaries	144	131
Deferred income tax assets	2	—
	<u>2,252</u>	<u>2,274</u>
<b>Total Assets</b>	<u>2,399</u>	<u>2,355</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables and other	5	6
Income tax payable	21	—
Other financial liabilities	33	22
	<u>59</u>	<u>28</u>
<b>Non-current liabilities</b>		
Borrowings	2,022	1,957
	<u>2,022</u>	<u>1,957</u>
<b>Total Liabilities</b>	<u>2,081</u>	<u>1,985</u>
<b>Equity</b>		
Share capital	3	3
Share premium	429	429
Accumulated retained earnings	(239)	(17)
Other reserves	38	25
Net income/ (loss)	87	(70)
<b>Total Equity</b>	<u>318</u>	<u>370</u>
<b>Total Equity and Liabilities</b>	<u>2,399</u>	<u>2,355</u>

Statement of Comprehensive income / (loss) of Constellium N.V. (parent company only).

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Revenue	<u>3</u>	<u>1</u>	<u>1</u>
Gross profit	<u>3</u>	<u>1</u>	<u>1</u>
Selling and administrative expenses	<u>(15)</u>	<u>(5)</u>	<u>(8)</u>
Employee benefit expenses	<u>(3)</u>	<u>(1)</u>	<u>—</u>
Loss from recurring operations	<u>(15)</u>	<u>(5)</u>	<u>(7)</u>
Other income	<u>—</u>	<u>—</u>	<u>—</u>
Other expense	<u>(3)</u>	<u>—</u>	<u>—</u>
Loss from operations	<u>(18)</u>	<u>(5)</u>	<u>(7)</u>
Financial result—net	<u>80</u>	<u>(65)</u>	<u>1</u>
Income / (loss) before income tax	<u>62</u>	<u>(70)</u>	<u>(6)</u>
Income tax	<u>25</u>	<u>—</u>	<u>—</u>
Net income / (loss)	<u>87</u>	<u>(70)</u>	<u>(6)</u>
Other comprehensive (loss) / income	<u>—</u>	<u>—</u>	<u>—</u>
Total comprehensive income / (loss)	<u>87</u>	<u>(70)</u>	<u>(6)</u>

Statement of Cash Flows of Constellium N.V. (parent company only).

<i>(in millions of Euros)</i>	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Net income/ (loss)	87	(70)	(6)
Adjustments			
Finance cost—net	(80)	65	(1)
Dividend received	—	—	—
Income tax	(25)	—	—
Interest paid	(102)	(148)	(95)
Interest received	134	149	103
Changes in working capital	—	—	—
Trade receivables and other	—	(1)	—
Other financial liabilities	—	—	—
Trade payables and other	—	2	(1)
Net cash flows from / (used in) operating activities	14	(3)	—
Investments in subsidiaries	(1)	(11)	—
Current account with subsidiaries and related parties	(13)	180	(186)
Loans granted to subsidiary and related parties	—	(1,640)	(375)
Repayment of loans granted to subsidiary and related parties	—	823	181
Exit fees received from subsidiaries	—	9	—
Net cash flows used in investing activities	(14)	(639)	(380)
Net proceeds received from issuance of shares	—	259	—
Proceeds from issuance of Senior Notes	—	1,440	375
Payment of deferred financing costs	—	(29)	(12)
Repayment of Senior Notes	—	(949)	—
Payment of exit fees	—	(61)	—
Realized foreign exchange gains / (losses)	—	(17)	17
Other	—	(1)	—
Net cash flows from financing activities	—	642	380
Net increase in cash and cash equivalents	—	—	—
Cash and cash equivalents—beginning of year	—	—	—
Effect of exchange rate changes on cash and cash equivalents	—	—	—
Cash and cash equivalents—end of year	—	—	—

**Basis of preparation**

The parent company only financial information of Constellium N.V., presented above, is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as endorsed by the European Union. Accounting policies adopted in the preparation of this condensed parent company only financial information are the same as those adopted in the consolidated financial statements and described in NOTE 2—Summary of significant accounting policies, except that the cost method has been used to account for investments in subsidiaries.

As at December 31, 2018, there were no material contingencies at Constellium N.V.

A description of Constellium N.V.'s parent company only borrowings and related maturity dates is provided in NOTE 21—Borrowings. Other financial liabilities represent interest payable on borrowings.

Non-current financial assets represent loans to Constellium International and Constellium France Holdco and current other financial assets represent related interest receivables. The first application of IFRS 9 expected credit loss model resulted in the recognition of a €151 million loss in opening retained earnings net of tax (previous loss allowance was nil) and a €53 million gain in Other comprehensive income during the year ended December 31, 2018.

#### NOTE 33—ACQUISITION OF CONSTELLIUM-BOWLING GREEN

The acquisition of 49% of Constellium-UACJ ABS was completed on January 10, 2019. The transaction is therefore not reflected in the Group's consolidated financial statements as of December 31, 2018. In accordance with IFRS 3, Constellium will recognize the assets acquired and liabilities assumed, measured at fair value at the acquisition date, in its 2019 consolidated financial statements.

With the assistance of an independent expert, Constellium is estimating, on a preliminary basis, the provisional fair values as of January 10, 2019 of the assets acquired and liabilities assumed. These estimated fair values are subject to change, for a maximum 12-month period from the acquisition date, based upon management's final determination of the assets acquired and liabilities assumed.

The following table reflects the goodwill arising as a result of the preliminary allocation of purchase price to the Bowling Green assets acquired and liabilities assumed as of January 10, 2019:

<i>(in millions of Euros)</i>	<b>Estimated Fair Value</b>
Cash and cash equivalents	8
Trade receivables and other	49
Inventories	74
Property, plant and equipment	165
Trade payables and other	(45)
Borrowings	(75)
<b>Net asset acquired at fair value</b>	<b>176</b>
Preliminary Goodwill	22
<b>Total Consideration</b>	<b>198</b>

Total consideration includes €87 million of cash consideration paid for the 49% stake in Constellium-UACJ ABS, €73 million for the fair value of Constellium's previously held interest in Constellium-UACJ ABS and €38 million of preexisting trade receivables with Constellium- UACJ ABS.

Property, Plant and Equipment, Inventories, Provisions and Borrowings have been remeasured at fair value.

Had the acquisition of Constellium-UACJ ABS taken place as of January 1, 2018, Constellium would have recognized a combined revenue of €5,772 million and a combined net income of €159 million for the year 2018.

#### NOTE 34—SUBSEQUENT EVENTS

On January 10, 2019, the acquisition of 49% of Constellium-UACJ ABS was completed as described in NOTE 33—Acquisition of Constellium Bowling Green.

On February 20, 2019, the Pan-U.S. ABL Facility was amended to, among other things, (i) join Constellium Bowling Green as an additional borrower and (ii) increase the maximum commitments thereunder to \$350 million.

**AMENDED AND RESTATED CREDIT AGREEMENT**

**dated as of February 20, 2019**

**among**

**CONSTELLIUM INTERNATIONAL S.A.S.,  
as the Parent Guarantor,**

**CONSTELLIUM MUSCLE SHOALS LLC,  
as a Borrower,**

**CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC,  
as a Borrower,**

**CONSTELLIUM BOWLING GREEN LLC,  
as a Borrower,**

**CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC,  
as a Loan Party,**

**CONSTELLIUM US HOLDINGS I, LLC,  
as a Loan Party,**

**CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC,  
as a Loan Party,**

**THE LENDERS FROM TIME TO TIME PARTY HERETO,**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent and Collateral Agent**

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**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
JPMORGAN CHASE BANK, N.A.,  
BANK OF AMERICA, N.A., and  
DEUTSCHE BANK SECURITIES INC.,  
as Joint Lead Arrangers and Joint Bookrunners,**

**and**

**JPMORGAN CHASE BANK, N.A., BANK OF AMERICA, N.A., and  
DEUTSCHE BANK SECURITIES INC.,  
as Co-Syndication Agents**

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This AMENDED AND RESTATED CREDIT AGREEMENT, dated as of February 20, 2019 (this “Agreement”), is entered into by and among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company (f/k/a Wise Alloys LLC) (“Muscle Shoals”), CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company (“Ravenswood” together with Muscle Shoals, the “Existing Borrowers”), CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company (f/k/a Constellium-UACJ ABS LLC) (“Bowling Green”), CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company (f/k/a Wise Metals Group LLC) (“Muscle Shoals Holdings”), CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company (“Ravenswood Holdings”), CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company (“CPEC”), CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418 (“Parent Guarantor”), acting as successor by merger to CONSTELLIUM HOLDCO II B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, the LENDERS party hereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for the Lenders.

WHEREAS, the Existing Borrowers, Muscle Shoals Holdings, Ravenswood Holdings, Parent Guarantor, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent thereunder, are currently party to that Credit Agreement, dated as of June 21, 2017 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “Existing Credit Agreement”);

WHEREAS, the Borrowers, the Lenders and the Administrative Agent have entered into this Agreement in order to, among other things, (i) amend and restate the Existing Credit Agreement in its entirety; (ii) add Bowling Green as a Borrower under this Agreement; (iii) increase the aggregate amount of the Revolving Facility Commitment from \$300,000,000 to \$350,000,000; and (iv) set forth the terms and conditions under which the Lenders will, from time to time, make loans and extend other financial accommodations to or for the benefit of the Borrowers; and

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement or be deemed to evidence or constitute full repayment of such obligations and liabilities, but that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations and liabilities of the Borrowers outstanding thereunder, which shall be payable in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree that the Existing Credit Agreement is hereby amended and restated as follows:

## **ARTICLE I DEFINITIONS**

Section 1.01 **Defined Terms**. As used in this Agreement, the following terms have the meanings specified below:

“AB Receivables” means, collectively, Accounts for which the related Account Debtor is Anheuser-Busch and/or its Affiliates (other than Envases y Tapas Modelo, S. de R.L. de C.V.).

“AB Receivables Financing” means any transaction or series of transactions that may be entered into by any of Muscle Shoals or its Subsidiaries pursuant to which Muscle Shoals or such Subsidiary (any such Subsidiary, the “AB Receivables Subsidiary”) may sell, convey or otherwise transfer to any other Person (other than the Administrative Agent pursuant to the Loan Documents), or may grant a security interest in, any AB Receivables (whether now existing or arising in the future) of the AB Receivables Subsidiary, including all collateral securing such AB Receivables, all contracts and all guarantees or other obligations in respect of such AB Receivables, proceeds of such AB Receivables and other assets, in each case, which are customarily transferred in or in respect of which security interests are customarily granted in connection with asset securitization transactions or factoring transactions involving accounts receivable.

“AB Receivables Subsidiary” has the meaning set forth in the definition of “AB Receivables Financing”.

“ABL Credit Obligations” means, with respect to each Loan Party and the Parent Guarantor, without duplication:

(i) in the case of each Borrower, all principal of, premium, if any, and interest (including, without limitation, any interest which accrues after the commencement of any proceeding under any Debtor Relief Law with respect to such Borrower, whether or not allowed or allowable as a claim in any such proceeding) on, any Loan or L/C Obligation under, or any Note issued pursuant to, this Agreement or any other Loan Document;

(ii) all fees, expenses, indemnification obligations and other amounts of whatever nature now or hereafter payable by such Loan Party or Parent Guarantor (including, without limitation, any amounts which accrue after the commencement of any proceeding under any Debtor Relief Law with respect to such Loan Party, whether or not allowed or allowable as a claim in any such proceeding) pursuant to this Agreement or any other Loan Document;

(iii) all expenses of the Administrative Agent as to which the Administrative Agent has a right to reimbursement by such Loan Party or Parent Guarantor under Section 10.04(a) of this Agreement or under any other similar provision of any other Loan Document, including, without limitation, any and all sums advanced by the Collateral Agent to preserve the Collateral or preserve its security interests in the Collateral to the extent permitted under any Loan Document or applicable Law;

(iv) all amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement by such Loan Party or Parent Guarantor under Section 10.04(b) of this Agreement or under any other similar provision of any other Loan Document; and

(v) in the case of the Holdcos, each Borrower and each Subsidiary Loan Party, all amounts now or hereafter payable by the Holdcos, such Borrower or such Subsidiary Loan Party and all other obligations or liabilities (including all amounts charged to the Loan Account pursuant to this Agreement) now existing or hereafter arising or incurred (including, without limitation, any amounts which accrue after the commencement of any proceeding under any Debtor Relief Law with respect to any Borrower, the Holdcos or such Subsidiary Loan Party, whether or not allowed or allowable as a claim in any such proceeding) on the part of the Holdcos, such Borrower or such Subsidiary Loan Party pursuant to this Agreement, the Guaranty or any other Loan Document;

together in each case with all renewals, modifications, consolidations or extensions thereof.

“ABL Finance Obligations” means, at any date, (i) all ABL Credit Obligations and (ii) all Swap Obligations of any Borrower or any Material Subsidiary then owing under any Secured Hedge Agreement to any Hedge Bank and (iii) all obligations of any Borrower or any Material Subsidiary then owing under any Secured Cash Management Agreement to any Cash Management Bank.

“ABL Priority Collateral” has the meaning given to the term in the Intercreditor Agreement.

“Acceptable Appraiser” means (a) any Person listed on Schedule 1.01(f) or (b) any other experienced and reputable appraiser reasonably acceptable to the Administrative Agent.

“Accepting Lenders” has the meaning assigned to such term in Section 10.01.

“Account” has the meaning assigned to such term in the Collateral Agreement.

“Account Debtor” has the meaning assigned to such term in the Collateral Agreement.

“Accounts Availability Triggering Event” shall occur at any time that (a) Availability is less than 12.5% of the Maximum Credit for a period of five (5) consecutive Business Days or (b) an Event of Default shall have occurred and be continuing. Once occurred, an Accounts Availability Triggering Event shall be deemed to be continuing until such time as either (x) Availability exceeds 12.5% of the Maximum Credit for a period of at least 30 consecutive days or (y) such Event of Default has been cured or waived in accordance with the terms hereof, as applicable.

“Additional Mortgage” has the meaning assigned to such term in Section 6.10(c).

“Adjusted Eurodollar Rate” means the quotient obtained (expressed as a decimal, carried out to five decimal places) by dividing (A) the applicable Eurodollar Base Rate by (B) 1.00 minus the Eurodollar Reserve Percentage (rounded upwards, if necessary, to the next 1/100 of 1%).

“Administrative Agent” has the meaning assigned to such term in the preamble to this Agreement.

“Administrative Agent Fees” has the meaning assigned to such term in Section 2.12(c).

“Administrative Agent’s Account” means the Deposit Account of the Administrative Agent identified on Schedule 10.02 to this Agreement (or such other Deposit Account of the Administrative Agent that has been designated as such, in writing, by the Administrative Agent to Borrowers and the Lenders).

“Administrative Agent’s Office” means the Administrative Agent’s address set forth on Schedule 10.02, or such other address as the Administrative Agent may from time to time notify the Borrowers and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Advance Agreement” means the Advance Extension Agreement, dated as of August 21, 2012, between Muscle Shoals and Rexam, as amended by the Amendment to Advance Extension Agreement dated as of December 11, 2013 and as may be further amended, restated, supplemented, otherwise modified, extended, renewed, or replaced from time to time.

“ Affected Facility ” has the meaning assigned to such term in Section 10.01 .

“ Affiliate ” means, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

“ Agent Advance ” shall have the meaning assigned to such term in Section 2.18 .

“ Agreement ” means, on any date, this Agreement as originally in effect on the Effective Date and as thereafter amended, supplemented, amended and restated or otherwise modified from time to time and in effect on such date.

“ Airbus ” means Airbus Group SE and its successors and assigns.

“ Anheuser-Busch ” means Anheuser-Busch, LLC and its successors and assigns.

“ Anti-Money Laundering Laws ” means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to a Loan Party, its subsidiaries or Affiliates related to terrorism financing or money laundering, including any applicable provision of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (Title III of Pub. L. 107-56) and The Currency and Foreign Transactions Reporting Act (also known as the “ Bank Secrecy Act ”, 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“ Applicable Accounting Rules ” means GAAP or IFRS, as applicable to the applicable Person in the applicable context; provided, that for purposes of the definitions of “Indebtedness” and “Capital Lease Obligations”, the determination whether a lease is a capital lease or an operating lease, the capitalized amount of any lease, and whether any obligations under such lease constitute a liability on the balance sheet of any person shall, in each case, be made on the basis of GAAP or IFRS (as applicable) as in effect on the Original Closing Date, without giving effect to any subsequent change in GAAP or IFRS (including, for the avoidance of doubt, IFRS 16).

“ Applicable Margin ” means, with respect to Revolving Facility Loans, Agent Advances and Swing Line Loans, a percentage *per annum* equal to the rate set forth below opposite the then-applicable Average Quarterly Excess Availability for the calendar quarter immediately preceding the calendar quarter in which the date of determination falls:

Applicable Margin			
<u>Pricing Level</u>	<u>Average Quarterly Excess Availability</u>	<u>Eurodollar Rate Loans and Letter of Credit Fees</u>	<u>Base Rate Loans</u>
I	> 66.67% of the Maximum Credit	1.50%	0.50%
II	≤ 66.67% of the Maximum Credit but ≥ 33.33% of the Maximum Credit	1.75%	0.75%
III	< 33.33% of the Maximum Credit	2.00%	1.00%

For the avoidance of doubt, (a) Agent Advances and Swing Line Loans shall bear interest as Base Rate Loans, and (b) changes in the Applicable Margin resulting from a change in the Average Quarterly Excess Availability, as calculated in a compliance certificate delivered pursuant to Section 6.04(c), for any calendar quarter shall become effective as to all applicable Revolving Facility Loans and Letter of Credit Fees on the first day of the next calendar quarter following delivery of such compliance certificate except in the case of compliance certificates that are delivered pursuant to Section 6.04(c) for any calendar quarter that ends on the last day of a fiscal year, in which case such change shall become effective on the first day of the calendar quarter in which such compliance certificate is required to be delivered; provided, however, that if a compliance certificate is not delivered when due in accordance with such Section 6.04(c), then Pricing Level III shall apply from the first day of the next calendar quarter following the date on which such compliance certificate was due through the date on which such compliance certificate is delivered, after which the pricing level corresponding to the Average Quarterly Excess Availability set forth in such compliance certificate shall apply; provided, further, that, until the first day of the calendar quarter following the delivery of the compliance certificate for the calendar quarter ending on March 31, 2019, Pricing Level I shall apply. Notwithstanding the calculation of the Applicable Margin for any period as set forth above, if, as a result of any error in the calculation of the Average Quarterly Excess Availability for any quarter or for any other reason, the Borrowers or the Lenders determine that (i) the Average Quarterly Excess Availability as calculated for such quarter was inaccurate and (ii) a proper calculation of the Average Quarterly Excess Availability for such quarter would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuers, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or any L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or any L/C Issuer, as the case may be, under Section 2.13(c) or 2.05(h) or under Article VIII.

“Approved Fund” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“Asset Sale” means any loss, damage, destruction or condemnation of, or any sale, transfer or other disposition (including any sale and leaseback of assets and any mortgage or lease of Real Property) to any person of any asset or assets of any Borrower or any Subsidiary (including to a Divided LLC pursuant to a Division).

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee, and accepted by the Administrative Agent, the L/C Issuers, the Swing Line Lender and the Borrowers (in each case, if required by such assignment and acceptance), in the form of Exhibit A or such other form as shall be approved by the Administrative Agent, the L/C Issuers, the Swing Line Lender and the Borrowers (such approval not to be unreasonably withheld or delayed).

“Auto-Extension Letter of Credit” shall have the meaning specified in Section 2.05(b)(iii).

“Auto-Reinstatement Letter of Credit” shall have the meaning specified in Section 2.05(b)(iv).

“Availability” means, at any time, (a) the lesser of the Maximum Credit and the Borrowing Base in effect at such time minus (b) the aggregate Outstanding Amounts under the Revolving Facility.

“Availability Period” shall mean the period from and including the Closing Date to but excluding the earlier of (x) the Facility Maturity Date and (y) the date of termination of the Revolving Facility Commitments.

“Availability Triggering Event” shall occur at any time that (a) Availability is less than 12.5% of the Maximum Credit or (b) a Default or an Event of Default shall have occurred and be continuing. Once occurred, an Availability Triggering Event shall be deemed to be continuing until such time as (A) in the case of an Availability Triggering Event described in clause (a), Availability exceeds 12.5% of the Maximum Credit for 30 consecutive days or (B) in the case of an Availability Triggering Event described in clause (b), the applicable Default or Event of Default has been cured or waived in accordance with the terms hereof, as applicable.

“Average Quarterly Excess Availability” means, at any time, an amount (expressed as a percentage) equal to the quotient of (A) the average daily Availability during the immediately preceding quarter divided by (B) the average daily Maximum Credit for the immediately preceding quarter.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Base Rate” means, for any day, the greater of (a) zero (0.00%) *per annum* and (b) a rate *per annum* equal to the highest of (i) the Prime Rate for such day, (ii) the sum of 0.50% plus the Federal Funds Rate for such day and (iii) the sum of the Eurodollar Base Rate for a one-month interest period (which rate shall be determined on a daily basis) plus 1.00%.

“Base Rate Borrowing” means a Borrowing comprised of Base Rate Loans.



“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Board of Directors” means, as to any person, the board of directors or other governing body of such person, or if such person is owned or managed by a single entity, the board of directors or other governing body of such entity.

“Borrowers” means, collectively, Bowling Green, Ravenswood and Muscle Shoals. Unless the context otherwise requires, “Borrower” shall mean one or all of the foregoing Persons, jointly, severally, and collectively.

“Borrower Materials” has the meaning assigned to such term in Section 10.08.

“Borrowing” means a group of Loans of a single Type under the Revolving Facility and made on a single date and, in the case of Eurodollar Rate Loans, as to which a single Interest Period is in effect.

“Borrowing Base” means, at any time, an amount equal to:

the result of

- (x) the sum of:
  - (i) 85.0% of the Net Amount of Eligible Accounts, plus
  - (ii) the lesser of:
    - (A) 80.0% of the lesser of the original cost or market value of Eligible Inventory (valued at any date based on average cost method of accounting), and
    - (B) 85.0% of the Orderly Liquidation Value of Eligible Inventory,

minus

- (y) all Reserves which the Administrative Agent deems necessary in the exercise of its Permitted Discretion to maintain with respect to any Loan Party, including Reserves for any amounts which the Administrative Agent or any Lender may be obligated to pay in the future for the account of any Loan Party.

The specified percentages set forth in this definition will not (except as otherwise specified herein) be reduced without the consent of each Borrower (not to be unreasonably withheld or delayed). Any determination by the Administrative Agent in respect of the Borrowing Base shall be based

on the Administrative Agent's Permitted Discretion. The parties understand that the exclusionary criteria in the definitions of Eligible Accounts and Eligible Inventory, any Reserves that may be imposed as provided herein, any deductions or other adjustments to determine "lesser of cost or market value" and Net Amount of Eligible Accounts and factors considered in the calculation of Orderly Liquidation Value of Eligible Inventory have the effect of reducing the Borrowing Base, and, accordingly, whether or not any provisions hereof so state, all of the foregoing shall be determined without duplication so as not to result in multiple reductions in the Borrowing Base for the same facts or circumstances.

"Borrowing Base Certificate" means a certificate by a Responsible Officer of the Borrowers, substantially in the form of Exhibit B-2 (or another form acceptable to the Administrative Agent) setting forth the calculation of the Borrowing Base, including a calculation of each component thereof (including, to the extent any Borrower has received notice of any such Reserve from the Administrative Agent, any of the Reserves included in such calculation pursuant to clause (y) of the definition of the Borrowing Base), all in such detail as shall be reasonably satisfactory to the Administrative Agent. All calculations of the Borrowing Base in connection with the preparation of any Borrowing Base Certificate shall be made by the Borrowers and certified to the Administrative Agent.

"Borrowing Minimum" means \$1,000,000, except in the case of Swing Line Loans, in which case it means \$250,000.

"Borrowing Multiple" means \$250,000.

"Borrowing Request" means a request by a Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C-1 or otherwise in form and substance satisfactory to the Administrative Agent.

"Bowling Green Current Assets Access Agreement" means an agreement providing access and use rights to the Administrative Agent with respect to any Collateral located at the Bowling Green Property described on Schedule 7.02(ff), on terms substantially similar to Section 9 of the Secured Notes Intercreditor Agreement, or other terms reasonably satisfactory to the Administrative Agent.

"Bowling Green Intercompany Indebtedness" means the Indebtedness incurred by Bowling Green pursuant to each of the CF Credit Facility Agreement, the CF Intercompany Loan Agreement and the Ravenswood Holdings Intercompany Loan Agreement.

"Bowling Green Real Estate Intercreditor Arrangements" means an intercreditor agreement and any other documents, agreements or instruments to be executed in connection therewith, subordinating, on terms substantially similar to the Secured Notes Intercreditor Agreement, or other terms reasonably satisfactory to the Administrative Agent, the Administrative Agent's Liens on all or any portion of the Bowling Green Property securing the ABL Finance Obligations to the Liens permitted by Section 7.02(ff).

"Bowling Green Property" means all Real Property owned by Bowling Green and located in Bowling Green, Kentucky, including without limitation the property described on Schedule 7.02(ff).

"Budget" has the meaning assigned to such term in Section 6.04(e).

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located, except that if such day relates to any Eurodollar Rate Loan, such day shall also be a London Banking Day.

“Capital Expenditures” means, for any person in respect of any period, the aggregate of all expenditures incurred by such person during such period that, in accordance with Applicable Accounting Rules, are or should be included in “additions to property, plant or equipment” or similar items reflected in the statement of cash flows of such person; provided, however, that Capital Expenditures for the Ultimate Parent and its Subsidiaries shall not include:

(i) expenditures to the extent they are made with proceeds of the issuance of Equity Interests of the Ultimate Parent after the Closing Date or funds that would have constituted any Net Proceeds under the definition of the term “Net Proceeds” (but for the application of the first proviso thereof);

(ii) expenditures with proceeds of insurance settlements, condemnation awards and other settlements in respect of lost, destroyed, damaged or condemned assets, equipment or other property to the extent such expenditures are made to replace or repair such lost, destroyed, damaged or condemned assets, equipment or other property or otherwise to acquire, maintain, develop, construct, improve, upgrade or repair assets or properties useful in the business of the Ultimate Parent and its Subsidiaries within 15 months of receipt of such proceeds (or, if not made within such period of 15 months, are committed to be made during such period);

(iii) interest capitalized during such period;

(iv) expenditures that are accounted for as capital expenditures of such person and that actually are paid for by a third party (excluding the Ultimate Parent or any Subsidiary thereof) and for which neither the Ultimate Parent nor any Subsidiary thereof has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such third party or any other person (whether before, during or after such period);

(v) the book value of any asset owned by such person prior to or during such period to the extent that such book value is included as a capital expenditure during such period as a result of such person reusing or beginning to reuse such asset during such period without a corresponding expenditure actually having been made in such period; provided that (A) any expenditure necessary in order to permit such asset to be reused shall be included as a Capital Expenditure during the period that such expenditure actually is made and (B) such book value shall have been included in Capital Expenditures when such asset was originally acquired;

(vi) the purchase price of equipment purchased during such period to the extent the consideration therefor consists of any combination of (A) used or surplus equipment traded in at the time of such purchase and (B) the proceeds of a concurrent sale of used or surplus equipment, in each case, in the ordinary course of business;

(vii) Investments in respect of a Permitted Business Acquisition; or

(viii) the purchase of property, plant or equipment made or contractually committed to be made within 15 months of the sale of any asset (other than inventory) to the extent purchased with the proceeds of such sale.

“Capital Lease Obligations” of any person means the obligations of such person to pay rent or other amounts under any lease of (or other similar arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under Applicable Accounting Rules and, for purposes hereof, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Applicable Accounting Rules.

“Cash Collateralize” means to deposit in a Controlled Account or to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the applicable L/C Issuers shall agree in their sole discretion, other credit support, or to provide a customary back-to-back letter of credit in support of, in each case pursuant to customary documentation in form and substance reasonably satisfactory to the Administrative Agent and the applicable L/C Issuers. “Cash Collateral” and “Cash Collateralized” have meanings correlative to the foregoing, and shall include the proceeds of such cash collateral and other credit support.

“Cash Management Agreement” means any agreement to provide an overdraft line or other cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer, automated clearinghouse transactions and other cash management arrangements.

“Cash Management Bank” means any Person that, at the time it enters into a Cash Management Agreement, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Cash Management Agreement.

“CF Credit Facility Agreement” means that certain Credit Facility Agreement dated as of January 10, 2019 between Bowling Green, as borrower, and Constellium Finance, as lender, evidencing an uncommitted revolving credit facility available to Bowling Green for advances up to a maximum principal amount at any one time of \$20,000,000 (as amended, amended and restated, supplemented, replaced, or otherwise modified from time to time in compliance with Section 7.09(b)(ii)).

“CF Intercompany Loan Agreement” means that certain Intragroup Loan Agreement dated as of January 10, 2019 between Bowling Green, as borrower, and Constellium Finance, as lender, evidencing a term loan to Bowling Green in an initial principal amount of \$63,000,000 (as amended, amended and restated, supplemented, replaced, or otherwise modified from time to time in compliance with Section 7.09(b)(ii)).

“CFC” means a “controlled foreign corporation” as defined in Section 957 of the Code.

“Change in Control” shall be deemed to occur if:

(i) at any time (A) Ultimate Parent shall fail to own, directly or indirectly, beneficially and of record, 100% of the issued and outstanding Equity Interests of any Holdco, (B) a majority of the seats (other than vacant seats) on the Board of Directors of Ultimate Parent shall at any time be occupied by persons who were neither (i) nominated by the Board of Directors of Ultimate Parent nor (ii) appointed by directors so nominated, (C) except as permitted pursuant to Section 7.11(y), the Constellium Holding Companies (or any one or more of them) shall fail to collectively own, directly or indirectly, beneficially and of record, 100% of the issued and outstanding Equity Interests of each Borrower, (D) a majority of the seats (other than vacant seats) on the Board of Directors of any Holdco shall at any time be occupied by persons who were neither (i) nominated by the Board of Directors of such Holdco nor (ii) appointed by directors so nominated, or (E) a “change of control” (or similar event) shall occur under any Material Indebtedness; or

(ii) any person or “group” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date) (other than in the case of any Holdco’s Equity Interests, Ultimate Parent or any Subsidiary thereof) shall have acquired beneficial ownership of 50% or more on a fully diluted basis of the voting interest in Ultimate Parent’s Equity Interests or any Holdco’s Equity Interests.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Closing Date” means the first date on or after the Effective Date when all the conditions precedent in Section 5.02 are satisfied or waived in accordance with Section 10.01.

“Coca-Cola” means Coca-Cola Bottlers’ Sales and Services Company LLC, a Delaware limited liability company, and its successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means all the “Collateral” as defined in any Security Document and shall also include the Mortgaged Properties and all other property that is subject to any Lien in favor of the Collateral Agent or any Subagent for the benefit of the Lenders pursuant to any Security Document.

“Collateral Agent” means the party acting as collateral agent for the Secured Parties under the Security Documents. On the Closing Date, the Collateral Agent is the same person as the Administrative Agent. Unless the context otherwise requires, the term “Administrative Agent” as used herein shall include the Collateral Agent, notwithstanding various specific references to the Collateral Agent herein.

“Collateral Agreement” means the Amended and Restated Guarantee and Collateral Agreement, dated as of the Closing Date, by and among the Borrowers, the Guarantors, the Parent Guarantor and the Administrative Agent.

“Collateral and Guarantee Requirement” means the requirement, subject to the Intercreditor Agreements, that:

(i) on the Closing Date, the Collateral Agent shall have received (A) from each Borrower and each Guarantor, a counterpart of the Collateral Agreement duly executed and delivered on behalf of such person and (B) an Acknowledgment and Consent in the form attached to the Collateral Agreement, executed and delivered by each issuer of Pledged Stock (as defined in the Collateral Agreement), if any, that is a Subsidiary of any Borrower (other than any Receivables Subsidiary) but is not a Loan Party;

(ii) on or before the Closing Date, (A) the Collateral Agent shall have received, to the extent not previously received under the Existing Credit Agreement, a pledge of all the issued and outstanding Equity Interests of each Borrower and (B) the Collateral Agent shall have received, to the extent not previously received under the Existing Credit Agreement, all certificates or other instruments (if any) representing such Equity Interests, together with stock powers or other instruments of transfer with respect thereto endorsed in blank;

(iii) on or before the Closing Date, (A) all Indebtedness of each Borrower and each Subsidiary constituting Pledged Debt Securities (as defined in the Collateral Agreement) (other than (i) intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Holdcos and their Subsidiaries or (ii) to the extent that a pledge of such promissory note or instrument would violate applicable law) that is owing to any Loan Party shall have been pledged pursuant to the Collateral Agreement (or other applicable Security Document as reasonably required by the Collateral Agent), and (B) the Collateral Agent shall, if any such Indebtedness is evidenced by a promissory note or an instrument, have received, to the extent not previously received under the Existing Credit Agreement, all such promissory notes or instruments, together with note powers or other instruments of transfer with respect thereto endorsed in blank;

(iv) in the case of any person that becomes a Subsidiary Loan Party after the Closing Date, the Collateral Agent shall have received a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Subsidiary Loan Party;

(v) after the Closing Date, (A) all the outstanding Equity Interests of (i) any person that becomes a Subsidiary Loan Party after the Closing Date (and which are owned by a Borrower) and (ii) subject to Section 6.10(g), any other Person that is acquired by a Borrower after the Closing Date (other than to the extent that a pledge of such Equity Interest would violate applicable law or regulation) shall have been pledged pursuant to the Collateral Agreement; provided that (x) in no event shall more than 65% of the issued and outstanding voting Equity Interests of any FSHCO or “first tier” Foreign Subsidiary that is a CFC (other than a “first tier” Foreign Subsidiary of a FSHCO) be pledged to secure ABL Credit Obligations, (y) in no event shall any of the issued and outstanding Equity Interests of any direct or indirect Subsidiary of a FSHCO or a Foreign Subsidiary that is a CFC be pledged to secure ABL Credit Obligations and (z) in no event shall the Equity Interests of any Receivables Subsidiary be pledged, and (B) the Collateral Agent shall have received all certificates or other instruments (if any) representing such Equity Interests, together with stock powers or other instruments of transfer with respect thereto endorsed in blank;

(vi) except as otherwise contemplated by any Security Document and subject to Section 5.02(d), all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents (in each case, including any supplements thereto) and perfect such Liens to the extent required by, and with the priority required by, the Security Documents, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or the recording concurrently with, or promptly following, the execution and delivery of each such Security Document, and all taxes, fees, charges and costs in connection with the filing and recording of such Security Documents shall be incurred by the Borrowers;

(vii) (1) the Collateral Agent shall have received (A) counterparts of each Mortgage to be entered into with respect to each Mortgaged Property set forth on Schedule 1.01(b) duly executed and delivered by the record owner of such Mortgaged Property and suitable for recording or filing and, if such Mortgaged Property is an improved Real Property, no later than 15 days prior to the execution and delivery of such Mortgage (or such later date as the Collateral Agent shall determine in its sole discretion), address and other identifying information with respect to such Mortgaged Property reasonably satisfactory to the Collateral Agent and (i) if any improvements on such Mortgaged Property are located within any area designated by the Director of the Federal Emergency Management Agency as a "special flood hazard" area (as may be established by a completed Federal Emergency Management Agency Standard Flood Hazard Determination with respect to such Mortgaged Property), no later than 5 days prior to the execution and delivery of such Mortgage (or such later date as the Collateral Agent shall determine in its sole discretion), evidence of a flood insurance policy (if such insurance is required by Law and commercially reasonably available) from a company and in an amount satisfactory to the Collateral Agent for the applicable portion of the premises, naming the Collateral Agent, for the benefit of the Lenders, as mortgagee, or (ii) a certification from a registered engineer or land surveyor in a form reasonably satisfactory to the Collateral Agent or other evidence reasonably satisfactory to the Collateral Agent that none of the improvements on such Mortgaged Property is located within any area designated by the Director of the Federal Emergency Management Agency as a "special flood hazard" area and (B) such other documents that the Collateral Agent may reasonably request, in form and substance reasonably satisfactory to the Collateral Agent, including, but not limited to, any consents, agreements, opinions and confirmations of third parties, surveys, insurance policies, and appraisals (but without duplication of the documents described in clause (viii) below), as the Collateral Agent may reasonably request with respect to any such Mortgage or Mortgaged Property and (2) for the avoidance of doubt, no Real Property shall be taken as Collateral unless each Lender confirms to the Administrative Agent and the Collateral Agent that it has completed all flood due diligence, received copies of all flood insurance documentation and confirmed flood insurance compliance as required by the Flood Laws or as otherwise satisfactory to such Lender; provided, however, that the provisions of this paragraph (vii) shall not apply with respect to Real Property if the Collateral Agent shall reasonably determine that the costs of obtaining or perfecting such a security interest or adhering to the provisions of this paragraph (vii) are excessive in relation to the value of the security to be afforded thereby;

(viii) the Collateral Agent shall have received an American Land Title Association Lender's Extend Coverage policy or policies or marked-up unconditional binder of title insurance, as applicable, paid for by the applicable Borrower, each policy in an amount not less than 100% or lesser percentage of the fair market value of the applicable Mortgaged Property as reasonably determined by the Collateral Agent, issued by a nationally recognized title insurance company approved by the Collateral Agent, insuring the Lien of each Mortgage in respect of the Mortgaged Property set forth on Schedule 1.01(b) as a valid Lien on the Mortgaged Property described therein, free of any Liens and other title defects except Permitted Liens, together with such customary endorsements (including zoning endorsements where reasonably appropriate and available), coinsurance and reinsurance as the Collateral Agent may reasonably request, including with respect to any such property located in a state in which a zoning endorsement is not available, a zoning compliance letter from the applicable municipality in a form reasonably acceptable to the Collateral Agent;

(ix) upon or prior to the delivery of the Mortgages, the Collateral Agent shall have received evidence of the insurance required by the terms of the Mortgages;

(x) except as otherwise contemplated by any Security Document, each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with (A) the execution and delivery of all Security Documents (or supplements thereto) to which it is a party and the granting by it of the Liens thereunder and (B) the performance of its obligations thereunder; and

(xi) except as otherwise approved in writing by the Administrative Agent, (i) each Subsidiary of either Borrower (other than any Receivables Subsidiary) that incurs Guarantees to support any Indebtedness for borrowed money in an amount in excess of \$15,000,000 of any Loan Party or any Affiliate of any Loan Party shall, within 30 days (or such longer time as the Administrative Agent may agree) after incurring such Guarantees, guaranty the ABL Finance Obligations and (ii) each such Person that grants Liens to support any Indebtedness for borrowed money in an amount in excess of \$15,000,000 of any Loan Party or any Affiliate of any Loan Party (including to secure Guarantees of such Person that support such Indebtedness) to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in, subject to the limitations set forth herein and in the Security Documents, all of such Person's property to secure the ABL Finance Obligations within 30 days (or such longer time as the Administrative Agent may agree) after granting such Liens;

(xii) after the Closing Date, the Collateral Agent shall have received (A) such other Security Documents as may be required to be delivered pursuant to Section 6.10, and (B) upon reasonable request by the Collateral Agent, evidence of compliance with any other requirements of Section 6.10.

Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, Liens required to be granted from time to time pursuant to the term "Collateral and Guarantee Requirement" shall be subject to exceptions and limitations set forth in the Security Documents. The Administrative Agent may grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables with respect to particular assets or the provision of any Guarantee by any Subsidiary (including extensions beyond the Effective Date or in connection with assets acquired, or Subsidiaries formed or acquired, after the Effective Date) where it reasonably determines that either (i) such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by this Agreement or the Security Documents or (ii) such extension of time is otherwise reasonable, necessary or appropriate, and each Lender hereby consents to any such extensions of time. Without limitation of the foregoing, in no event shall a Mortgage with respect to the Specified Mill Assets be required.

"Commitments" means (a) with respect to any Lender, such Lender's Revolving Facility Commitment (including any Incremental Revolving Facility Commitment) and (b) with respect to the Swing Line Lender, its Swing Line Commitment.

"Commitment Fee" has the meaning assigned to such term in Section 2.12(a).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.



“Consolidated Interest Expense” means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, noncash interest payments, the interest component of Capital Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Swap Obligations (but excluding unrealized mark-to-market gains and losses attributable to such Swap Obligations, amortization of deferred financing fees and expensing of any bridge or other financing fees), and excluding interest expense attributable to the Factoring Facilities or any Qualified Receivables Financing or other factoring arrangements (to the extent accounted for as interest expense under Applicable Accounting Rules), amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge commitment or other financing fees); plus

(2) consolidated capitalized interest of such Person and its Subsidiaries for such period, whether paid or accrued; plus

(3) preferred stock dividends paid in cash in respect of Disqualified Stock of the Ultimate Parent held by persons other than the Ultimate Parent or a Subsidiary; plus

(4) Commissions based on draws, discounts and yield (but excluding other fees and charges, including commitment fees) incurred in connection with any Receivables Financing which are payable to Persons other than the Ultimate Parent and its Subsidiaries; minus

(5) interest income for such period.

For purposes of this definition, interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Ultimate Parent to be the rate of interest implicit in such Capital Lease Obligation in accordance with Applicable Accounting Rules.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis; *provided, however*, that:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses or income, expenses or charges, in each case, other than those which could be categorized under clause (4) of the definition of “EBITDA” (less all fees and expenses relating thereto), including, without limitation, any expenses related to any reconstruction of fixed assets and any fees, expenses or charges related to any equity offering, Investment permitted hereunder, acquisition, disposition, receivables financing, recapitalization or issuance, repayment, incurrence, refinancing, amendment or modification of Indebtedness permitted to be incurred by this Agreement (in each case, whether or not successful), in each case, shall be excluded;

(2) any increase in amortization or depreciation or any non-cash charges, in each case resulting from purchase accounting in connection with any acquisition that is consummated after the Closing Date shall be excluded;

(3) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from disposed, abandoned, transferred, closed or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the Borrowers) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness or Swap Obligations or other derivative instruments shall be excluded;

(7) the Net Income for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Subsidiary thereof in respect of such period;

(8) [Reserved];

(9) any non-cash impairment charges or asset write-offs resulting from the application of Applicable Accounting Rules and the amortization of intangibles arising pursuant to Applicable Accounting Rules shall be excluded;

(10) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, grants and sales of stock, stock appreciation or similar rights, stock options or other rights of such Person or any of its Subsidiaries shall be excluded;

(11) any (a) severance or relocation costs or expenses, (b) one-time non-cash compensation charges, (c) the costs and expenses related to employment of terminated employees, (d) [Reserved] or (e) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Closing Date of officers, directors and employees, in each case of such Person or any of its Subsidiaries, shall be excluded;

(12) accruals and reserves that are established or adjusted in accordance with Applicable Accounting Rules or changes as a result of the adoption or modification of accounting policies shall be excluded;

(13) (a)(i) the non-cash portion of "straight line" rent expense shall be excluded and (ii) the cash portion of "straight line" rent expense which exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting shall be excluded;

(14) unrealized gains and losses relating to hedging transactions and mark-to-market of Indebtedness denominated in foreign currencies shall be excluded;

(15) solely for the purpose of calculating Restricted Payments, the difference, if positive, of the Consolidated Taxes of the Ultimate Parent calculated in accordance with Applicable Accounting Rules and the actual Consolidated Taxes paid in cash by the Ultimate Parent during any reference period shall be included;

(16) non-cash charges for deferred tax asset valuation allowances shall be excluded;

(17) an adjustment (which may be a negative number) shall be made to the extent that Net Income was calculated on an average cost basis with respect to inventory, in order to reflect the additional Net Income (or the reduction to Net Income) which would have been recognized using an approximation of last in first out inventory accounting; and

(18) any loss on sale of receivables and related assets in a Factoring Facility or other Qualified Receivables Financing shall be excluded.

“Consolidated Non-cash Charges” means, with respect to any Person for any period, the aggregate depreciation, amortization, accretion and other non-cash expenses of such Person and its Subsidiaries reducing Consolidated Net Income of such Person for such period on a consolidated basis and otherwise determined in accordance with Applicable Accounting Rules, but excluding any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period.

“Consolidated Taxes” means provision for taxes based on income, profits or capital, including, without limitation, state, franchise and similar taxes.

“Consolidated Total Assets” means, as of any date, the total assets of the Borrowers and their consolidated Subsidiaries, determined in accordance with the Applicable Accounting Rules, as set forth on the consolidated balance sheet of the Borrowers as of such date.

“Constellium Entities” means, collectively, Ultimate Parent and its Subsidiaries other than the Holdcos and the Borrowers.

“Constellium Holding Company” means, any of Ravenswood Holdings, Muscle Shoals Holdings and CPEC or, in each case, any permitted successor thereto.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and “Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Account” means each Deposit Account that is subject to a Deposit Account Control Agreement in form and substance satisfactory to the Administrative Agent and, in the event that such Deposit Account holds Cash Collateral, the L/C Issuers.

“Co-Syndication Agents” means each of JPMorgan Chase Bank, N.A., Bank of America, N.A., and Deutsche Bank Securities Inc., in its capacity as a co-syndication agent.

“CPEC” has the meaning assigned to such term in the preamble hereto.

“Credit Event” has the meaning assigned to such term in Article V.

“Crown” means Crown Holdings, Inc., a Pennsylvania corporation, and its successors and assigns.

“Debtor Relief Laws” means the U.S. Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that upon notice, lapse of time or both would constitute an Event of Default.

“Default Rate” has the meaning assigned to such term in Section 2.13(c).

“Defaulting Lender” means any Lender that (i) has failed (A) to fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender has notified the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (B) to pay to the Administrative Agent, an L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans or Agent Advances) within two Business Days of the date when due, (ii) has notified the applicable Borrower, the Administrative Agent, an L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has generally defaulted on its funding obligations under other loan agreements or credit agreements or other similar financing agreements, (iv) has failed, within three Business Days after written request by the Administrative Agent or the applicable Borrower, to confirm in writing to the Administrative Agent and such Borrower that it will comply with its prospective funding obligations hereunder ( provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (iv) upon receipt of such written confirmation by the Administrative Agent and such Borrower), or (v) has, or has a direct or indirect parent company that has, (A) become insolvent, or become generally unable to pay its debts as they become due, or admitted in writing its inability to pay its debts as they become due, or made a general assignment for the benefit of its creditors, (B) become the subject of a proceeding under any Debtor Relief Law, (C) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (D) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (v) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrowers and, to the extent permitted by law, each L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

“Delaware LLC” means any limited liability company organized or formed under the laws of the State of Delaware.

“Deposit Account” means a “deposit account” (as defined in the Uniform Commercial Code) and also means and includes all demand, time, savings, passbook or similar accounts maintained by a Loan Party with a bank or other financial institution, whether or not evidenced by an instrument, all cash and other funds held therein and all passbooks related thereto and all certificates and instruments, if any, from time to time representing, evidencing or deposited into such deposit accounts.

“Deposit Account Control Agreement” means a deposit account control agreement among the Collateral Agent, any Borrower or other Loan Party maintaining a Deposit Account at any bank or financial institution (an “Account Bank”) and such Account Bank, which agreement shall be on terms reasonably satisfactory to the Administrative Agent, as the same may be amended, supplemented or otherwise modified from time to time.

“Designated Non-Cash Consideration” means the fair market value (as determined in good faith by the applicable Borrower) of non-cash consideration received by such Borrower or one of its Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of a Responsible Officer, setting forth the basis of such valuation, less the amount of cash or cash equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

“Disqualified Stock” means, with respect to any person, any Equity Interests of such person that, by their terms (or by the terms of any security or other Equity Interests into which such Equity Interests are convertible or for which they are redeemable or exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other ABL Credit Obligations that are accrued and payable and the termination of the Commitments), (ii) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (iii) provide for the scheduled payments of dividends in cash, or (iv) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Stock, in each case, prior to the date that is ninety-one (91) days after the earlier of (x) the Facility Maturity Date and (y) the date on which the Loans and all other ABL Credit Obligations that are accrued and payable are repaid in full and the Commitments are terminated; provided, however, that only the portion of the Equity Interests that so mature or are mandatorily redeemable, are so convertible or exchangeable or are so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; provided, further, however, that if such Equity Interests are issued to any employee or to any plan for the benefit of employees of the Borrowers or their respective Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Stock solely because they may be required to be repurchased by the applicable Borrower in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability; provided, further, however, that any class of Equity Interests of such person that by its terms authorizes such person to satisfy its obligations by delivery of Equity Interests that are not Disqualified Stock shall not be deemed to be Disqualified Stock.

“Divided LLC” means any Delaware LLC which has been formed as a consequence of a Division (excluding any dividing Delaware LLC that survives a Division).

“Division” means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

“Dollars” or “\$” means the lawful currency of the United States of America.

“Domestic Subsidiary” means any Subsidiary that is not a Foreign Subsidiary or a subsidiary listed on Schedule 1.01(a).

“EBITDA” means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Subsidiaries for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Income:

- (1) Consolidated Taxes; plus
- (2) Consolidated Interest Expense; plus
- (3) Consolidated Non-cash Charges; plus

(4) business optimization expenses and other restructuring charges or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory optimization programs, plant closures, facility consolidations, retention, severance, systems establishment costs, contract termination costs, future lease commitments and excess pension charges); *provided* that the aggregate amount of business optimization expenses and other restructuring charges or expenses added pursuant to this clause (4) shall not exceed the greater of (i) €20.0 million and (ii) 10% of EBITDA for such period;

less, without duplication,

(5) non-cash items increasing Consolidated Net Income for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period and any items for which cash was received in a prior period).

“EEA Financial Institution” means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“ Effective Date ” means the date this Agreement becomes effective in accordance with Section 10.11.

“ Eligible Accounts ” means all Accounts of each Borrower reflected in the most recent Borrowing Base Certificate (but, with respect to each such Account, solely to the extent of the unpaid portion of the obligations stated on the respective Account invoices issued to a customer of such Borrower with respect to inventory sold and shipped or services performed in the ordinary course of business, in each case net of any credits, rebates or offsets owed by such Borrower to the respective customer, and any unapplied cash), except any Account with respect to which any of the exclusionary criteria set forth below applies:

- (a) Accounts of Account Debtors set forth on Schedule 1.01(h);
- (b) with respect to which any of the representations, warranties, covenants, and agreements contained in Section 4.05 of the Collateral Agreement are not or have ceased to be correct or have been breached;
- (c) with respect to which Account (or any other Account due from such Account Debtor), in whole or in part, a check, promissory note, draft, trade acceptance, or other instrument for the payment of money has been received, presented for payment, and returned uncollected for any reason;
- (d) (i) as to which such Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process or (ii) which represents a progress billing; provided that for the purposes hereof, “progress billing” means any invoice for goods sold or leased or services rendered under a contract or agreement pursuant to which the Account Debtor’s obligation to pay such invoice is conditioned upon completion of any further performance under the contract or agreement or is subject to the equitable lien of a surety bond issuer;
- (e) with respect to which any one or more of the following events has occurred to the Account Debtor on such Account: (i) death or judicial declaration of incompetency of an Account Debtor who is an individual; (ii) the filing by or against the Account Debtor of a request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, winding-up, or other relief under any Debtor Relief Law; (iii) the making of any general assignment by the Account Debtor for the benefit of creditors; (iv) the appointment of a receiver or trustee for the Account Debtor or for any of the assets of the Account Debtor, including, without limitation, the appointment of or taking possession by a “custodian”, as defined in the U.S. Bankruptcy Code; (v) the institution by or against the Account Debtor of any other type of insolvency proceeding (under the U.S. Bankruptcy Code, another Debtor Relief Law or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of affairs of, the Account Debtor; (vi) the sale, assignment, or transfer of all or substantially all of the assets of the Account Debtor; (vii) the nonpayment generally by the Account Debtor of its debts as they become due; or (viii) the cessation of the business of the Account Debtor as a going concern;
- (f) if fifty percent (50.0%) or more of the aggregate Dollar amount of outstanding Accounts owed at such time by the Account Debtor thereon is classified as ineligible under clause (a) preceding;

(g) owed by an Account Debtor which: (i) does not maintain its chief executive office in the United States or Canada; (ii) is not organized under the laws of the United States or Canada or any political subdivision, state, or province thereof; or (iii) is the government of any foreign country or sovereign state, or of any state, province, municipality, or other political subdivision thereof, or of any department, agency, public corporation, or other instrumentality thereof; except to the extent that (x) such Account is insured by the Export-Import Bank of the United States or other credit insurer acceptable to the Administrative Agent or secured or payable by a letter of credit satisfactory to the Administrative Agent as to form, amount and issuer in its reasonable discretion or (y) such Account is an Eligible Foreign Account; provided that to the extent the aggregate amount of such Eligible Foreign Accounts exceeds \$30,000,000 at any time, such excess shall be excluded;

(h) Intercompany Accounts or other Accounts owed by an Account Debtor which is an Affiliate or employee of any Borrower or Subsidiary;

(i) except as agreed by the Administrative Agent as provided in clause (g), preceding or clause (l), following regarding political subdivisions of the United States of America but not the U.S. federal government, with respect to which either the perfection, enforceability, or validity of the Collateral Agent's Lien in such Account, or the Collateral Agent's right or ability to obtain direct payment to the Collateral Agent of the proceeds of such Account, is governed by any federal, state, or local statutory requirements other than those of the UCC;

(j) owed by an Account Debtor to which a Loan Party or any of their respective Subsidiaries is indebted in any way, or which is subject to any right of set-off or recoupment by the Account Debtor, unless the Account Debtor has entered into an agreement that the Collateral Agent has accepted in writing in its reasonable discretion to waive set-off rights; or if the Account Debtor thereon has disputed liability or made any claim with respect to any other Account due from such Account Debtor; but in each such case only to the extent of such indebtedness, set-off, recoupment, dispute, or claim;

(k) with respect to which such Borrower at the time of determination deems such Account as uncollectible;

(l) owed by the United States of America, any state or county thereof or any municipality or other political subdivision, department, agency, public corporation or other instrumentality of any of the foregoing (unless such Borrower complies with any applicable assignment of claims act restricting the assignment thereof with respect to such obligation if the Collateral Agent reasonably determines that its Lien therein is not or cannot be otherwise perfected);

(m) which represents a sale on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment, or other repurchase or return basis or other terms by reason of which the payment by the Account Debtor is conditional;

(n) which is evidenced by a promissory note or other instrument, by judgment or by chattel paper;

(o) (i) at any time that the senior, unsecured, non-credit enhanced long term Indebtedness of Anheuser-Busch InBev SA/NV receives a rating less than BBB- from S&P, less than BBB- from Fitch or less than Baa3 from Moody's, with respect to the AB Receivables, such Accounts exceed a percentage of the aggregate Eligible Accounts determined by the



Administrative Agent in its Permitted Discretion and (ii) when aggregated with all other Accounts (other than AB Receivables) owing by an Account Debtor, such Accounts exceed 25% of the aggregate Eligible Accounts;

(p) in the Administrative Agent's Permitted Discretion upon thirty (30) days' prior notice to the Borrowers, with respect to which the Account Debtor is located in any state requiring the filing of a "Notice of Business Activities Report" or similar report in order to permit the applicable Borrower to seek judicial enforcement in such state of payment of such Account, unless such Borrower has qualified to do business in such state or has filed a "Notice of Business Activities Report" or equivalent report for the then current year;

(q) which arises out of a sale of goods or performance of services not made in the ordinary course of such Borrower's business, including sales of equipment and bulk sales;

(r) with respect to which the goods giving rise to such Account have not been shipped and delivered to, or have been rejected or objected to, by the Account Debtor or the services giving rise to such Account have not been performed by such Borrower, and, if applicable, accepted by the Account Debtor, or the Account Debtor revokes its acceptance of such goods or services, but, in each case, only to the extent of the portion of such Account applicable to goods or services in question;

(s) which arises out of an enforceable contract or order which, by its terms, validly forbids, restricts, or makes void or unenforceable the granting of a Lien by such Borrower to the Collateral Agent with respect to such Account;

(t) which is not subject to a first priority and perfected security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, or which is subject to any other Lien other than (i) Liens securing Indebtedness that is permitted to be incurred and secured pursuant to the terms of this Agreement and that are subject to the applicable Intercreditor Agreements (or any additional intercreditor agreements, reasonably satisfactory to the Administrative Agent), providing that such Liens are subordinated in right of priority to the Liens securing the ABL Finance Obligations and (ii) Permitted Liens arising by operation of law as described in clauses (d), (e) and (k) of the definition thereof;

(u) which is an Account owed to a Borrower acquired in a Permitted Business Acquisition under this Agreement, unless either (i) the Administrative Agent has been given the opportunity for a reasonable period (which shall not be required to be longer than thirty (30) days and which shall, at the request of such Borrower, be completed prior to the consummation of such Permitted Business Acquisition; provided that the Administrative Agent shall have been given, for a period of at least thirty (30) days prior to such consummation, all information and access to the properties, records, files and books of account of such Borrower as the Administrative Agent reasonably deems necessary) to complete such due diligence as the Administrative Agent deems, in the exercise of Permitted Discretion, to be necessary in the circumstances, or (ii) at the time of such Permitted Business Acquisition, the sum of the Eligible Accounts and Eligible Inventory of such Borrower then being acquired is less than \$5,000,000;

(v) prior to the Incremental Facility Effective Date, any AB Receivables (other than AB Receivables for which an Eligible Foreign Account Debtor is the Account Debtor);

(w) any Qualified Receivables subject to a Qualified Receivables Financing;

- (x) with respect to which an invoice has not been sent to the applicable Account Debtor;
- (y) that arise with respect to goods that are sold on a cash-on-delivery basis;
- (z) that are payable in any currency other than Dollars; and
- (aa) that are not true and correct statements of bona fide indebtedness incurred in the amount of such Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor.

If any Account at any time ceases to be an Eligible Account, then such Account shall promptly be excluded from the calculation of the Borrowing Base; provided, however, that if any Account ceases to be an Eligible Account because of the adjustment of or imposition of new exclusionary criteria pursuant to the succeeding paragraph, the Administrative Agent will not require exclusion of such Account from the Borrowing Base until fifteen (15) days following the date on which the Administrative Agent gives notice to the Borrowers of such ineligibility, except for calculations of the Borrowing Base for purposes of Section 5.01(e)(ii)(B), in which case such exclusion shall be immediate.

The Administrative Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the exclusionary criteria set forth above and to establish new criteria, in its Permitted Discretion (based on an analysis of material facts or events first occurring, or first discovered by the Administrative Agent, after the Closing Date), subject to the approval of Supermajority Lenders in the case of adjustments or new criteria which have the effect of making more credit available than would have been available based upon the criteria in effect on the Closing Date.

“Eligible Foreign Account” means an Account of any Borrower with respect to which an Eligible Foreign Account Debtor is the Account Debtor and that would constitute an Eligible Account but for clause (g) of the definition of “Eligible Accounts”, so long as such Account satisfies each of the following criteria: (i) such Account is at all times billed and payable in Dollars, (ii) all payments in respect of such Account are made by such Eligible Foreign Account Debtor to the applicable Borrower in the United States or to an account located in the United States that is subject to a Deposit Account Control Agreement (subject to the post-closing timing requirement specified in Section 6.10(h) of this Agreement) and (iii) such Account is subject to a first priority valid and perfected security interest of the Administrative Agent in the United States; provided that such Borrower shall, promptly upon request of the Administrative Agent, execute and deliver, or cause to be executed and delivered to the Administrative Agent such agreements, documents and instruments as may be required by the Administrative Agent to perfect the security interest of the Administrative Agent in such Account in accordance with the applicable laws of the jurisdiction of formation of such Eligible Foreign Account Debtor and take, or cause to be taken, such other and further actions as the Administrative Agent may request to enable the Administrative Agent, as secured party with respect thereto, to collect such Account under the applicable laws of such jurisdiction of formation.

“Eligible Foreign Account Debtors” means Persons designated by the Administrative Agent as “Eligible Foreign Account Debtors” from time to time in its Permitted Discretion, which Persons shall initially be (i) the foreign Affiliates of Coca-Cola, (ii) the foreign Affiliates of Rexam and Ball Corporation, (iii) the foreign Affiliates of Crown (including NAFCEL), (iv) ThyssenKrupp AG and its foreign Affiliates, (v) Anheuser-Busch and its foreign Affiliates that are not subject to an AB Receivables Financing and (vi) Airbus and its foreign Affiliates for so long as the senior, unsecured, non-credit enhanced long term Indebtedness of Airbus receives a rating greater than or equal to BBB- from S&P, greater than or equal to BBB- from Fitch and greater than or equal to Baa3 from Moody's. For

purposes of clarity, the Administrative Agent may from time to time in its Permitted Discretion remove such designation with respect to any Person that was previously designated as an “Eligible Foreign Account Debtor,” after which time such Person shall no longer constitute an “Eligible Foreign Account Debtor” (unless the Administrative Agent subsequently redesignates such Person as an “Eligible Foreign Account Debtor” in its Permitted Discretion).

“Eligible Inventory” means all Inventory of each Borrower reflected in the most recent Borrowing Base Certificate, except any Inventory with respect to which any of the exclusionary criteria set forth below applies:

- (a) Inventory that is not owned by any Borrower;
- (b) Inventory that is not subject to the Collateral Agent’s Liens, or is subject to any other Lien, other than (i) Liens securing Indebtedness that is permitted to be incurred and secured pursuant to the terms of this Agreement and that are subject to the applicable Intercreditor Agreements (or an additional intercreditor agreement, reasonably satisfactory to the Administrative Agent) providing that such Liens are subordinated in right of priority to the Liens securing the ABL Finance Obligations and (ii) Permitted Liens arising by operation of law as described in clauses (d), (e), (k) and (r) of the definition thereof; provided that, unless such Permitted Liens (A) are junior in priority to the Collateral Agent’s Liens (other than statutory landlord’s Liens to the extent provided otherwise by a requirement of applicable Law) and (B) do not impair directly or indirectly the ability of the Collateral Agent to realize on or obtain the full benefit of the Collateral, the Administrative Agent may, in the exercise of Permitted Discretion, establish a Reserve against Availability with respect to any Inventory subject to such Permitted Liens in an amount not to exceed (on an aggregate basis for all Inventory from time to time subject to such Permitted Liens) (1) in the case of Inventory subject to Liens described in clause (e) of the definition of Permitted Liens, the greater of (x) an amount equal to the amount which would have to be paid to such Lien claimant in order to obtain a release of such Liens, and (y) with respect to landlords’ liens, an amount equal to sixty (60) days’ rent for the properties or facilities on or at which the applicable Inventory is located, (2) in the case of Inventory subject to Liens described in clause (d) or (r) of the definition of Permitted Liens, the amount of such Taxes, fees, assessments, duties or other charges, and (3) in the case of Inventory subject to Liens described in clause (k) of the definition of Permitted Liens, the amount specified in such judgments or notices;
- (c) Inventory that does not consist of finished goods or raw materials (except that “work-in-process” shall constitute Eligible Inventory, other than any cost relating to a conversion of “work-in-process” to finished Inventory);
- (d) Inventory that consists of chemicals, supplies, spare parts, packing and shipping materials, or advertising or marketing materials (including samples), other than coatings and lubricants which shall constitute Eligible Inventory;
- (e) Inventory that is not in good condition, is unmerchantable or fails to meet all material standards imposed by any Governmental Authority having regulatory authority over such goods, its use, or sale;
- (f) Inventory that is not currently either usable or salable in the normal course of any Borrower’s business;

(g) Inventory that is not located within the United States, other than (x) Eligible In-Transit Inventory not exceeding \$25,000,000, and (y) Inventory in which the Collateral Agent's Liens are continuously perfected pursuant to documentation reasonably acceptable to the Collateral Agent;

(h) if such Inventory is located in a public warehouse or in possession of a bailee or in a facility leased by such Borrower; provided that such Inventory will be Eligible Inventory if the warehouseman, the bailee, or the lessor has delivered to the Collateral Agent, if requested by the Collateral Agent, a subordination agreement in form and substance reasonably satisfactory to the Collateral Agent (or if such Borrower is unable to obtain any such subordination or such Borrower has notified the Administrative Agent of such warehouse, bailment or lease and such subordination has not been requested, such Inventory shall be Eligible Inventory but the Administrative Agent may, in the exercise of Permitted Discretion, establish a Reserve with respect to any Inventory so located or possessed in an amount not to exceed (on an aggregate basis for all Inventory from time to time so located or possessed) (A) in the case of Inventory located in a public warehouse or leased facility, the greater of (x) an amount equal to the amount which would have to be paid to such claimant in order to obtain a release of any Permitted Lien held by such claimant, or (y) an amount equal to sixty (60) days' rent or storage fee for the warehouses or facilities on or at which the applicable Inventory is located and (B) in the case of Inventory otherwise in the possession of a bailee, the amount necessary to complete any work being performed on such Inventory and/or to obtain a surrender of the Inventory to the possession of such Borrower or the Collateral Agent);

(i) if such Inventory contains or bears any Intellectual Property Rights licensed to such Borrower by any third party, the Collateral Agent shall not be reasonably satisfied that it may sell or otherwise dispose of such Inventory in accordance with Article VIII without infringing the rights of the licensor of such Intellectual Property Rights or violating any contract with such licensor (and without payment of any royalties other than any royalties due with respect to the sale or disposition of such Inventory pursuant to the existing license agreement), and, if the Collateral Agent deems it necessary, such Borrower shall deliver to the Collateral Agent a consent or sublicense agreement from such licensor in form and substance reasonably acceptable to the Collateral Agent;

(j) Inventory that is owned by a Borrower acquired in a Permitted Business Acquisition under this Agreement, unless either (i) the Administrative Agent has been given the opportunity for a reasonable period (which shall not be required to be longer than thirty (30) days and which shall, at the request of such Borrower, be completed prior to the consummation of such Permitted Business Acquisition provided that the Administrative Agent shall have been given, for a period of at least thirty (30) days prior to such consummation, all information and access to the properties, records, files, and books of account of such Borrower as the Administrative Agent reasonably deems necessary for such completion) to complete such due diligence as it deems, in the exercise of Permitted Discretion, to be necessary in the circumstances, or (ii) at the time of such Permitted Business Acquisition, the sum of the Eligible Accounts and Eligible Inventory of such Borrower then being acquired is less than \$5,000,000;

(k) Inventory that is unsalable, but solely to the extent the book value of such Inventory exceeds its scrap value;

(l) Inventory is located at any site if the aggregate book value of Inventory at any such location is less than \$100,000;

(m) Inventory subject to any licensing, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party for the sale or disposition of that Inventory (which consent has not been obtained) or the payment of any monies to any third party upon such sale or other disposition (to the extent of such monies);

(n) Inventory that consists of packing or shipping materials, or manufacturing supplies;

(o) Inventory that consists of tooling or replacement parts;

(p) Inventory that consists of display items;

(q) Inventory that consists of goods which have been returned by the buyer; provided that, Inventory shall not be excluded from Eligible Inventory pursuant to this clause if such Inventory has been inspected and re-valued by the applicable Borrower upon return and is able to be resold or reused in the ordinary course of business;

(r) Inventory that consists of Hazardous Materials or goods that can be transported or sold only with licenses that are not readily available; or

(s) Inventory that is not covered by casualty insurance reasonably acceptable to the Administrative Agent.

If any Inventory at any time ceases to be Eligible Inventory, such Inventory shall promptly be excluded from the calculation of the Borrowing Base; provided that if any Inventory ceases to be Eligible Inventory because of the adjustment of or imposition of new exclusionary criteria pursuant to the succeeding paragraph, the Administrative Agent will not require exclusion of such Inventory from the Borrowing Base until fifteen (15) days following the date on which the Administrative Agent gives notice to the Borrowers of such ineligibility, except for calculations of the Borrowing Base for purposes of Section 5.01(c)(ii)(B), in which case such exclusion shall be immediate.

The Administrative Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the exclusionary criteria set forth above and to establish new criteria, in its Permitted Discretion (based on an analysis of material facts or events first occurring, or first discovered by the Administrative Agent, after the Closing Date), subject to the approval of the Supermajority Lenders in the case of adjustments or new criteria which have the effect of making more credit available than would be available based upon the criteria in effect on the Closing Date.

“Eligible In-Transit Inventory” means all raw materials and finished goods Inventory owned by a Borrower, which Inventory is in transit to the United States or to an Eligible Foreign Account Debtor and (a) for which title and risk of loss has been transferred to or remains with such Borrower, (b) is fully insured as required by Section 6.02, (c) is subject to a first priority perfected security interest in and lien upon such goods in favor of the Collateral Agent (except for any possessory lien upon such goods in the possession of a freight carrier or shipping company securing only the freight charges for the transportation of such goods) pursuant to documentation reasonably acceptable to the Collateral Agent and (d) is evidenced or deliverable pursuant to documents that have been delivered to the Collateral Agent, as reasonably requested by the Collateral Agent from time to time.

“Embargoed Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by any Governmental Authority of the United States of America, including without limitation, OFAC or the U.S. Department of State, or by Her Majesty’s Treasury or the

European Union, (b) any Person located, operating, organized or resident in a Sanctioned Country, (c) the government or an agency of the government of a Sanctioned Country or (d) any Person owned or Controlled by any Persons or agencies described in any of the preceding clauses (a) through (c).

“Engagement Letter” means that certain Engagement Letter dated as of May 15, 2017 by and among Wells Fargo Capital Finance, LLC and the Existing Borrowers.

“environment” means ambient and indoor air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, natural resources such as flora and fauna, the workplace or as otherwise defined in any Environmental Law.

“Environmental Laws” means all applicable laws (including common law), rules, regulations, codes, ordinances, orders, decrees or judgments, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the generation, management, Release or threatened Release of, or exposure to, any Hazardous Material or to occupational health and safety matters (to the extent relating to the environment or Hazardous Materials).

“Environmental Liabilities” means all Liabilities (including costs of natural resource damages and costs and expenses of investigation and feasibility studies, including the cost of environmental consultants and the cost of attorney’s fees) that may be imposed on, incurred by or asserted against any Loan Party or any Subsidiary of any Loan Party as a result of, or related to, any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law or otherwise, arising under any Environmental Law or in connection with any environmental, health or safety condition or with any Release and resulting from the ownership, lease, sublease or other operation or occupation of property by any Loan Party or any Subsidiary of any Loan Party, whether on, prior or after the date hereof.

“Equity Interests” of any person means any and all shares, interests, rights to purchase or otherwise acquire, warrants, options, participations or other equivalents of or interests in (however designated) equity or ownership of such person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest, and any securities or other rights or interests convertible into or exchangeable for any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time and any final regulations promulgated and the rulings issued thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Holdcos, the Borrowers or a Subsidiary, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (i) any Reportable Event or the requirements of Section 4043(b) of ERISA apply with respect to a Plan, other than in respect of an event for which advance notice is waived under applicable regulations; (ii) the failure to meet the minimum funding standards of Sections 412 and 430 of the Code and Sections 302 and 303 of ERISA; (iii) a determination that any Plan is, or is expected to be, in “at risk” status (as defined in Section 430 of the Code or Section 303 of ERISA); (iv) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan; (v) the incurrence by the Holdcos, a Borrower, a

Subsidiary or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA; (vi) the receipt by the Holdcos, a Borrower, a Subsidiary or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (vii) a determination that any Multiemployer Plan is, or is reasonably expected to be, in “critical” or “endangered” status under Section 432 of the Code or Section 305 of ERISA; (viii) the incurrence by the Holdcos, a Borrower, a Subsidiary or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (ix) the receipt by the Holdcos, a Borrower, a Subsidiary or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Holdcos, a Borrower, a Subsidiary or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA; or (x) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar Base Rate” means the rate *per annum* as published by ICE Benchmark Administration Limited (or any successor page or, if unavailable, other commercially available source as the Administrative Agent may designate from time to time) as of 11:00 a.m., London time, two Business Days prior to the commencement of the requested Interest Period, for a term, and in an amount, comparable to the Interest Period and the amount of the Eurodollar Rate Loan requested (whether as an initial Eurodollar Rate Loan or as a continuation of a Eurodollar Rate Loan or as a conversion of a Base Rate Loan to a Eurodollar Rate Loan) by a Borrower in accordance with this Agreement (and, if any such published rate is below zero, then the rate shall be deemed to be zero). Each determination of the Eurodollar Base Rate shall be made by the Administrative Agent and shall be conclusive in the absence of manifest error.

“Eurodollar Rate Borrowing” means a Borrowing comprised of Eurodollar Rate Loans.

“Eurodollar Rate Loan” means at any date a Loan which bears interest at a rate based on the Adjusted Eurodollar Rate.

“Eurodollar Reserve Percentage” means for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any other entity succeeding to the functions currently performed thereby) for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to “Eurocurrency liabilities”). The Adjusted Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

“Event of Default” has the meaning assigned to such term in Section 8.01.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient: (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (A) imposed as a result of such Recipient being organized under the laws of, or having its principal office

or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) U.S. withholding Taxes imposed on amounts payable to or for the account of any Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrowers under Section 10.14) or (B) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or Section 3.01(c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (iii) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) or Section 3.06(a) and (iv) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Exempt Deposit Accounts" means (i) Deposit Accounts the balance of which consists exclusively of (A) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the applicable Borrower to be paid to the Internal Revenue Service or state or local government agencies with respect to employees of any of the Loan Parties; or (B) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of one or more Loan Parties, (ii) all segregated Deposit Accounts constituting (and the balance of which consists solely of funds set aside in connection with) taxes accounts, payroll accounts, trust or similar accounts and (iii) other non-concentration accounts containing less than \$1,000,000 individually and in the aggregate for all such other non-concentration accounts.

"Existing Credit Agreement" has the meaning assigned to such term in the recitals hereto.

"Existing Factoring Agreement" means that certain Recourse Factoring Agreement, dated as of September 6, 2017, between Bowling Green and Wells Fargo, in its capacity as purchaser thereunder.

"Existing Letters of Credit" means, collectively or individually as the context may require, the letters of credit outstanding as of the Closing Date under the Existing Credit Agreement.

"Facility Maturity Date" means the earlier of (i) June 21, 2022 and (ii) 90 days prior to the maturity date of the Secured Notes Obligations; provided, that the foregoing clause (ii) shall not be applicable in the event that the Secured Notes Obligations are repaid in full, the maturity date is extended to a date that is at least 90 days after the date set forth in clause (i) of this definition or the outstanding principal balance thereof has been permanently reduced prior to such 90th day to an amount which does not exceed \$50,000,000.

"Facility Termination Date" means the date on which (A) the Commitments have terminated, (B) all ABL Credit Obligations (other than contingent indemnification obligations) have been paid in full, (C) all ABL Finance Obligations arising under Secured Cash Management Agreements and Secured Rate Contracts that the Administrative Agent has theretofore been notified in writing by the holder of such Obligation are then due and payable, have been paid in full in cash and (D) all Letters of Credit have expired or terminated (other than Letters of Credit as to which other arrangements, including cash collateralization or backstopping, reasonably satisfactory to the Administrative Agent and the L/C Issuers shall have been made).

"Factoring Facilities" means the receivables purchase facilities granted to certain Subsidiaries of Ultimate Parent pursuant to (a) the agreement dated as of December 3, 2015 between GE Factofrance S.A.S. as purchaser, Constellium Isoire S.A.S., Constellium Neuf Brisach S.A.S. and Constellium Extrusions France S.A.S. as sellers, Parent Guarantor and Constellium Switzerland AG, (b)



the agreement dated as of May 27, 2016 between GE Capital Bank AG as purchaser and Constellium Rolled Products Singen GmbH as seller, (c) the agreement dated as of March 26, 2014 between GE Capital Bank AG as purchaser and Constellium Singen GmbH as seller, (d) the agreement dated as of December 16, 2010 between GE Capital Bank AG as purchaser and Constellium Extrusions Deutschland GmbH as seller, (e) the agreement dated as of December 16, 2010 between GE Capital Bank AG as purchaser and Constellium Valais AG as seller, (f) the agreement dated as of June 26, 2015 between GE Capital Bank AG as purchaser and Constellium Extrusions Decin S.R.O. as seller, (g) the agreement dated as of December 15, 2015 between Deutsche Bank Trust Company Americas as purchaser and Constellium Automotive USA, LLC as seller, in each case, as such agreement may be amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original parties or otherwise), restructured, or otherwise modified from time to time. On July 20, 2016, the Banque Fédérative du Crédit Mutuel purchased the Equipment Finance and Receivable Finance businesses of GE. Pursuant to this transaction, GE Factofrance S.A.S. was renamed Factofrance and GE Capital Bank AG was renamed Targo Commercial Financing AG.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

“Federal Funds Rate” means, for any day, the greater of (a) zero (0.00%) *per annum* and (b) the rate *per annum* equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that, (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and, (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Wells Fargo on such day on such transactions as determined by the Administrative Agent.

“Fee Letter” means that certain Fee Letter dated as of the Closing Date by and among the Administrative Agent, Bowling Green, Ravenswood and Muscle Shoals.

“Fees” means, collectively, the Commitment Fees, the Incremental Facility Commitment Fees, the Incremental Facility Exercise Fees, the Letter of Credit Fees, the L/C Issuer Fees, the Administrative Agent Fees and the fees set forth in the Fee Letter.

“Financial Covenant Triggering Event” shall occur at any time that Availability is less than 10% of the Maximum Credit; provided that if such Availability shortfall is the result of a contraction of the Borrowing Base (as opposed to an increase of the Revolving Facility Credit Exposure), no Event of Default shall be deemed to have occurred with respect to Section 7.12 unless such Availability shortfall continues for a period of five (5) consecutive Business Days (and, for the avoidance of doubt, no Credit Event shall be permitted during such 5 Business Day period); provided further that a Default will occur immediately upon the occurrence of any such Availability shortfall and shall continue during such 5 Business Day period unless waived or cured during such period.

“Financial Officer” of any person means the Chief Financial Officer, Treasurer, or Controller of such person.

“Fitch” means Fitch Ratings, Inc.

“Fixed Charge Coverage Ratio” means the ratio of (i) EBITDA of the Ultimate Parent and its Subsidiaries for the most recent period of four consecutive fiscal quarters for which financial statements have been delivered pursuant to Sections 6.04(a) or (b) hereof minus the income taxes paid in cash by the Ultimate Parent and its Subsidiaries and included in the determination of Consolidated Net Income for such period minus Unfinanced Capital Expenditures of the Ultimate Parent and its Subsidiaries during such period to (ii) the sum of (A) scheduled principal payments required to be made during such period in respect of Indebtedness for borrowed money of the Ultimate Parent and its Subsidiaries plus (B) the Consolidated Interest Expense (excluding amortization of any original issue discount, interest paid in kind or added to principal and other noncash interest) of the Ultimate Parent and its Subsidiaries, in each case to the extent paid in cash for such period.

“Flood Laws” means the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, and related laws, rules and regulations, including any amendments or successor provisions.

“Foreign Lender” means a Lender or L/C Issuer that is not a U.S. Person.

“Foreign Subsidiary” means any Subsidiary that is incorporated or organized under the laws of any jurisdiction other than the United States of America, any State thereof or the District of Columbia.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (i) with respect to any L/C Issuer, such Defaulting Lender’s Revolving Facility Percentage of the outstanding L/C Obligations arising in respect of Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (ii) with respect to the Swing Line Lender, such Defaulting Lender’s Revolving Facility Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

“FSHCO” means any Subsidiary of the Borrowers all or substantially all of the assets of which are Equity Interests (or Equity Interests and Indebtedness) in one or more CFCs, so long as such Subsidiary (i) does not conduct any material amount of business or activity other than the ownership of such Equity Interests or Indebtedness and (ii) does not incur, and is not otherwise liable for, any Indebtedness or other liabilities.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Closing Date. For purposes herein, the term “consolidated” means such Person consolidated with the Subsidiaries and shall not include any Unrestricted Subsidiary, but the interest of such Person in an Unrestricted Subsidiary will be accounted for as an Investment.

“Governmental Authority” means any federal, state, provincial, territorial, municipal, local or foreign court or governmental agency, authority, instrumentality or regulatory or legislative body, including any supra-national bodies such as the European Union or the European Central Bank.

“Guarantee” of or by any person (the “guarantor”) means (i) any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (A) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay or otherwise) or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (B) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (C) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (D) entered into for the purpose of assuring in any other manner the holders of such Indebtedness or other obligation of the payment thereof or to protect such holders against loss in respect thereof (in whole or in part) or (E) as an account party in respect of any letter of credit, bank guarantee or other letter of guaranty issued to support such Indebtedness or other obligation, or (ii) any Lien on any assets of the guarantor securing any Indebtedness (or any existing right, contingent or otherwise, of the holder of Indebtedness to be secured by such a Lien) of any other person, whether or not such Indebtedness or other obligation is assumed by the guarantor; provided, however, the term “Guarantee” shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted by this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

“guarantor” has the meaning assigned to such term in the definition of the term “Guarantee.”

“Guarantor” means any of the Borrowers, the Holdcos and the Subsidiary Loan Parties, and “Guarantors” means two or more of them, collectively.

“Guaranty” means, collectively, the guaranty made by the Guarantors under the Collateral Agreement in favor of the Secured Parties, together with each other guaranty and guaranty supplement delivered pursuant to Section 6.10.

“Hazardous Materials” means all pollutants, contaminants, wastes, chemicals, materials, substances and constituents, including, without limitation, explosive or radioactive substances or petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls or radon gas, of any nature subject to regulation or which can give rise to liability under any Environmental Law.

“Hedge Bank” means any Person that, at the time it enters into a Swap Contract permitted under Article VII, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Swap Contract.

“Holdcos” means, collectively or individually as the context may require, (a) the Parent Guarantor, and (b) with respect to each Borrower, any Constellium Holding Company that owns directly any of the issued and outstanding Equity Interests of such Borrower.

“Honor Date” has the meaning specified in Section 2.05(c)(i).

“IFRS” means the accounting and financial reporting standards issued by the International Accounting Standards Board.

“Immaterial Subsidiary” means any Subsidiary that, as of the last day of the fiscal quarter of the Borrowers most recently ended, (i) did not have assets with a value in excess of 2.5% of the Consolidated Total Assets or revenues representing in excess of 2.5% of total revenues of the Borrowers and their Subsidiaries on a consolidated basis as of such date and (ii) when taken together with all other Immaterial Subsidiaries as of such date, did not have assets with a value in excess of 5.0% of the Consolidated Total Assets or revenues representing in excess of 5.0% of total revenues of the Borrowers and their Subsidiaries on a consolidated basis as of such date. Each Immaterial Subsidiary as of the Closing Date shall be set forth in Schedule 1.01(c).

“Incremental Amount” means \$200,000,000.

“Incremental Facility Commitment Fee” has the meaning assigned to such term in Section 2.12(d).

“Incremental Facility Effective Date” has the meaning assigned to such term in Section 2.15.

“Incremental Facility Exercise Fee” has the meaning assigned to such term in Section 2.15.

“Incremental Revolving Facility” means the Incremental Revolving Facility Commitments and the extensions of credit made hereunder by the Incremental Revolving Facility Lenders.

“Incremental Revolving Facility Lender” means a Lender with an Incremental Revolving Facility Commitment.

“Incremental Revolving Facility Commitment” means, with respect to each Revolving Facility Lender, the commitment of such Revolving Facility Lender to increase its Revolving Facility Commitment pursuant to Section 2.15. The amount of each Lender’s Incremental Revolving Facility Commitment is set forth on Part I of Schedule 2.15 and the amount of each Lender’s Revolving Facility Commitment on and after the Incremental Facility Effective Date is set forth on Part II of Schedule 2.15, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Facility Commitment, as applicable. The aggregate amount of the Lenders’ Incremental Revolving Facility Commitments on the Closing Date is \$200,000,000.

“Incremental Revolving Facility Percentage” means, with respect to any Incremental Revolving Facility Lender, the percentage of the total Incremental Revolving Facility Commitments represented by such Lender’s Incremental Revolving Facility Commitment.

“Indebtedness” of any person means, without duplication, (i) all obligations of such person for borrowed money, (ii) all obligations of such person evidenced by bonds, debentures, notes or

similar instruments, (iii) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (iv) all obligations of such person issued or assumed as the deferred purchase price of property or services, to the extent that the same would be required to be shown as a long term liability on a balance sheet prepared in accordance with the Applicable Accounting Rules, (v) all Capital Lease Obligations of such person, (vi) all net payments that such person would have to make in the event of an early termination, on the date Indebtedness of such person is being determined, in respect of outstanding Swap Contracts, (vii) the principal component of all obligations, contingent or otherwise, of such person as an account party in respect of letters of credit and bank guarantees, (viii) the principal component of all obligations of such person in respect of bankers' acceptances, (ix) all Guarantees by such person of Indebtedness described in clauses (i) through (viii) above and (x) the amount of all obligations of such person with respect to the redemption, repayment or other repurchase of any Disqualified Stock (excluding accrued dividends that have not increased the liquidation preference of such Disqualified Stock); provided that Indebtedness shall not include (A) trade payables, accrued expenses and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue arising in the ordinary course of business, (C) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (D) earn-out obligations, except to the extent such obligations constitute a liability on the balance sheet of such person in accordance with the Applicable Accounting Rules. The Indebtedness of any person shall include the Indebtedness of any partnership in which such person is a general partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such person in respect thereof.

“Indemnified Taxes” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (ii) to the extent not otherwise described in clause (i) above, Other Taxes.

“Indemnitee” has the meaning assigned to such term in Section 10.04(b).

“Information” has the meaning assigned to such term in Section 10.07.

“Information Memorandum” means the Confidential Information Memorandum dated May 2017, as modified or supplemented prior to the Original Closing Date.

“Intellectual Property Rights” has the meaning assigned to such term in Section 4.23.

“Intercompany Accounts” means all obligations and liabilities, however arising, which are due to any Loan Party from, which are due from any Loan Party to, or which otherwise arise from any transaction by any Loan Party with, any Affiliate of such Loan Party.

“Intercompany Subordination Agreement” means that certain Intercompany Subordination Agreement dated as of the Closing Date made by Constellium Finance in favor of the Administrative Agent.

“Intercreditor Agreement” means, collectively or individually as the context may require, the PBGC Intercreditor Agreement, the Muscle Shoals Intercreditor Agreement, the Ravenswood Intercreditor Agreement, the Bowling Green Real Estate Intercreditor Arrangements, each Secured Debt Intercreditor Agreement, and each other intercreditor agreement entered into by the Administrative Agent and any Loan Party in connection with the Loan Documents.

“Interest Election Request” means a request by a Borrower to convert or continue a Revolving Facility Borrowing in accordance with Section 2.07.

“Interest Payment Date” means (i) with respect to any Eurodollar Rate Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Rate Borrowing with an Interest Period of more than three months’ duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months’ duration been applicable to such Borrowing and, in addition, the date of any refinancing or conversion of such Borrowing with or to a Borrowing of a different Type and (ii) with respect to any Base Rate Loan, the first day of each April, July, October and January.

“Interest Period” means, as to any Eurodollar Rate Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as applicable, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter (or 12 months, if at the time of the relevant Borrowing, all relevant Lenders consent to such interest period), as a Borrower may elect, or the date any Eurodollar Rate Borrowing is converted to a Base Rate Borrowing in accordance with Section 2.07 or repaid or prepaid in accordance with Section 2.09, 2.10 or 2.11; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

“Inventory” has the meaning assigned to such term in the Collateral Agreement.

“Investment” has the meaning assigned to such term in Section 7.04.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Request, and any other document, agreement and instrument entered into by the applicable L/C Issuer and the applicable Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

“Joint Bookrunners” means Wells Fargo, JPMorgan Chase Bank, N.A., Bank of America, N.A. and Deutsche Bank Securities Inc., in their capacities as joint bookrunners.

“Joint Lead Arrangers” means Wells Fargo, JPMorgan Chase Bank, N.A., Bank of America, N.A. and Deutsche Bank Securities Inc., in their capacities as joint lead arrangers.

“Junior Financing” means (x) Indebtedness which by its terms is subordinated in right or payment to the ABL Credit Obligations and which Indebtedness is incurred pursuant to Section 7.01(k) and (y) the Bowling Green Intercompany Indebtedness, and, in each case, any subordinated Permitted Refinancing Indebtedness in respect thereof, any preferred Equity Interests and any Disqualified Stock.

“L/C Advance” means, with respect to each Revolving Facility Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Revolving Facility Percentage.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Facility Borrowing.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means (i) Wells Fargo in its capacity as issuer of Letters of Credit under Section 2.05(b) and its successor or successors in such capacity and (ii) any other Lender which the Borrowers shall have designated (with such Lender’s consent) as an “L/C Issuer” by notice to the Administrative Agent (including any Lender designated as such as a replacement for any L/C Issuer who is at the time of such appointment a Defaulting Lender) that is reasonably acceptable to the Administrative Agent.

“L/C Issuer Fees” has the meaning specified in Section 2.05(i).

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.04. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directives, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of Law.

“Lender” means each financial institution listed on Schedule 2.01 (other than any such person that ceased to be a party hereto pursuant to an Assignment and Assumption in accordance with Section 10.06), as well as any person that becomes a “Lender” hereunder pursuant to Section 10.06; and shall include, as the context may require, the Swing Line Lender in such capacity.

“Lending Office” means with respect to any Lender and for each Type of Loan, the “Lending Office” of such Lender (or of an Affiliate of such Lender) designated for such Type of Loan in such Lender’s Administrative Questionnaire or in any applicable Assignment and Assumption pursuant to which such Lender became a Lender hereunder or such other office of such Lender (or of an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrowers as the office by which its Loans of such Type are to be made and maintained.

“Letter of Credit” means any letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder, including, for the avoidance of doubt, any Existing Letter of Credit. A Letter of Credit may be a commercial letter of credit (including a trade letter of credit in support of trade obligations of a Borrower and its Subsidiaries) or a standby letter of credit.

“Letter of Credit Request” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is five days prior to the Facility Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.05(h).

“Letter of Credit Sublimit” means an amount equal to \$35,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Facility.

“Lien” means, with respect to any asset, (i) any mortgage, deed of trust, lien, hypothecation, pledge, charge, security interest or similar encumbrance in or on such asset or (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, provided that in no event shall an operating lease or an agreement to sell be deemed to constitute a Lien.

“Loan Account” has the meaning specified therefor in Section 2.20 of this Agreement.

“Loan Documents” means this Agreement, the Letters of Credit, the Security Documents, the Intercreditor Agreements, the Intercompany Subordination Agreement and any Note issued under Section 2.09(e), and solely for the purposes of Sections 5.02 and 8.01 hereof, the Engagement Letter and the Fee Letter.

“Loan Modification Agreement” has the meaning assigned to such term in Section 10.01.

“Loan Modification Offer” has the meaning assigned to such term in Section 10.01.

“Loan Parties” means, collectively or individually as the context may require, the Holdcos (other than the Parent Guarantor), the Borrowers and the Subsidiary Loan Parties.

“Loans” means the Revolving Facility Loans and the Swing Line Loans.

“Local Time” means New York City time.

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Margin Stock” has the meaning assigned to such term in Regulation U.

“Material Adverse Effect” means a material adverse effect on the business, property, operations or condition of the Borrowers and their respective Subsidiaries, taken as a whole, or the validity or enforceability of any of the material Loan Documents or the rights and remedies of the Administrative Agent and the Lenders thereunder.

“Material Indebtedness” means Indebtedness (other than Loans) of any one or more of (i) Ultimate Parent or any Subsidiary thereof (other than the Borrowers and their Subsidiaries) in an aggregate principal amount exceeding \$50,000,000 and (ii) any Borrower and its Subsidiaries in an aggregate amount exceeding \$15,000,000.

“Material Subsidiary” means any Subsidiary other than an Immaterial Subsidiary.

“Maximum Credit” means, at any time, the total Revolving Facility Commitments in effect at such time. For the avoidance of doubt, the total Incremental Revolving Facility Commitments shall not be included in the Maximum Credit unless and until the Incremental Revolving Facility is exercised and becomes effective in accordance with Section 2.15.



“Maximum Rate” has the meaning assigned to such term in Section 10.10.

“Minimum Borrower EBITDA Contribution” means, for any period, the ratio (expressed as a percentage) of (x) the combined EBITDA of the Borrowers and their Subsidiaries for such period to (y) the consolidated EBITDA of the Ultimate Parent and its Subsidiaries for such period.

“Minimum Collateral Amount” means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 103% of the Fronting Exposure of an L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.16(a)(i), (a)(ii) or (a)(iii), an amount equal to 103% of the Outstanding Amount of all L/C Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the applicable L/C Issuer in their sole discretion.

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgaged Properties” means the Real Properties owned in fee simple by the Loan Parties and encumbered by a Mortgage that are set forth on Schedule 1.01(b) and each additional Real Property encumbered by a Mortgage pursuant to Section 6.10.

“Mortgages” means, collectively, the mortgages, trust deeds, deeds of trust, deeds to secure debt, assignments of leases and rents, and other security documents delivered with respect to Mortgaged Properties, each in a form reasonably acceptable to the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Borrower, the Holdcos or any Subsidiary or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding six plan years made or accrued an obligation to make contributions, or otherwise has any outstanding liability.

“Muscle Shoals Holdings” has the meaning assigned to such term in the preamble hereto.

“Muscle Shoals Intercreditor Agreement” means that certain Intercreditor Agreement dated as of December 11, 2013 among Wells Fargo, in its capacity thereunder as ABL agent, the Secured Notes Collateral Agent, and Rexam, and acknowledged and agreed to by Muscle Shoals and the other grantors from time to time party thereto.

“NAFCEL” means National Factory for Can Ends Ltd., a limited liability company formed under the laws of Saudi Arabia.

“Net Amount of Eligible Accounts” means, at any time, the gross amount of Eligible Accounts less sales, excise, or similar taxes, and less returns, discounts, claims, credits, and allowances of any nature at any time issued, owing, granted, outstanding, available, or claimed (in each case without duplication, whether of the exclusionary criteria set forth in the definition of Eligible Accounts, of any Reserve, or otherwise).

“Net Income” means, with respect to any Person, the net income (loss) of such Person, determined in accordance with the Applicable Accounting Rules and before any reduction in respect of preferred stock dividends.

“Net Proceeds” means 100% of the cash proceeds actually received by any Borrower or any Subsidiary Loan Party (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise and including casualty insurance settlements and condemnation awards, but only as and when received) from any Asset Sale (other than those pursuant to Section 7.05(a), (b), (c), (d), (e), (f), (h), (i), (j), (m), (n) or (o)), net of (A) attorneys’ fees, accountants’ fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer Taxes, deed or mortgage recording Taxes, required debt payments and required payments of other obligations relating to the applicable asset to the extent such debt or obligations are secured by a Lien permitted hereunder (other than pursuant to the Loan Documents) on such asset, other customary expenses and brokerage, consultant and other customary fees actually incurred in connection therewith, (B) Taxes paid or payable as a result thereof, and (C) the amount of any reasonable reserve established in accordance with the Applicable Accounting Rules against any adjustment to the sale price or any liabilities (other than any Taxes deducted pursuant to clause (A) above) (x) related to any of the applicable assets and (y) retained by any Borrower or any of its Subsidiaries including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations (however, the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Proceeds of such Asset Sale occurring on the date of such reduction); provided that, if no Event of Default exists and the applicable Borrower shall deliver a certificate of a Responsible Officer of such Borrower to the Administrative Agent promptly following receipt of any such proceeds setting forth such Borrower’s intention to use any portion of such proceeds, to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of such Borrower and its Subsidiaries or to make investments in Permitted Business Acquisitions, in each case within 15 months of such receipt, such portion of such proceeds shall not constitute Net Proceeds except to the extent not, within 15 months of such receipt, so used or contractually committed to be so used (it being understood that if any portion of such proceeds are not so used within such 15-month period but within such 15-month period are contractually committed to be used, then, upon the termination of such contract, such remaining portion shall constitute Net Proceeds as of the date of such termination or expiry without giving effect to this proviso); provided, further, that (x) no proceeds realized in a single transaction or series of related transactions shall constitute Net Proceeds unless such proceeds shall exceed \$5,000,000, and (y) no proceeds shall constitute Net Proceeds in any fiscal year until the aggregate amount of all such proceeds in such fiscal year shall exceed \$10,000,000.

For purposes of calculating the amount of Net Proceeds, fees, commissions and other costs and expenses payable to a Borrower or any Affiliate of a Borrower shall be disregarded.

“Non-Consenting Lender” has the meaning assigned to such term in Section 10.01.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Extension Notice Date” has the meaning specified in Section 2.05(b)(iii).

“Non-Reinstatement Deadline” has the meaning specified in Section 2.05(b)(iv).

“Note” has the meaning assigned to such term in Section 2.09(e).

“OFAC” means, the U.S. Treasury Department’s Office of Foreign Assets Control.

“Orderly Liquidation Value” means an amount equal to the most recently determined Orderly Liquidation Value Factor multiplied by the book value of all Eligible Inventory of the Borrowers.

“Orderly Liquidation Value Factor” means, with respect to Eligible Inventory of the Borrowers, the net orderly liquidation value thereof (expressed as a percentage of book value) as determined by an Acceptable Appraiser in accordance with Section 6.11, net of all associated costs and expenses of such liquidation.

“Original Closing Date” means June 21, 2017.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of such Recipient engaging or having engaged in a trade or business in the jurisdiction imposing such Tax or any other present or former connection between such Recipient and such jurisdiction; provided that no such Recipient shall be deemed to be engaged in a trade or business in, or to have any other connection with, any jurisdiction solely as a result of such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document pursuant to an assignment request by the Borrowers under Section 10.14.

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06). Other Taxes shall not include any Taxes imposed on, or measured by reference to, gross income, net income or gain.

“Outstanding Amount” means, (i) with respect to Revolving Facility Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Facility Loans and Swing Line Loans, as the case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the applicable Borrower of Unreimbursed Amounts or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

“Parent Entity” means any direct or indirect parent of Parent Guarantor.

“Parent Guarantor” has the meaning assigned to such term in the preamble hereto.

“Participant” has the meaning assigned to such term in Section 10.06(d).

“Participant Register” has the meaning assigned to such term in Section 10.06(d).

“Payment Conditions” means, with respect to and after giving effect to any proposed Payment Event on a Pro Forma Basis, (1) prior to the Incremental Facility Effective Date, either (a) (i) Availability is not less than 15% of the Maximum Credit and (ii) the Fixed Charge Coverage Ratio is not less than 1.0 to 1.0 or (b) Availability is not less than 20% of the Maximum Credit and (2) on and after the Incremental Facility Effective Date, either (a) (i) Availability is not less than 12.5% of the Maximum Credit and (ii) the Fixed Charge Coverage Ratio is not less than 1.0 to 1.0 or (b) Availability is not less than 15% of the Maximum Credit, and, in each case, to the extent that Availability is less than 5% more than the minimum Availability required under the relevant preceding clause, the applicable Borrower shall have given prior written notice of such Payment Event to the Administrative Agent (for example, in the case of the preceding clause (1)(a)(i), prior written notice shall be required if Availability is less than 20% of the Maximum Credit).

“Payment Event” means a Permitted Business Acquisition, a designation of a Subsidiary or a Subsidiary Redesignation pursuant to the definition of “Unrestricted Subsidiary”, any Liens permitted pursuant to Section 7.02(u), any Investment permitted pursuant to Section 7.04(i), any Restricted Payment permitted pursuant to Section 7.06(f) or any prepayment of Indebtedness permitted pursuant to Section 7.09(b)(i)(D) or (E).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“PBGC Intercreditor Agreement” means that certain Intercreditor Agreement dated as of October 16, 2012 among PBGC, Wells Fargo, as successor in interest to Deutsche Bank Trust Company Americas, in its capacity thereunder as ABL collateral agent, and acknowledged and agreed to by Ravenswood.

“PBGC Lien” means the Lien granted by Ravenswood to the PBGC pursuant to that certain Settlement Agreement, dated as of January 26, 2001, by and between the PBGC and Ravenswood, as in effect on the date hereof.

“Perfection Certificate” means the Perfection Certificate dated as of the Effective Date with respect to the Borrowers and the other Loan Parties in a form reasonably satisfactory to the Administrative Agent.

“Permitted Amendment” has the meaning assigned to such term in Section 10.01.

“Permitted Business Acquisition” means any acquisition of all or substantially all the assets of, or all or substantially all the Equity Interests (other than directors’ qualifying shares) in (or that results in a Borrower or its Subsidiaries owning all or substantially all the Equity Interests in), or merger, consolidation or amalgamation with, a person or division or line of business of a person (or any subsequent investment made in a person, division or line of business previously acquired in a Permitted Business Acquisition), but only if: (i) no Event of Default shall have occurred and be continuing or would result therefrom; (ii) all transactions related thereto shall be consummated in accordance with applicable laws; (iii) with respect to any such acquisition or investment with a fair market value (as determined in good faith by the applicable Borrower) in excess of \$10,000,000, the Payment Conditions shall have been satisfied; (iv) any acquired or newly formed Subsidiary shall not be liable for any Indebtedness except for Indebtedness permitted by Section 7.01; and (v) to the extent required by Section 6.10, any person acquired in such acquisition, if acquired by a Borrower or a Domestic Subsidiary, shall be merged into such Borrower or a Subsidiary Loan Party or become upon consummation of such acquisition a Subsidiary Loan Party.

“Permitted Discretion” means the reasonable credit judgment of the Administrative Agent exercised in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment, and, as it relates to the establishment of Reserves or the adjustment or imposition of exclusionary criteria, is based upon its consideration of any factor, including, without limitation, any factor that (a) it reasonably believes could adversely affect the quantity, quality, mix or value of Collateral (including any applicable Laws that may inhibit collection of an Account), the enforceability or priority of the Liens on the Collateral or the amount that the Administrative Agent and the Lenders could receive in liquidation of any Collateral; (b) suggests that any collateral report or financial information delivered by any Loan Party or the Parent Guarantor is incomplete, inaccurate or

misleading in any material respect; (c) materially increases the likelihood of any bankruptcy or insolvency proceeding involving a Loan Party or the Parent Guarantor; or (d) creates or could reasonably be expected to result in a Default or Event of Default. In exercising such judgment, the Administrative Agent may consider any factors that could increase the credit risk of lending to any Borrower on the security of the Collateral.

“ Permitted Investments ” means:

(i) direct obligations of the United States of America or any member of the European Union or any agency thereof or obligations guaranteed by the United States of America or any member of the European Union or any agency thereof, in each case with maturities not exceeding two years;

(ii) bank deposits, checking accounts, time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits in excess of \$250,000,000 and whose long term debt, or whose parent holding company’s long term debt, is rated A (or such similar equivalent rating or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act));

(iii) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (i) above entered into with a bank meeting the qualifications described in clause (ii) above;

(iv) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of any Borrower) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of P-1 (or higher) according to Moody’s, or A-1 (or higher) according to S&P;

(v) securities with maturities of two years or less from the date of acquisition issued or fully guaranteed by any State, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least A by S&P or A by Moody’s;

(vi) shares of mutual funds whose investment guidelines restrict 95% of such funds’ investments to those satisfying the provisions of clauses (i) through (v) above;

(vii) money market funds that (A) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, (B) are rated AAA by S&P and Aaa by Moody’s and (C) have portfolio assets of at least \$5,000,000,000;

(viii) time deposit accounts, certificates of deposit and money market deposits (in each case with or from a bank meeting the qualifications described in clause (ii) above) in an aggregate face amount not in excess of 0.50% of the total assets of the Borrowers and their Subsidiaries, on a consolidated basis, as of the end of the Borrowers’ most recently completed fiscal year; and

(ix) instruments equivalent to those referred to in clauses (i) through (viii) above denominated in any foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Subsidiary organized in such jurisdiction.

“Permitted Liens” has the meaning assigned to such term in Section 7.02.

“Permitted Refinancing Indebtedness” means any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to “Refinance”), the Indebtedness being Refinanced (or previous refinancings thereof constituting Permitted Refinancing Indebtedness); provided that (i) 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 so Refinanced (plus unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses), (ii) the weighted average life to maturity of such Permitted Refinancing Indebtedness is greater than or equal to the earlier of (x) the weighted average life to maturity of the Indebtedness being Refinanced and (y) 90 days after the Facility Maturity Date, (iii) if the Indebtedness being Refinanced is subordinated in right of payment to the ABL Credit Obligations, such Permitted Refinancing Indebtedness shall be subordinated in right of payment to such ABL Credit Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being Refinanced, (iv) no Permitted Refinancing Indebtedness shall have different obligors (other than entities that are not the Borrowers or Subsidiaries thereof), or greater guarantees or security (other than from entities that are not the Borrowers or Subsidiaries thereof), than the Indebtedness being Refinanced ( provided that (x) Indebtedness (A) of any Loan Party may be Refinanced to add or substitute as an obligor another Loan Party that is reasonably satisfactory to the Administrative Agent and (B) of any Subsidiary that is not a Loan Party may be Refinanced to add or substitute as an obligor another Subsidiary that is not a Loan Party and is reasonably satisfactory to the Administrative Agent and (y) other guarantees and security may be added to the extent then independently permitted under Article VII) and (v) if the Indebtedness being Refinanced is secured by any collateral owned by Ravenswood Holdings, Muscle Shoals Holdings, CPEC, the Borrowers or a Subsidiary of the Borrowers (whether equally and ratably with, or junior to, the Secured Parties or otherwise), such Permitted Refinancing Indebtedness may be secured by such collateral (including in respect of working capital facilities of Foreign Subsidiaries otherwise permitted under this Agreement only, any collateral pursuant to after acquired property clauses to the extent any such collateral secured the Indebtedness being Refinanced) on terms no less favorable to the Secured Parties than those contained in the documentation governing the Indebtedness being Refinanced; provided, further, that, with respect to a Refinancing of subordinated Indebtedness permitted to be incurred herein, such Permitted Refinancing Indebtedness shall (x) be subordinated to the guarantee by the Holdcos and the Subsidiary Loan Parties of the Revolving Facility, and (y) be otherwise on terms not materially less favorable to the Lenders than those contained in the documentation governing the Indebtedness being refinanced.

“Person” and “person” mean any natural person, corporation, business trust, joint venture, association, company, partnership, limited liability company or government, individual or family trusts, or any agency or political subdivision thereof.

“Plan” shall mean any employee pension benefit plan, as such term is defined in Section 3(2) of ERISA (other than a Multiemployer Plan) (i) subject to the provisions of Title IV of ERISA, (ii) sponsored or maintained (at the time of determination or at any time within the five years prior thereto) by the Holdcos, any Borrower or any ERISA Affiliate, or (iii) in respect of which the Holdcos, any Borrower, any Subsidiary or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“ Platform ” has the meaning assigned to such term in Section 10.08.

“ Pledged Collateral ” has the meaning assigned to such term in the Collateral Agreement.

“ Primary Payment Accounts ” has the meaning ascribed to it in Section 6.12.

“ Prime Rate ” means, for any day, the rate of interest in effect for such day as publicly announced from time to time within Wells Fargo at its principal office in San Francisco as its “prime rate”, with the understanding that the “prime rate” is one of Wells Fargo’s base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate (and, if any such announced rate is below zero, then the Prime Rate shall be deemed to be zero)

“ Pro Forma Basis ” means, for purposes of making any computation hereunder, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with Applicable Accounting Rules), in each case with respect to an operating unit of a business, and any operational changes that the Ultimate Parent or any of its Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the applicable calculation date (each, for purposes of this definition, a “pro forma event”) shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations and operational changes (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged with or into the Borrowers or any Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the applicable computation shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, is continued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period.

Pro forma calculations made pursuant to the definition of this term “Pro Forma Basis” shall be determined in good faith by a Responsible Officer of the Borrowers. Any such *pro forma* calculation may include adjustments appropriate, in the reasonable good faith determination of the Borrowers, to reflect operating expense reductions, other operating improvements, synergies or such operational changes or restructurings described above reasonably expected to result from the applicable pro forma event in the 18-month period following the consummation of the *pro forma* event.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the applicable calculation date had been the applicable rate for the entire period (taking into account any Swap Obligations applicable to such Indebtedness if such Swap Obligation has a remaining term in excess of 12 months). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of the Borrowers to be the rate of interest implicit in such Capital Lease Obligation in accordance with Applicable Accounting Rules. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma

basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrowers may designate.

“Pro Rata Share” means, with respect to a Lender, a fraction (expressed as a percentage), the numerator of which is the sum of the amounts of such Lender’s Revolving Facility Commitment and Incremental Revolving Facility Commitment, if any (whether or not exercised or effective pursuant to Section 2.15) and the denominator of which is the sum of the amounts of all of the Lenders’ Revolving Facility Commitments and Incremental Revolving Facility Commitments, or if no Commitments are outstanding, a fraction (expressed as a percentage), the numerator of which is the principal amount of ABL Credit Obligations owed to such Lender and the denominator of which is the aggregate principal amount of the ABL Credit Obligations owed to the Lenders, in each case giving effect to a Lender’s participation in Letters of Credit, Swing Line Loans and Agent Advances.

“Projections” means any projections and any forward looking statements (including statements with respect to booked business) of the Holdcos, the Borrowers and their respective Subsidiaries with respect to the 2019 fiscal year and each fiscal year thereafter through 2023 furnished to the Lenders or the Administrative Agent by or on behalf of the Holdcos, the Borrowers or any of their respective Subsidiaries on January 28, 2019 and February 5, 2019.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Qualified Equity Interests” means any Equity Interests other than Disqualified Stock.

“Qualified Receivables” means, collectively, Accounts for which the related Account Debtor is the entity set forth on Schedule 1.01(d) and/or its Affiliates; provided that, solely for purposes of Sections 7.02(ee) and 7.05(o), “Qualified Receivables” shall include related assets that are customarily transferred in or in respect of which security interests are customarily granted in connection with asset securitization transactions or factoring transactions involving accounts receivable.

“Qualified Receivables Financing” means (A) the Receivables Financing pursuant to the Factoring Facilities (including any increase in the amount thereof); (B) prior to the Incremental Facility Effective Date, the AB Receivables Financing and (C) any Receivables Financing that meets the following conditions:

(1) the Ultimate Parent or the applicable Subsidiary thereof shall have determined in good faith that such Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Ultimate Parent or the applicable Subsidiary thereof in question;

(2) all sales of accounts receivable and related assets are made at fair market value;

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Ultimate Parent or the applicable Subsidiary thereof) and may include Standard Undertakings;

(4) if requested by the Administrative Agent, the lender or purchaser in connection with such Qualified Receivables Financing shall have entered into an intercreditor agreement with the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent, relating to payments received in respect of the Qualified Receivables; and



(5) payments received in respect of Qualified Receivables that constitute Collateral shall be deposited in accounts and otherwise handled in a manner reasonably acceptable to the Administrative Agent.

“Ravenswood Holdings” has the meaning assigned to such term in the preamble hereto.

“Ravenswood Holdings Intercompany Loan Agreement” means that certain Intragroup Loan Agreement dated as of January 10, 2019 between Bowling Green, as borrower, and Ravenswood Holdings, as lender, evidencing a term loan to Bowling Green in an initial principal amount of \$142,521,221.25 (as amended, amended and restated, supplemented, replaced, or otherwise modified from time to time in compliance with Section 7.09(b) (ii)).

“Ravenswood Intercreditor Agreement” means that certain Intercreditor Agreement dated as of the Original Closing Date among Ravenswood, Ravenswood Holdings, Wells Fargo, in its capacity thereunder as ABL agent, and the Secured Notes Collateral Agent.

“Real Property” means, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee or leased by any Loan Party, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures incidental to the ownership or lease thereof.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Ultimate Parent or its respective Subsidiaries pursuant to which Ultimate Parent or any such Subsidiary may sell, convey or otherwise transfer to any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of such Subsidiary, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets, in each case, which are customarily transferred in or in respect of which security interests are customarily granted in connection with asset securitization transactions or factoring transactions involving accounts receivable.

“Receivables Subsidiary” means the AB Receivables Subsidiary and any Specified Receivables Subsidiary.

“Recipient” means the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Refinance” has the meaning assigned to such term in the definition of the term “Permitted Refinancing Indebtedness,” and “Refinanced” has a meaning correlative thereto.

“Refinancing” means the refinancing of loans outstanding under the Existing Credit Agreements to occur on the Closing Date in accordance with the terms of this Agreement.

“Register” has the meaning assigned to such term in Section 10.06(c).

“Regulation U” means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Related Parties” means, with respect to any specified person, such person’s Affiliates and the respective directors, trustees, officers, representatives, employees, agents and advisors of such person and such person’s Affiliates.

“Release” means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, emanating or migrating in, into, onto or through the environment. “Released” has a meaning correlative to the foregoing.

“Remaining Present Value” means, as of any date with respect to any lease, the present value as of such date of the scheduled future lease payments with respect to such lease, determined with a discount rate equal to a market rate of interest for such lease reasonably determined at the time such lease was entered into.

“Replacement Rate Conforming Changes” means, with respect to any proposed Replacement Rate, any conforming changes to the definition of Applicable Margin, Eurodollar Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the reasonable discretion of the Administrative Agent, to reflect the adoption of such Replacement Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such Replacement Rate exists, in such other manner of administration as the Administrative Agent reasonably determines is necessary in connection with this Agreement).

“Report” has the meaning assigned to such term in Section 10.21.

“Reportable Event” means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30 day notice period referred to in Section 4043(a) of ERISA has been waived under applicable regulations, with respect to a Plan.

“Required Lenders” means, at any time, (1) at any time that there are three or more Lenders under this Agreement, at least two Lenders that are not Affiliates of each other and (2) Lenders having (i) Loans (other than Swing Line Loans) outstanding, (ii) L/C Obligations outstanding (with the aggregate amount of each Lender’s risk participation and funded participation in funded L/C Obligations being deemed “held” by such Lender), (iii) Swing Line Loans outstanding (with the aggregate amount of each Lender’s risk participation and funded participation in funded Swing Line Loans being deemed “held” by such Lender), and (iv) Revolving Facility Commitments, that taken together, represent more than 50% of the sum of all (A) Loans (other than Swing Line Loans) outstanding, (B) L/C Obligations outstanding, (C) Swing Line Loans outstanding, and (D) Revolving Facility Commitments at such time. The Loans of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Reserves” means all reserves against the Borrowing Base that the Administrative Agent has, in the exercise of its Permitted Discretion, established from time to time upon written notice to the Borrowers.

“Responsible Officer” of any person means any executive officer or Financial Officer of such person and any other officer or similar official thereof responsible for the administration of the obligations of such person in respect of this Agreement.

“Restricted Payments” has the meaning assigned to such term in Section 7.06.

“Revolving Facility” means the Revolving Facility Commitments (including any Incremental Revolving Facility Commitments) and the extensions of credit made hereunder by the Revolving Facility Lenders.

“Revolving Facility Borrowing” means a Borrowing comprised of Revolving Facility Loans.

“Revolving Facility Commitment” means, with respect to each Revolving Facility Lender, the commitment of such Revolving Facility Lender to make Revolving Facility Loans pursuant to Section 2.01, expressed as an amount representing the maximum aggregate permitted amount of such Revolving Facility Lender’s Revolving Facility Credit Exposure hereunder, as such commitment may be (i) reduced from time to time pursuant to Section 2.08, (ii) reduced or increased from time to time pursuant to assignments by or to such Lender under Section 10.06, and (iii) increased as provided under Section 2.15 and set forth on Schedule 2.15. The initial amount of each Lender’s Revolving Facility Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Facility Commitment, as applicable. The aggregate amount of the Lenders’ Revolving Facility Commitments on the Closing Date is \$350,000,000.

“Revolving Facility Credit Exposure” means, at any time, the sum of (a) the aggregate principal amount of the Revolving Facility Loans outstanding at such time, (b) the aggregate principal amount of the Swing Line Loans outstanding at such time and (c) the aggregate principal amount of L/C Obligations outstanding at such time. The Revolving Facility Credit Exposure of any Revolving Facility Lender at any time shall be the product of (x) such Revolving Facility Lender’s Revolving Facility Percentage and (y) the aggregate Revolving Facility Credit Exposure of all Revolving Facility Lenders, collectively, at such time.

“Revolving Facility Lender” means a Lender (including an Incremental Revolving Facility Lender) with a Revolving Facility Commitment or with outstanding Revolving Facility Loans.

“Revolving Facility Loan” means a Loan made by a Revolving Facility Lender pursuant to Section 2.01.

“Revolving Facility Percentage” means, with respect to any Revolving Facility Lender, the percentage of the total Revolving Facility Commitments represented by such Lender’s Revolving Facility Commitment, subject to adjustment as provided in Section 2.15 and Section 2.17. If the Revolving Facility Commitments have terminated or expired, the Revolving Facility Percentages shall be determined based upon the Revolving Facility Commitments most recently in effect, giving effect to any subsequent assignments pursuant to Section 10.06.

“Rexam” means Rexam Beverage Can Company, a Delaware corporation, and its successors and assigns.

“Rexam Financing Documents” means, collectively, the Advance Agreement, the “Security Agreement” (as defined in the Advance Agreement) and all other agreements, documents and instruments executed and/or delivered by any Loan Party or any of their respective Affiliates in connection therewith or related thereto.

“S&P” means Standard & Poor’s Ratings Group, Inc.

“Sanction” has the meaning assigned to such term in Section 4.25(b).

“Sale and Lease Back Transaction” has the meaning assigned to such term in Section 7.03.

“Secured Cash Management Agreement” means any Cash Management Agreement that is entered into by and between any Borrower or any Subsidiary of a Borrower that is a Loan Party and any Cash Management Bank.

“Secured Debt Intercreditor Agreement” has the meaning assigned to such term in Section 10.20.

“Secured Hedge Agreement” means any Swap Contract that is entered into by and between any Borrower or any Subsidiary of a Borrower that is a Loan Party and any Hedge Bank.

“Secured Notes Collateral Agent” means Deutsche Bank Trust Company Americas, in its capacity (a) with respect to the Ravenswood Intercreditor Agreement, as notes collateral agent under the Ravenswood Intercreditor Agreement and (b) with respect to the Muscle Shoals Intercreditor Agreement, as successor noteholder collateral agent under the Muscle Shoals Intercreditor Agreement.

“Secured Notes Documents” means, collectively, the “Notes Documents” as defined in the Ravenswood Intercreditor Agreement and the “Noteholder Documents” as defined in the Muscle Shoals Intercreditor Agreement.

“Secured Notes Intercreditor Agreement” means, collectively, the Ravenswood Intercreditor Agreement and the Muscle Shoals Intercreditor Agreement.

“Secured Notes Obligations” means, collectively, the “Notes Obligations” as defined in the Ravenswood Intercreditor Agreement and the “Noteholder Obligations” as defined in the Muscle Shoals Intercreditor Agreement.

“Secured Notes Priority Collateral” means, collectively, the “Notes Priority Collateral” as defined in the Ravenswood Intercreditor Agreement and the “Noteholder Priority Collateral” as defined in the Muscle Shoals Intercreditor Agreement.

“Secured Notes Secured Parties” means, collectively, the “Notes Secured Parties” as defined in the Ravenswood Intercreditor Agreement and the “Noteholder Secured Parties” as defined in the Muscle Shoals Intercreditor Agreement.

“Secured Parties” means the “Secured Parties” as defined in the Collateral Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Documents” means the Mortgages, the Collateral Agreement and each of the security agreements and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 6.10.

“Specified Mill Assets” has the meaning set forth in the Muscle Shoals Intercreditor Agreement.

“Specified Person” has the meaning assigned to such term in Section 4.25(b).

“Specified Receivables Subsidiary” means a Wholly Owned Subsidiary of any Borrower which engages in no activities other than in connection with the financing or sale of such Qualified Receivables of such Borrower and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the applicable Borrower as a Specified Receivables Subsidiary and:

- (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Borrowers or any other Subsidiary of a Borrower (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Undertakings), (ii) is recourse to or obligates the Borrowers or any other Subsidiary of a Borrower in any way other than pursuant to Standard Undertakings, or (iii) subjects any property or asset of the Borrowers or any other Subsidiary of a Borrower, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Undertakings;
- (b) with which neither the Borrowers nor any other Subsidiary of a Borrower has any material contract, agreement, arrangement or understanding other than on terms which the applicable Borrower reasonably believes to be no less favorable to the Borrowers or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the applicable Borrower; and
- (c) to which neither the Borrowers nor any other Subsidiary of a Borrower has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

“Standard Letter of Credit Practice” means, for any L/C Issuer, any domestic or foreign law or letter of credit practices applicable in the city in which such L/C Issuer issued the applicable Letter of Credit or, for its branch or correspondent, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Letter of Credit, as the case may be, in each case, (a) which letter of credit practices are of banks that regularly issue letters of credit in the particular city, and (b) which laws or letter of credit practices are required or permitted under ISP or UCP, as chosen in the applicable Letter of Credit.

“Standard Undertakings” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Borrowers or any Subsidiary of a Borrower that are determined by the Borrowers in good faith to be customary for a Receivables Financing, including, without limitation, those relating to the servicing of assets of a Subsidiary.

“subsidiary” means, with respect to any person (herein referred to as the “parent”), any corporation, partnership, association or other business entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, controlled or held, or (ii) that is, at the time any determination is made, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means, unless the context otherwise requires, a subsidiary of a Borrower, provided that (except for purposes of Sections 4.09, 4.13, 4.15, 4.16, 6.03, 6.09 and 8.01(k)), and the definition of Unrestricted Subsidiary contained herein) an Unrestricted Subsidiary shall be deemed not to be a Subsidiary of a Borrower or any of its Subsidiaries for purposes of this Agreement.

“Subsidiary Loan Party” means (i) each Wholly Owned Domestic Subsidiary of any Borrower (which itself is not a Borrower), whether existing on the Closing Date or formed or acquired thereafter that, in each case, guarantees any other Indebtedness for borrowed money in excess of \$15,000,000 of any Loan Party or any Affiliate of any Loan Party, and (ii) each other Subsidiary of any Borrower (which itself is not a Borrower) that, in the sole discretion of such Borrower, becomes a party to the Collateral Agreement (or a comparable agreement mutually agreed, each in their sole discretion, by such Borrower and the Administrative Agent) after the Closing Date; *provided, however*, that in no event shall a Receivables Subsidiary be a Subsidiary Loan Party.

“Subsidiary Redesignation” has the meaning provided in the definition of “Unrestricted Subsidiary” contained in this Section 1.01.

“Supermajority Lenders” means, at any time, (1) at any time that there are three or more Lenders under this Agreement, at least two Lenders that are not Affiliates of each other and (2) Lenders having (i) Loans (other than Swing Line Loans) outstanding, (ii) L/C Obligations outstanding (with the aggregate amount of each Lender’s risk participation and funded participation in funded L/C Obligations being deemed “held” by such Lender), (iii) Swing Line Loans outstanding (with the aggregate amount of each Lender’s risk participation and funded participation in funded Swing Line Loans being deemed “held” by such Lender), and (iv) Revolving Facility Commitments, that taken together, represent more than 66.67% of the sum of all (A) Loans (other than Swing Line Loans) outstanding, (B) L/C Obligations outstanding, (C) Swing Line Loans outstanding, and (D) Revolving Facility Commitments at such time. The Loans of any Defaulting Lender shall be disregarded in determining Supermajority Lenders at any time.

“Swap Contract” means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement; provided that (i) no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Holdcos, the Borrowers or any of their respective Subsidiaries, and (ii) no contract for the purchase of natural gas of which any Loan Party intends to take delivery from a counterparty in the business of supplying natural gas, shall be a Swap Contract.

“Swap Obligations” of any Person means all obligations (including, without limitation, any amounts which accrue after the commencement of any bankruptcy or insolvency proceeding with respect to such Person, whether or not allowed or allowable as a claim under any proceeding under any Debtor Relief Law) of such Person in respect of any Swap Contract.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (i) for any date on or after the date such Swap Contracts have been closed out and termination

value(s) determined in accordance therewith, such termination value(s), and (ii) for any date prior to the date referenced in clause (i), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swing Line Borrowing” means a borrowing of a Swing Line Loan pursuant to Section 2.04.

“Swing Line Commitment” means the commitment of any Lender, established pursuant to Section 2.04, to make Swing Line Loans to the Borrowers.

“Swing Line Lender” means Wells Fargo in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

“Swing Line Loan” has the meaning specified in Section 2.04(a).

“Swing Line Loan Notice” means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit C-2.

“Swing Line Sublimit” means \$35,000,000. The Swing Line Sublimit is part of, and not in addition to, the Revolving Facility.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Transactions” means, collectively, the transactions to occur pursuant to the Loan Documents, including (i) the execution and delivery of the Loan Documents, the creation of the Liens pursuant to the Security Documents, and the initial borrowings hereunder; (ii) the repurchase under and termination of, or refinancing (or discharge) of Indebtedness under, the Existing Factoring Agreement, and (iii) the payment of all fees and expenses to be paid on or prior to the Closing Date and owing in connection with the foregoing.

“Type” means, when used in respect of any Loan or Borrowing, the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term “Rate” shall include the Adjusted Eurodollar Rate and the Base Rate.

“UCP” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce (“ICC”) Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

“Ultimate Parent” means Constellium N.V.

“Unfinanced Capital Expenditures” means Capital Expenditures not paid with the proceeds of Indebtedness (other than with the proceeds of Revolving Facility Loans) or with the proceeds of the sale of Equity Interests of Ultimate Parent.

“Unfunded Pension Liability” means the amount by which the present value of a Plan’s obligations (based on the assumptions used for purposes of the Applicable Accounting Rules), as of the date of the most recent financial statements reflecting such amounts, exceeds the fair market value of the Plan’s assets.

“Uniform Commercial Code or UCC” means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

“Unreimbursed Amount” has the meaning specified in Section 2.05(c)(i).

“Unrestricted Subsidiary” means (i) any subsidiary of a Borrower identified on Schedule 1.01(e) and (ii) any subsidiary of a Borrower that is itself not a Borrower and is designated by such Borrower as an Unrestricted Subsidiary hereunder by written notice to the Administrative Agent; provided that a Borrower shall only be permitted to so designate a new Unrestricted Subsidiary after the Closing Date and so long as (A) no Default or Event of Default has occurred and is continuing or would result therefrom, (B) immediately after giving effect to such designation (as well as all other such designations theretofore consummated after the first day of such reference period), the Payment Conditions shall have been satisfied, (C) such Unrestricted Subsidiary shall be capitalized (to the extent capitalized by a Borrower or any of its Subsidiaries) through Investments as permitted by, and in compliance with, Section 7.04(i), and any prior or concurrent Investments in such Subsidiary by such Borrower or any of its Subsidiaries shall be deemed to have been made under Section 7.04(i), (D) without duplication of clause (C) above, any assets owned by such Unrestricted Subsidiary at the time of the initial designation thereof shall be treated as Investments pursuant to Section 7.04(i), and (E) such Subsidiary shall have been designated an “unrestricted subsidiary” (or otherwise not be subject to the covenants and defaults) under any applicable Indebtedness permitted to be incurred hereby and all applicable Permitted Refinancing Indebtedness in respect of any of the foregoing and all applicable Disqualified Stock. A Borrower may designate any Unrestricted Subsidiary to be a Subsidiary for purposes of this Agreement (each, a “Subsidiary Redesignation”); provided that (i) no Default or Event of Default has occurred and is continuing or would result therefrom, (ii) immediately after giving effect to such Subsidiary Redesignation (as well as all other Subsidiary Redesignations theretofore consummated after the first day of such reference period), the Payment Conditions shall have been satisfied, and (iii) the applicable Borrower shall have delivered to the Administrative Agent an officer’s certificate executed by a Responsible Officer of such Borrower, certifying to the best of such officer’s knowledge, compliance with the requirements of preceding clauses (i) and (ii), inclusive, and containing the calculations and information demonstrating compliance with the preceding clause (i).

“Unutilized Commitments” means, at any time, the Maximum Credit at such time minus the sum of (a) the aggregate principal amount of Revolving Facility Loans outstanding at such time and (b) the aggregate principal amount of L/C Obligations outstanding at such time.

“U.S. Bankruptcy Code” means Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(3).

“Wells Fargo” means Wells Fargo Bank, National Association and its successors and assigns.



“Wholly Owned Domestic Subsidiary” of any person means a subsidiary of such person that is both a Domestic Subsidiary and a Wholly Owned Subsidiary.

“Wholly Owned Foreign Subsidiary” of any person means a subsidiary of such person that is both a Foreign Subsidiary and a Wholly Owned Subsidiary.

“Wholly Owned Subsidiary” of any person means a subsidiary of such person, all of the Equity Interests of which (other than directors’ qualifying shares or nominee or other similar shares required pursuant to applicable law) are owned by such person or another Wholly Owned Subsidiary of such person.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02 Terms Generally. The definitions set forth or referred to in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, any reference in this Agreement to any Loan Document shall mean such document as amended, restated, supplemented or otherwise modified from time to time in accordance with the requirements hereof and thereof. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with the Applicable Accounting Rules, as in effect from time to time; provided that, if the Borrowers notify the Administrative Agent that the Borrowers request, or the Administrative Agent requests or the Required Lenders request, an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in the Applicable Accounting Rules or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in the Applicable Accounting Rules or in the application thereof, then such provision shall be interpreted on the basis of the Applicable Accounting Rules as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.03 Effectuation of Transactions. Each of the representations and warranties of the Holdcos and the Borrowers contained in this Agreement (and all corresponding definitions) are made after giving effect to the Transactions, unless the context otherwise requires.

Section 1.04 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar stated amount of such Letter of Credit at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.05 Amendment and Restatement of the Existing Credit Agreement.

(a) The parties to this Agreement agree that, on the Effective Date, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to be, and shall not constitute, a novation. All Swing Line Loans and Revolving Facility Loans made, and all ABL Finance Obligations, incurred, under the Existing Credit Agreement which are outstanding on the Effective Date shall continue as Swing Line Loans, Revolving Facility Loans and ABL Finance Obligations, respectively, under (and shall be governed by the terms of) this Agreement and the other Loan Documents.

(b) Without limiting the foregoing, upon the effectiveness of the amendment and restatement contemplated hereby on the Effective Date:

(i) all references in the "Loan Documents" (as defined in the Existing Credit Agreement) to the "Administrative Agent", the "Credit Agreement" and the "Loan Documents" shall be deemed to refer to the Administrative Agent, this Agreement and the Loan Documents;

(ii) the "Revolving Facility Commitments" (as defined in the Existing Credit Agreement) shall be redesignated as Revolving Facility Commitments hereunder as set forth on Schedule 2.01; and

(iii) the Existing Letters of Credit which remain outstanding on the Closing Date shall continue as Letters of Credit under (and shall be governed by the terms of) this Agreement.

**ARTICLE II**  
**THE CREDITS**

Section 2.01 Commitments. Prior to the Effective Date, certain "Loans" were made to the Existing Borrowers under the Existing Credit Agreement (such outstanding "Revolving Facility Loans," the "Existing Revolving Facility Loans" and such outstanding "Swing Line Loans," the "Existing Swing Line Loans" and together with the Existing Revolving Facility Loans, the "Existing Loans"). As of the Effective Date and prior to the funding of any Loans hereunder on the Effective Date, the outstanding principal balance of the Existing Revolving Facility Loans is \$160,518,198.76 and the outstanding principal balance of the Existing Swing Line Loans is \$0. Subject to the terms and conditions set forth in this Agreement, each Borrower and each of the Lenders agree that on the Effective Date the Existing Revolving Facility Loans shall be re-evidenced as Revolving Facility Loans under this Agreement and the Existing Swing Line Loans shall be re-evidenced as Swing Line Loans under this Agreement and the terms of the Existing Loans shall be restated in their entirety and shall be evidenced by this Agreement. Subject to the terms and conditions set forth herein each Revolving Facility Lender severally and not jointly agrees to make Revolving Facility Loans to the Borrowers in Dollars from time to time on any Business Day during the Availability Period in an aggregate principal amount not to exceed at any time outstanding the amount of such Lender's Revolving Facility Commitment; provided, however, that, after giving effect to any Revolving Facility Borrowing, (i) the Revolving Facility Credit Exposure shall not exceed the lesser of the Maximum Credit and the Borrowing Base, (ii) the Revolving Facility Credit Exposure of any Revolving Facility Lender shall not exceed such Lender's Revolving Facility Commitment and (iii) the aggregate outstanding principal balance of Revolving Facility Loans made to Bowling Green shall not exceed the greater of (a) \$75,000,000 and (b) the portion of the Borrowing Base pertaining to the assets (net of Reserves) of Bowling Green. Within the limits of each Lender's Revolving Facility Commitment, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 2.01, prepay under Section 2.11 and reborrow under this Section 2.01. Revolving Facility Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

Section 2.02 **Loans and Borrowings**. (a) Each Loan shall be made as part of a Borrowing consisting of Loans under the Revolving Facility and of the same Type made by the Lenders ratably in accordance with their respective Commitments under the Revolving Facility (or in the case of Swing Line Loans, in accordance with their respective Swing Line Commitments); provided, however, that Revolving Facility Loans shall be made by Revolving Facility Lenders ratably in accordance with their respective Revolving Facility Percentages on the date such Loans are made hereunder. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 3.03, each Borrowing shall be comprised entirely of Base Rate Loans or Eurodollar Rate Loans as a Borrower may request in accordance herewith. Each Swing Line Borrowing shall be a Base Rate Borrowing. Each Lender at its option may make any Base Rate Loan or Eurodollar Rate Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of such Borrower to repay such Loan in accordance with the terms of this Agreement and such Lender shall not be entitled to any amounts payable under Section 3.01 or 3.04 solely in respect of increased costs resulting from such exercise and existing at the time of such exercise.

(c) At the commencement of each Interest Period for any Eurodollar Rate Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum; provided that a Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Revolving Facility Commitments or that is required to finance the reimbursement in respect of Letters of Credit as contemplated by Section 2.05(c). Each Swing Line Borrowing shall be in an amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Eurodollar Rate Borrowings outstanding under the Revolving Facility.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Facility Maturity Date.

Section 2.03 **Requests for Borrowings**. To request a Revolving Facility Borrowing, the applicable Borrower shall notify the Administrative Agent of such request in writing by delivery of a Borrowing Request (which may be delivered through Administrative Agent's electronic platform or portal) (a) in the case of a Eurodollar Rate Borrowing, not later than 12:00 p.m., Local Time, three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 11:00 a.m., Local Time, on the date of the proposed Borrowing; provided that any such notice of a Base Rate Borrowing to finance the reimbursement in respect of a Letter of Credit as contemplated by Section 2.05(c) may be given not later than 10:00 a.m., Local Time, on the date of the proposed Borrowing. All Borrowing Requests which are not made on-line via Administrative Agent's electronic platform or portal shall be subject to (and unless Administrative Agent elects otherwise in the exercise of its sole discretion, such Borrowings shall not be made until the completion of) a customary authentication process by the Administrative Agent (with results reasonably satisfactory to Administrative Agent) prior

to the funding of any such requested Revolving Facility Loan. Each such Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

- (i) the name of the applicable Borrower;
- (ii) the aggregate amount of (A) the requested Borrowing and (B) the Revolving Facility Credit Exposure (after giving effect to the requested Borrowing);
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Rate Borrowing;
- (v) in the case of a Eurodollar Rate Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (vi) the location and number of such Borrower's account to which funds are to be disbursed.

If such Borrower fails to specify a Type of Revolving Facility Loan in a Borrowing Request or if such Borrower fails to give a timely notice requesting a conversion or continuation, then the Revolving Facility Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If no Interest Period is specified with respect to any requested Eurodollar Rate Borrowing, then such Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

**Section 2.04 Swing Line Loans.**

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, may make loans (each such loan, a "Swing Line Loan") to a Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that, (x) after giving effect to any Swing Line Loan, (i) the Revolving Facility Credit Exposure shall not exceed the lesser of the Maximum Credit and the Borrowing Base at such time, and (ii) the Revolving Facility Credit Exposure of any Lender (including the Swing Line Lender) shall not exceed such Lender's Revolving Facility Commitment, (y) the applicable Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (z) the Swing Line Lender may choose not to make any Swing Line Loan if it has, or by making of such Swing Line Loan may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 2.04, prepay under Section 2.11, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest only at the Base Rate plus the Applicable Margin for Base Rate Loans. Immediately upon the making of a Swing Line Loan, each Revolving Facility Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Revolving Facility Percentage multiplied by the principal amount of such Swing Line Loan.

(b) *Borrowing Procedures*. Each Swing Line Borrowing shall be made upon the applicable Borrower's irrevocable written notice to the Swing Line Lender and the Administrative Agent, which may be delivered electronically. Each such notice must be in the form of a Swing Line Loan Notice and be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m., Local Time, on the requested borrowing date or such later time on the requested borrowing date as may be approved by the Swing Line Lender in its sole discretion, and shall specify (i) the amount to be borrowed, which shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent of the contents thereof. Unless the Swing Line Lender has received notice from the Administrative Agent (including at the request of any Revolving Facility Lender) prior to 2:00 p.m., Local Time, on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied or waived (and one or more such conditions are not in fact satisfied or waived), then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m., Local Time, on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to such Borrower in immediately available funds either by (i) crediting the account of such Borrower on the books of the Swing Line Lender with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to the Swing Line Lender by such Borrower.

(c) *Refinancing of Swing Line Loans*.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of any Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Facility Lender make a Base Rate Loan in an amount equal to such Lender's Revolving Facility Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Borrowing Request for purposes hereof) and in accordance with the requirements of Section 2.02 and 2.03, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to sufficient Availability, the unutilized portion of the Revolving Facility and the conditions set forth in Section 5.01. The Swing Line Lender shall furnish such Borrower with a copy of the applicable Borrowing Request promptly after delivering such notice to the Administrative Agent. Each Revolving Facility Lender shall transfer an amount equal to its Revolving Facility Percentage of the amount specified in such Borrowing Request to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender to the Administrative Agent's Account not later than 1:00 p.m., Local Time, on the day specified in such Borrowing Request, whereupon, subject to Section 2.04(c)(ii), each Revolving Facility Lender that so makes funds available shall be deemed to have made a Base Rate Loan to such Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Facility Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Facility Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Facility Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Facility Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate *per annum* equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Facility Loan included in the relevant Revolving Facility Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Facility Lender's obligation to make Revolving Facility Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, any Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Facility Lender's obligation to make Revolving Facility Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.01.

(d) Repayment of Participations.

(i) At any time after any Revolving Facility Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Facility Lender its Revolving Facility Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Facility Lender shall pay to the Swing Line Lender its Revolving Facility Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate *per annum* equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the ABL Credit Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the applicable Borrower for interest on the Swing Line Loans. Until each Revolving Facility Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Facility Lender's Revolving Facility Percentage of any Swing Line Loan, interest in respect of such Revolving Facility Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The applicable Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) Defaulting Lenders. Notwithstanding anything to the contrary contained in this Section 2.04, the Swing Line Lender shall not be obligated to make any Swing Line Loan at a time when any Revolving Facility Lender is a Defaulting Lender, unless the Swing Line Lender has entered into arrangements satisfactory to it to eliminate its Fronting Exposure (after giving effect to Section 2.16) with respect to any Defaulting Lender's risk participations in, and all other obligations in respect of, Swing Line Loans, including by cash collateralizing such Defaulting Lender's Revolving Facility Percentage of all Swing Line Loans outstanding or to be outstanding hereunder.

**Section 2.05 Letters of Credit**

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Revolving Facility Lenders set forth in this Section 2.05, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of any Borrower or its Subsidiaries, and to amend or (solely in the case of standby Letters of Credit) extend Letters of Credit previously issued by it, in accordance with subsection (b), below, and (2) to honor drawings under the Letters of Credit; and (B) the Revolving Facility Lenders severally and not jointly agree to participate in Letters of Credit issued for the account of any Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Revolving Facility Credit Exposure shall not exceed the lesser of the Maximum Credit and the Borrowing Base at such time, (y) the Revolving Facility Credit Exposure of any Lender shall not exceed such Lender's Revolving Facility Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by a Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by such Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Anything contained herein to the contrary notwithstanding, each L/C Issuer may, but shall not be obligated to, issue a Letter of Credit that supports an obligation of a Borrower in respect of (x) a lease of real property or (y) an employment contract. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly any Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. As of the Closing Date, the Existing Letters of Credit shall be deemed to have been issued under (and shall be governed by the terms of) this Agreement.

(ii) No L/C Issuer shall issue any Letter of Credit if:

(A) subject to Section 2.05(b)(iii), the expiry date of the requested Letter of Credit would occur, (1) with respect to each standby Letter of Credit, more than twelve months after the date of issuance or last extension or, (2) with respect to each commercial Letter of Credit, more than 180 days after the date of issuance, unless, in each case, the Required Lenders have approved such expiry date; or

(B) unless such L/C Issuer has otherwise agreed, the expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date; provided that if any such Letter of Credit is outstanding on the Letter of Credit Expiration Date, the applicable Borrower shall Cash Collateralize the Outstanding Amount of all L/C Obligations with respect to such Letter of Credit.

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing the Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate in any material respect one or more policies of the L/C Issuer applicable to letters of credit generally and customary for other issuers of letters of credit;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, the Letter of Credit is in an initial stated amount less than \$100,000, in the case of a commercial Letter of Credit, or \$500,000, in the case of a standby Letter of Credit;

(D) the Letter of Credit is to be denominated in a currency other than Dollars; or

(E) any Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the applicable Borrower or such Lender to eliminate the L/C Issuer's actual or reasonably determined potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or reasonably determined potential Fronting Exposure.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.



(vi) Each L/C Issuer shall act on behalf of the Revolving Facility Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(vii) It is agreed that, in the case of the issuance of any commercial or trade Letter of Credit, such Letter of Credit shall in no event provide for time drafts or bankers' acceptances, unless a proper Reserve has been established with respect thereto.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the applicable Borrower delivered to the applicable L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Request, appropriately completed and signed by a Responsible Officer of such Borrower. Such Letter of Credit Request may be sent by fax or by electronic transmission using the system provided by the applicable L/C Issuer or by any other means acceptable to such L/C Issuer and shall be subject to customary authentication procedures by such L/C Issuer with results reasonably satisfactory to such L/C Issuer. Such Letter of Credit Request must be received by the L/C Issuer and the Administrative Agent not later than 2:00 p.m., Local Time, at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other customary matters as the L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the L/C Issuer: (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other customary matters as the L/C Issuer may reasonably require. Additionally, such Borrower shall furnish to the L/C Issuer and the Administrative Agent such other customary documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Request, the L/C Issuer will confirm with the Administrative Agent that the Administrative Agent has received a copy of such Letter of Credit Request from the applicable Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless one or more applicable conditions contained in Article V shall not then be satisfied or waived, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of such Borrower (or the applicable Subsidiary) or enter into the applicable amendment,

as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Facility Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Revolving Facility Percentage times the amount of such Letter of Credit.

(iii) If any Borrower so requests in any applicable standby Letter of Credit Request, the L/C Issuer may, in its sole and absolute discretion, agree to issue a standby Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that (x) any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued and (y) such prior notice shall be deemed to have been given by the L/C Issuer on the effective date of its resignation as L/C Issuer in accordance with Section 10.06(f). Unless otherwise directed by the applicable L/C Issuer, the applicable Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Facility Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date (unless the applicable L/C Issuer has otherwise agreed, in which case such expiry date may be later than the Letter of Credit Expiration Date, and if any such Letter of Credit is outstanding on the Letter of Credit Expiration Date, such Borrower shall Cash Collateralize the Outstanding Amount of all L/C Obligations with respect to such Letter of Credit); provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.05(a) or otherwise), or (B) one or more of the applicable conditions specified in Section 5.01 is not then satisfied or waived.

(iv) If any Borrower so requests in any applicable Letter of Credit Request, the L/C Issuer may, in its sole and absolute discretion, agree to issue a standby Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an "Auto-Reinstatement Letter of Credit"). Unless otherwise directed by the L/C Issuer, such Borrower shall not be required to make a specific request to the L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Revolving Facility Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the "Non-Reinstatement Deadline"), the L/C Issuer shall not permit such reinstatement if it has received a notice on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) that the Administrative Agent has reasonably determined not to permit such reinstatement or (B) from the Administrative Agent, any Lender or such Borrower that one or more of the applicable conditions specified in Section 5.01 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing the L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the applicable Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the applicable Borrower and the Administrative Agent thereof. Not later than 2:00 p.m., Local Time, on the Business Day (each such date, an “Honor Date”) following the date upon which such Borrower receives such notice from the L/C Issuer of a payment by the L/C Issuer under a Letter of Credit, such Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If such Borrower fails to so reimburse the L/C Issuer by such time, the L/C Issuer shall notify the Administrative Agent who shall promptly notify each Revolving Facility Lender of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Revolving Facility Lender’s Revolving Facility Percentage thereof. In such event, such Borrower shall be deemed to have requested a Revolving Facility Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.01 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Facility Commitments and the conditions set forth in Section 5.01 (other than the delivery of a Borrowing Request).

(ii) Each Revolving Facility Lender shall, upon any notice pursuant to Section 2.05(c)(i), make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders, in an amount equal to its Revolving Facility Percentage of the Unreimbursed Amount not later than 1:00 p.m., Local Time, on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.05(c)(iii), each Revolving Facility Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Facility Borrowing of Base Rate Loans because the conditions set forth in Section 5.01 cannot be satisfied or for any other reason, the applicable Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Facility Lender’s payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.05(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.05.

(iv) Until each Revolving Facility Lender funds its Revolving Facility Loan or L/C Advance pursuant to this Section 2.05(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender’s Revolving Facility Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Revolving Facility Lender's obligation to make Revolving Facility Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.05(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Facility Lender's obligation to make Revolving Facility Loans pursuant to this Section 2.05(c) is subject to the conditions set forth in Article V (other than delivery by a Borrower of a Borrowing Request). No such making of an L/C Advance shall relieve or otherwise impair the obligation of any Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Facility Lender fails to make available to the Administrative Agent for the account of any L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.05(c) by the time specified in Section 2.05(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate *per annum* equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Facility Loan included in the relevant Revolving Facility Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Revolving Facility Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.05(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Facility Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.05(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the applicable Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Revolving Facility Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.05(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Revolving Facility Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Revolving Facility Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the ABL Credit Obligations and the termination of this Agreement.

(c) Obligations Absolute. The obligation of each Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, any Issuer Document or any other Loan Document, or any term or provisions therein or herein;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any of its Subsidiaries.

(f) Role of L/C Issuer. Each Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties or any correspondent, participant or assignee of the applicable L/C Issuer shall be liable to any Lender for: (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Facility Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude such Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.05(e); provided, however, that anything in such clauses to the contrary

notwithstanding, the applicable Borrower may have a claim against an L/C Issuer, and such L/C Issuer may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which such Borrower proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP. Unless otherwise expressly agreed by the L/C Issuer and the applicable Borrower when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to any Borrower for, and the L/C Issuer's rights and remedies against any Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. Each Borrower shall pay to the Administrative Agent for the account of each Revolving Facility Lender, in accordance with its Revolving Facility Percentage, a Letter of Credit fee (the "Letter of Credit Fee") (i) for each commercial Letter of Credit issued at the request of such Borrower equal to the Applicable Margin for Eurodollar Rate Borrowings effective for each day during any quarter times the daily amount available to be drawn under such Letter of Credit and (ii) for each standby Letter of Credit issued at the request of such Borrower equal to the Applicable Margin for Eurodollar Rate Borrowings effective for each day during any quarter times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.04. Letter of Credit Fees shall be (i) due and payable on the first Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand, (ii) computed on a quarterly basis in arrears on the basis of a year of 360 days and (iii) payable for the actual number of days elapsed (including the first day but excluding the last day). If there is any change in the Applicable Margin during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges to L/C Issuers. Each Borrower shall pay directly to each L/C Issuer for its own account a fronting fee (i) with respect to each commercial Letter of Credit issued at the request of such Borrower, at the rate of 0.125 % *per annum* (or

such lesser amount to any respective L/C Issuer as such Borrower may agree in writing with such L/C Issuer), computed on the amount of such Letter of Credit, and payable upon the issuance thereof, (ii) with respect to any amendment of a commercial Letter of Credit increasing the amount of such Letter of Credit issued at the request of such Borrower, at a rate separately agreed between such Borrower and the L/C Issuer, computed on the amount of such increase, and payable upon the effectiveness of such amendment, and (iii) with respect to each standby Letter of Credit issued at the request of such Borrower, at the rate of 0.125% *per annum* (or such lesser amount to any respective L/C Issuer as such Borrower may agree in writing with such L/C Issuer), computed on the daily amount available to be drawn under such Letter of Credit, and payable upon each Credit Event with respect thereto. In addition, each Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit requested by such Borrower as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable. The fees in this paragraph are referred to collectively as “L/C Issuer Fees”.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the applicable Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit in accordance with the terms hereof. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of its Subsidiaries inures to the benefit of such Borrower, and that such Borrower’s business derives substantial benefits from the businesses of such Subsidiaries.

(l) Reporting. Each L/C Issuer will report in writing to the Administrative Agent (i) on the first Business Day of each week, the aggregate face amount of Letters of Credit issued by it and outstanding as of the last Business Day of the preceding week, (ii) on or prior to each Business Day on which such L/C Issuer expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension and the aggregate face amount of Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and such L/C Issuer shall advise the Administrative Agent on such Business Day whether such issuance, amendment, renewal or extension occurred and whether the amount thereof changed), (iii) on each Business Day on which such L/C Issuer makes any L/C Borrowing, the date and amount of such L/C Borrowing and (iv) on any Business Day on which the applicable Borrower fails to reimburse an L/C Borrowing required to be reimbursed to such L/C Issuer on such day, the date and amount of such failure.

(m) Standard of Care. Each L/C Issuer shall be deemed to have acted with due diligence and reasonable care if such L/C Issuer’s conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement.

(n) Power of Attorney. Each Borrower irrevocably appoints the L/C Issuer of any commercial Letter of Credit as its attorney-in-fact and authorizes such L/C Issuer, without notice to Borrowers, to take such reasonable actions to execute and deliver ancillary documents and letters customary in the letter of credit business that may include but are not limited to advisements, indemnities, checks, bills of exchange and issuance documents. The power of attorney granted by the Borrowers is limited solely to such actions related to the issuance, confirmation or amendment of any commercial Letter of Credit and to ancillary documents or letters customary in the letter of credit business. This appointment is coupled with an interest.

Section 2.06 **Funding of Borrowings**. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 p.m., Local Time, to the Administrative Agent's Account; provided that Swing Line Loans shall be made as provided in Section 2.04. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower as specified in the Borrowing Request; provided that Base Rate Revolving Facility Loans and Swing Line Borrowings made to finance the reimbursement in respect of Letters of Credit and Swing Line Loans shall be remitted by the Administrative Agent to the applicable L/C Issuer or the Swing Line Lender, as applicable.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.06 and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally and not jointly agree to pay to the Administrative Agent forthwith on demand (without duplication) such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of (A) the Federal Funds Rate and (B) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of such Borrower, the interest rate applicable to Base Rate Loans at such time. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. In the event such Borrower pays such amount to the Administrative Agent, then such amount shall reduce the principal amount of such Borrowing (but exclusive of any accrued and unpaid interest thereon).

Section 2.07 **Interest Elections**. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or, if no Interest Period is specified in such Borrowing Request, an initial Interest Period of one month's duration. Thereafter, the applicable Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section. The applicable Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swing Line Borrowings which may not be converted or continued.

(b) To make an election pursuant to this Section, the applicable Borrower shall notify the Administrative Agent of such election in writing (which may be delivered electronically) by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);



- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
- (iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Rate Borrowing; and
- (iv) if the resulting Borrowing is a Eurodollar Rate Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."
- (v) If any such Interest Election Request requests a Eurodollar Rate Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender to which such Interest Election Request relates of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the applicable Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Rate Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the written request (including a request through electronic means) of the Required Lenders, so notifies the Borrowers, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Rate Borrowing and (ii) unless repaid, each Eurodollar Rate Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

Section 2.08 **Termination and Reduction of Commitments**. (a) Unless previously terminated, the Revolving Facility Commitments shall terminate on the Facility Maturity Date.

(b) The Borrowers may at any time terminate, or from time to time permanently reduce, the Revolving Facility Commitments and/or the Incremental Revolving Facility Commitments; provided that (i) each reduction of the Revolving Facility Commitments and/or the Incremental Revolving Facility Commitments shall be in an amount that is an integral multiple of \$5,000,000 and not less than \$10,000,000 (or, if less, the remaining amount of the Revolving Facility Commitments and/or the Incremental Revolving Facility Commitments) and (ii) the Borrowers shall not terminate or reduce the Revolving Facility Commitments and/or the Incremental Revolving Facility Commitments if, after giving effect to any concurrent prepayment of the Revolving Facility Loans in accordance with Section 2.11, the Revolving Facility Credit Exposure would exceed the Maximum Credit.

(c) The Borrowers shall notify the Administrative Agent of any election to terminate or permanently reduce the Revolving Facility Commitments and/or the Incremental Revolving Facility Commitments under paragraph (b) of this Section 2.08 at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrowers pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Facility Commitments and/or the Incremental Revolving Facility

Commitments delivered by the Borrowers may state that such notice is conditioned upon one or more events, including, without limitation, the effectiveness of other credit facilities, receivables financing facilities or the consummation of a Change in Control, in which case such notice may be revoked by the Borrowers (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

Section 2.09 **Agreement to Repay Loans; Evidence of Debt.** (a) The Borrowers hereby unconditionally promise to pay (i) to the Administrative Agent for the account of each Revolving Facility Lender the then unpaid principal amount of each Revolving Facility Loan of such Lender on the Facility Maturity Date and (ii) to the Swing Line Lender the then unpaid principal amount of each Swing Line Loan on the Facility Maturity Date. The Borrowers are jointly and severally liable for all ABL Credit Obligations.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period (if any) applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) any amount received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section 2.09 shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note (a "Note"). In such event, each Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in a form approved by the Administrative Agent and reasonably acceptable to such Borrower. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.06) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.10 **Repayment of Loans.** (a) To the extent not previously paid, outstanding Revolving Facility Loans shall be due and payable on the Facility Maturity Date.

(b) Prior to any repayment of any Revolving Facility Loans, the Borrowers shall select the Borrowing or Borrowings under the Revolving Facility to be repaid and shall notify the Administrative Agent in writing (which may be delivered electronically) of such selection not later than 1:00 p.m., Local Time, (i) in the case of a Base Rate Borrowing, one Business Day before the scheduled date of such repayment and (ii) in the case of a Eurodollar Rate Borrowing, three Business Days before the scheduled date of such repayment. Each repayment of a Borrowing shall be applied to the Revolving Facility Loans included in the repaid Borrowing such that each Revolving Facility Lender receives its

ratable share of such repayment (based upon the respective Revolving Facility Credit Exposures of the Revolving Facility Lenders at the time of such repayment). Notwithstanding anything to the contrary in the immediately preceding sentence, prior to any repayment of a Swing Line Loan hereunder, the Borrowers shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent in writing (which may be delivered electronically) of such selection not later than 1:00 p.m., Local Time, on the scheduled date of such repayment. Repayments of Eurodollar Rate Borrowings shall be accompanied by accrued interest on the amount repaid, together with any additional amounts required pursuant to Section 3.05.

Section 2.11 **Prepayment of Loans**. (a) The Borrowers shall have the right at any time and from time to time to prepay any Loan in whole or in part, without premium or penalty (but subject to Section 3.05), in an aggregate principal amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum or, if less, the amount outstanding, subject to prior notice in accordance with Section 2.10(b), which notice shall be irrevocable except to the extent conditioned on the occurrence of one or more events, including, without limitation, a change of control or a refinancing of all or any portion of the Revolving Facility.

(b) In the event and on each occasion that the total Revolving Facility Credit Exposure exceeds the lesser of (i) the Maximum Credit and (ii) the Borrowing Base in effect at such time (including any reduction of the Borrowing Base as a result of the receipt of Net Proceeds from a sale or other disposition of inventory or receivables outside the ordinary course of business as specified in clause (iii) of the last paragraph of Section 7.05), the Borrowers shall immediately prepay Revolving Facility Borrowings or Swing Line Borrowings (or, if no such Borrowings are outstanding, deposit Cash Collateral pursuant to Section 2.16) in an aggregate amount equal to such excess.

(c) In the event and on each occasion that the L/C Obligations exceed (i) the Letter of Credit Sublimit or (ii) the lesser of the Maximum Credit and the Borrowing Base in effect at such time (including any reduction of the Borrowing Base as a result of the receipt of Net Proceeds from a sale or other disposition of inventory or receivables outside the ordinary course of business as specified in clause (iii) of the last paragraph of Section 7.05), the Borrowers shall immediately deposit Cash Collateral pursuant to Section 2.16 in an amount equal to such excess.

(d) In the event and on each occasion that the Swing Line Loans exceed (i) the Swing Line Sublimit or (ii) the lesser of the Maximum Credit and the Borrowing Base in effect at such time (including any reduction of the Borrowing Base as a result of the receipt of Net Proceeds from a sale or other disposition of inventory or receivables outside the ordinary course of business as specified in clause (iii) of the last paragraph of Section 7.05), the Borrowers shall immediately prepay Swing Line Borrowings in an aggregate amount equal to such excess.

Section 2.12 **Fees**. (a) The Borrowers shall pay to the Administrative Agent for the account of each Revolving Facility Lender (other than Defaulting Lenders), in accordance with each such Lender's Revolving Facility Percentage, a quarterly commitment fee (the "Commitment Fee") equal to the product of (i) the average daily Unutilized Commitments during each calendar quarter (or, with respect to the following clause (ii)(B)(1), during the period specified therein), multiplied by (ii) (A) 0.25% *per annum* (with respect to each such period during which (x) the average daily Unutilized Commitments during such period divided by (y) the average daily Revolving Facility Commitments for such period is less than 50%) or (B) 0.375% *per annum* (with respect to (1) the period beginning on the Effective Date and ending on the last day of the first full fiscal quarter after the Closing Date and (2) thereafter, each such period during which (x) the average daily Unutilized Commitments during such period divided by (y) the average daily Revolving Facility Commitments for such period is greater than or equal to 50%), in each case subject to adjustment as provided in Section 2.17. For the avoidance of doubt,

the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the aggregate Commitments for purposes of determining the Commitment Fee. The Commitment Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the first calendar day of each April, July, October and January, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The Commitment Fee shall be calculated quarterly in arrears, shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrowers from time to time agree to pay such Letter of Credit Fees and L/C Issuer Fees as specified in Section 2.05.

(c) The Borrowers agree to pay to the Administrative Agent, for the account of the Administrative Agent, the agency fees set forth in the Engagement Letter, as amended, restated, supplemented or otherwise modified from time to time, at the times specified therein (the "Administrative Agent Fees").

(d) The Borrowers shall pay to the Administrative Agent for the account of each Revolving Facility Lender (other than Defaulting Lenders) having commitments in respect of the Incremental Revolving Facility, in accordance with each such Lender's Incremental Revolving Facility Percentage, a quarterly commitment fee (the "Incremental Facility Commitment Fee") equal to the product of (i) the total Incremental Revolving Facility Commitments multiplied by (ii) 0.25% *per annum*. The Incremental Facility Commitment Fee shall accrue at all times prior to the effectiveness of the Incremental Revolving Facility, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the first calendar day of each April, July, October and January commencing with the first such date to occur after the Closing Date, and on the effective date of the Incremental Revolving Facility. The Incremental Facility Commitment Fee shall be calculated quarterly in arrears, shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) The Borrowers agree to pay such Incremental Facility Exercise Fees as specified in Section 2.15, at the time specified therein.

(f) The Borrowers agree to pay to the Administrative Agent on the Closing Date the fees set forth in the Fee Letter.

(g) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as applicable, among the Lenders, except that L/C Issuer Fees shall be paid directly to the applicable L/C Issuers. Once paid, none of the Fees shall be refundable under any circumstances.

**Section 2.13 Interest.** (a) The Loans comprising each Base Rate Borrowing (including each Swing Line Loan) shall bear interest at the Base Rate plus the Applicable Margin for Base Rate Loans.

(b) The Loans comprising each Eurodollar Rate Borrowing shall bear interest at the Adjusted Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin for Eurodollar Rate Loans.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any Fees or other amount payable by any Borrower hereunder has not been paid when due, whether at stated

maturity, upon acceleration or otherwise, such amount shall bear interest, after as well as before judgment, at a rate (the “Default Rate”) *per annum* equal to (i) in the case of overdue principal of any Loan, 2.0% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.13 or (ii) in the case of any other amount, 2.0% plus the rate applicable to Base Rate Loans as provided in paragraph (a) of this Section; provided that this paragraph (c) shall not apply to any Event of Default that has been waived by the Lenders pursuant to Section 10.01.

(d) Accrued interest on each Loan shall be payable in arrears (i) on each Interest Payment Date for such Loan, (ii) upon termination of the Revolving Facility Commitments and (iii) on the Facility Maturity Date; provided that (i) interest accrued pursuant to paragraph (c) of this Section 2.13 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Base Rate Revolving Facility Loan or a Swing Line Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Rate Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Base Rate (including Base Rate Loans determined by reference to the Adjusted Eurodollar Rate) shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate, Adjusted Eurodollar Rate or Eurodollar Base Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

**Section 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs**. (a) Unless otherwise specified, the applicable Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of L/C Obligations, or of amounts payable under Section 3.01, 3.04 or 3.05, or otherwise) prior to 2:00 p.m., Local Time, on the date when due, in immediately available funds, without condition or deduction for any defense, recoupment, set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to the Administrative Agent’s Account, except payments to be made directly to the applicable L/C Issuer or the Swing Line Lender as expressly provided herein and except that payments pursuant to Sections 3.01, 3.04, 3.05 and 10.04 may be made directly to the persons entitled thereto. The receipt of any payment item by the Administrative Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available funds made to the Administrative Agent’s Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under the Loan Documents shall be made in Dollars. Any payment required to be made by the Administrative Agent hereunder shall be deemed to have been made by the time required if the Administrative Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by the Administrative Agent to make such payment.

(b) If at any time insufficient funds are received by and available to the Administrative Agent from any Borrower to pay fully all amounts of principal, unreimbursed L/C Obligations, interest and fees then due from such Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, (ii) second, towards payment of principal of Swing Line Loans and unreimbursed L/C Obligations then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed L/C Obligations then due to such parties and (iii) third, towards payment of principal of Revolving Facility Loans then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (i) ABL Credit Obligations due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (x) the amount of such ABL Credit Obligations due and payable to such Lender at such time to (y) the aggregate amount of the ABL Credit Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the ABL Credit Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time or (ii) ABL Credit Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (x) the amount of such ABL Credit Obligations owing (but not due and payable) to such Lender at such time to (y) the aggregate amount of the ABL Credit Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Parties at such time) of payment on account of the ABL Credit Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time, then the Lender receiving such greater proportion shall (A) notify the Administrative Agent of such fact, and (B) purchase (for cash at face value) participations in the Loans and sub-participations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of ABL Credit Obligations then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(i) if any such participations or sub-participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or sub-participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in Section 2.16 or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or sub-participations in L/C Obligations or Swing Line Loans to any assignee or participant.

Each Borrower consents to this Section 2.14(c) and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against any Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of

the Lenders or the L/C Issuer hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon, Local Time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by such Borrower, the interest rate applicable to Base Rate Loans. If such Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by a Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

Section 2.15 **Incremental Commitments**. Upon the satisfaction of the following conditions (such date of satisfaction, the "**Incremental Facility Effective Date**"), the total Revolving Facility Commitments shall be increased by an amount equal to the Incremental Amount:

- (i) no Default or Event of Default shall have occurred and be continuing or shall result after giving effect to the Incremental Revolving Facility;
- (ii) the Borrowers shall have paid to the Administrative Agent for the account of each Incremental Revolving Facility Lender (other than Defaulting Lenders) having Incremental Revolving Facility Commitments, ratably in accordance with each such Lender's Incremental Revolving Facility Percentage, an accordion fee (the "**Incremental Facility Exercise Fee**") equal to the product of (i) the total Incremental Revolving Facility Commitments multiplied by (ii) 0.125% *per annum* ;
- (iii) the termination of the AB Receivables Financing and the payment in full or provision for payment in full of all obligations owing to the purchasers under the AB Receivables Financing, in each case in a manner reasonably acceptable to the Administrative Agent;

(iv) the Administrative Agent shall maintain a senior perfected security interest in substantially all of the AB Receivables owned by Muscle Shoals; and

(v) the Administrative Agent shall have received a written notice signed by a Responsible Officer of each Borrower, notifying the Administrative Agent of the Borrowers' election to exercise the Incremental Revolving Facility and certifying as to the matters set forth in this Section 2.15.

On the Incremental Facility Effective Date, (i) each relevant Incremental Revolving Facility Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Facility Loans of all the Lenders to equal its Pro Rata Share of such outstanding Revolving Facility Loans, and (ii) the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Facility Loans as of the Incremental Facility Effective Date (with such reborrowing to consist of the Types of Revolving Facility Loans, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurodollar Rate Loan, shall be subject to indemnification by the applicable Borrower pursuant to the provisions of Section 3.05 if the deemed payment occurs other than on the last day of the related Interest Periods. Notwithstanding any provision herein or in any other Loan Document to the contrary, no Revolving Facility Loans, other Credit Events or any other financial accommodations advanced in excess of the total Revolving Facility Commitments as in effect immediately prior to the Incremental Facility Effective Date shall be secured by any Real Property unless and until the flood diligence required by Sections 6.02 and 10.01 has been completed in a manner satisfactory to each Lender, as confirmed by written notice from each such Lender to the Administrative Agent and the Borrowers after the Incremental Facility Effective Date.

Section 2.16 **Cash Collateral**.

(a) **Certain Credit Support Events**. If (i) an L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrowers shall be required to provide Cash Collateral pursuant to Section 8.01, or (iv) there shall exist a Defaulting Lender, the Borrowers shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) **Grant of Security Interest**. Each Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to subsection (e) below. If at any time the Administrative Agent determines that Cash Collateral is subject to



any right or claim of any Person other than the Administrative Agent or an L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more Controlled Accounts held with Wells Fargo. The Borrowers shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.16 or Sections 2.04, 2.05, 2.17 or Section 8.01 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vi))) or (ii) the determination by the Administrative Agent and the applicable L/C Issuer that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the applicable L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

#### Section 2.17 **Defaulting Lenders**.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees, indemnity payments or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.09 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to any L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.16; *fourth*, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the

Administrative Agent; *fifth* , if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released pro-rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.16; *sixth* , to the payment of any amounts owing to the Lenders, the L/C Issuers or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh* , so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any final, non-appealable judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth* , to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.01 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro-rata in accordance with the Commitments hereunder without giving effect to Section 2.17(a)(iv) . Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees .

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee or any Incremental Facility Commitment Fee for any period during which that Lender is a Defaulting Lender (and no Borrower shall be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Facility Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16 .

(C) With respect to any fee payable under Section 2.12(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the applicable Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the applicable L/C Issuers and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuers' or Swing Line Lender's Fronting Exposure to such Defaulting Lender and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Revolving Facility Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Facility Percentages (calculated without regard to such Defaulting Lender's Revolving Facility Commitment) but only to the extent that (x) the conditions set forth in Section 5.01 are satisfied at the time of such reallocation (and, unless the applicable Borrower shall have otherwise notified the Administrative Agent at such time, such Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Facility Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Facility Commitment. Subject to Section 10.24, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the applicable Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.16.

(b) Defaulting Lender Cure. If each Borrower, the Administrative Agent, the Swing Line Lender and one or more applicable L/C Issuers, in their sole discretion, agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro-rata basis by the Lenders in accordance with their Revolving Facility Percentages (carried out to the ninth decimal place) (without giving effect to Section 2.17(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while that Lender was a Defaulting Lender; provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

#### Section 2.18 Agent Advances.

(a) Subject to the limitations set forth in the provisos contained in this Section 2.18, the Administrative Agent is hereby authorized by the Borrowers and the Lenders, from time to time in the Administrative Agent's sole discretion, (A) after the occurrence of a Default or an Event of Default, or (B) at any time that any of the other applicable conditions precedent set forth in Article V have not been satisfied, to make Revolving Facility Loans to the Borrowers on behalf of the Lenders which the Administrative Agent, (1) in its Permitted Discretion, deems necessary or desirable to preserve or protect the Collateral, or any portion thereof, (2) in its Permitted Discretion, deems necessary or desirable to enhance the likelihood of, or maximize the amount of, repayment of the Revolving Facility Loans and other ABL Credit Obligations, or (3) in its reasonable business judgment, deems necessary or desirable to pay any other amount chargeable to the Borrowers pursuant to the terms of this Agreement, including costs, fees, and expenses as described in Section 10.04 (any of the advances described in the foregoing

clauses (1) and (2) being hereinafter referred to as “Protective Advances”; any of the advances described in the foregoing clause (3) being hereinafter referred to as “Overadvances”, and such Overadvances together with any Protective Advances, collectively, “Agent Advances”); provided that (x) the Revolving Facility Credit Exposure (except for and excluding amounts charged to the Loan Account for interest, fees, or other expenses of the Lenders) after giving effect to any Agent Advance shall not exceed the Maximum Credit and (y) Agent Advances outstanding and unpaid at no time will exceed 10% of the Borrowing Base then in effect in the aggregate; provided, further, that the Required Lenders may revoke the Administrative Agent’s authorization contained in this Section 2.18 to make additional Overadvances at any time after any Overadvances have been outstanding for thirty (30) consecutive days, any such revocation to be in writing and to become effective upon the Administrative Agent’s receipt thereof provided further that no Protective Advances shall be revocable.

(b) The Agent Advances shall be repayable on demand and secured by the Collateral Agent’s Liens in and to the Collateral, shall constitute Revolving Facility Loans and ABL Credit Obligations hereunder, and shall bear interest at the rate applicable to Base Rate Loans from time to time. The Administrative Agent shall notify each Lender in writing of each Agent Advance; provided that any delay or failure of the Administrative Agent in providing any such notice to any Lender shall not result in any liability or constitute the breach of any duty or obligation of the Administrative Agent hereunder.

Section 2.19 Settlement. Except as may be specifically provided otherwise herein, it is agreed that each Lender’s funded portion of the Revolving Facility Loans is intended by the Lenders to be equal at all times to such Lender’s applicable Pro Rata Share of the outstanding Revolving Facility Loans of such Type. Notwithstanding such agreement, the Administrative Agent, the Swing Line Lender, and the Lenders agree (which agreement shall not be for the benefit of or enforceable by any Borrower) that in order to facilitate the administration of this Agreement and the other Loan Documents, settlement among them as to the Revolving Facility Loans, including the Swing Line Loans and the Agent Advances, shall take place on a periodic basis in accordance with the following provisions:

(i) The Administrative Agent shall request settlement (a “Settlement”) with the Lenders on at least a weekly basis, or on a more frequent basis if so determined by the Administrative Agent, (A) on behalf of the Swing Line Lender, with respect to each outstanding Swing Line Loan, (B) for itself, with respect to each Agent Advance, and (C) with respect to collections received, in each case, by notifying the Lenders of such requested Settlement by fax, telephone, or other means of written electronic communication, no later than 12:00 noon, Local Time, on the date of such requested Settlement (the “Settlement Date”). Each Revolving Facility Lender (other than the Swing Line Lender, in the case of Swing Line Loans, and the Administrative Agent, in the case of Agent Advances) shall transfer the amount of such Lender’s Pro Rata Share of the outstanding principal amount of the Swing Line Loans and Agent Advances with respect to which Settlement is requested to the Administrative Agent’s Account not later than 3:00 p.m., Local Time, on the Settlement Date applicable thereto, which may occur before or after the occurrence or during the continuation of a Default or an Event of Default and whether or not the applicable conditions precedent set forth in Article V have then been satisfied. Such amounts made available to the Administrative Agent shall be applied against the amounts of the applicable Swing Line Loan or Agent Advance and, together with the portion of such Swing Line Loan or Agent Advance representing the Swing Line Lender’s Pro Rata Share thereof, shall constitute Revolving Facility Loans of the Lenders, respectively. If any such amount is not made available to the Administrative Agent by any Lender on the Settlement Date applicable thereto, the Administrative Agent shall, on behalf of the Swing Line Lender with respect to each outstanding Swing Line Loan and for itself with respect to each Agent Advance, be entitled to recover such amount on demand from such Lender together with interest thereon at the Federal Funds Rate for the first three (3) days from and after the Settlement Date and thereafter at the interest rate then applicable to Revolving Facility Loans that are Base Rate Loans.

(ii) Notwithstanding the foregoing, not more than one (1) Business Day after demand is made by the Administrative Agent (whether before or after the occurrence of a Default or an Event of Default and regardless of whether the Administrative Agent has requested a Settlement with respect to a Swing Line Loan or Agent Advance), each Lender (A) shall irrevocably and unconditionally purchase and receive from the Swing Line Lender or the Administrative Agent, as applicable, without recourse or warranty, an undivided interest and participation in such Swing Line Loan or Agent Advance equal to such Lender's Pro Rata Share of such Swing Line Loan or Agent Advance and (B) if Settlement has not previously occurred with respect to such Swing Line Loans or Agent Advances, upon demand by the Swing Line Lender or the Administrative Agent, as applicable, shall pay to the Swing Line Lender or the Administrative Agent, as applicable, as the purchase price of such participation an amount equal to one-hundred percent (100%) of such Lender's Pro Rata Share of such Swing Line Loans or Agent Advances. If such amount is not in fact made available to the Administrative Agent by any Lender, the Administrative Agent shall be entitled to recover such amount on demand from such Lender together with interest thereon at the Federal Funds Rate for the first three (3) days from and after such demand and thereafter at the interest rate then applicable to Base Rate Loans.

(iii) From and after the date, if any, on which any Lender purchases an undivided interest and participation in any Swing Line Loan or Agent Advance pursuant to clause (ii) preceding, the Administrative Agent shall promptly distribute to such Lender such Lender's Pro Rata Share of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Swing Line Loan or Agent Advance.

(iv) Between Settlement Dates, to the extent no Agent Advances are outstanding, the Administrative Agent may pay over to the Swing Line Lender any payments received by the Administrative Agent, which in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Facility Loans, for application to the Swing Line Lender's Revolving Facility Loans including Swing Line Loans. If, as of any Settlement Date, collections received since the then immediately preceding Settlement Date have been applied to the Swing Line Lender's Revolving Facility Loans (other than to Swing Line Loans or Agent Advances in which a Lender has not yet funded its purchase of a participation, as provided for in the previous sentence), the Swing Line Lender shall pay to the Administrative Agent for the accounts of the Lenders, to be applied to the outstanding Revolving Facility Loans of such Lenders, an amount such that each Lender shall, upon receipt of such amount, have, as of such Settlement Date, its Pro Rata Share of the Revolving Facility Loans. During the period between Settlement Dates, the Swing Line Lender with respect to Swing Line Loans, the Administrative Agent with respect to Agent Advances, and each Lender with respect to the Revolving Facility Loans other than Swing Line Loans and Agent Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the actual average daily amount of funds employed by the Swing Line Lender, the Administrative Agent, and the Lenders.

(v) Unless the Administrative Agent has received written notice from a Lender to the contrary, the Administrative Agent may assume that the applicable conditions precedent set forth in Article V have been satisfied and the requested Borrowing will not exceed Availability on any date for funding a Revolving Facility Loan or Swing Line Loan. If any Lender makes available to the Administrative Agent funds for any Revolving Facility Loan to be made by such Lender as provided in the provisions of this Article II, and such funds are not made available to the applicable Borrower by the Administrative Agent because the conditions set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

Section 2.20 **Maintenance of Loan Account; Statement of Obligations.** The Administrative Agent shall maintain an account on its books in the name of the Borrowers (the "Loan Account") on which Borrowers will be charged with all Revolving Facility Loans (including Agent Advances and Swing Line Loans) made by Administrative Agent, Swing Line Lender, or the Lenders to Borrowers or for Borrowers' account, the Letters of Credit issued or arranged by the L/C Issuer for Borrowers' account, and with all other ABL Credit Obligations that are payment obligations hereunder or under the other Loan Documents, including, accrued interest, fees and expenses. In accordance with Section 2.14(a), the Loan Account will be credited with all payments received by the Administrative Agent from Borrowers or for Borrowers' account. The Administrative Agent shall make available to Borrowers monthly statements regarding the Loan Account, including the principal amount of the Revolving Facility Loans, interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lenders unless, within 30 days after the Administrative Agent first makes such a statement available to Borrowers, Borrowers shall deliver to the Administrative Agent written objection thereto describing the error or errors contained in such statement.

### ARTICLE III TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01 **Taxes.**

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party or the Parent Guarantor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent, Loan Party or the Parent Guarantor) require the deduction or withholding of any Tax from any such payment by the Administrative Agent, a Loan Party or the Parent Guarantor, then the Administrative Agent, such Loan Party or the Parent Guarantor shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party, the Parent Guarantor or the Administrative Agent shall be required by any applicable Laws to withhold or deduct any Taxes from any payment under any Loan Documents, then (A) such Loan Party, the Parent Guarantor or the Administrative Agent shall withhold or make such deductions as are determined by such Loan Party, the Parent Guarantor or the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party, the Parent Guarantor or the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable Law and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party or the Parent Guarantor shall be increased as necessary so that after any required withholding or the making of all required deductions for Indemnified Taxes (including deductions for Indemnified Taxes applicable to additional sums payable under this Section 3.01(ii)) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction of Indemnified Taxes been made.

(b) *Payment of Other Taxes by the Loan Parties*. Without limiting the provisions of subsection (a) above, the Loan Parties or the Parent Guarantor shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Without duplication of any additional amounts paid pursuant to Section 3.01(a) or (b), each of the Loan Parties and the Parent Guarantor shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within 10 Business Days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error.

(ii) Each Lender and L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or L/C Issuer (but only to the extent that any Loan Party or the Parent Guarantor has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties or the Parent Guarantor to do so), (y) the Administrative Agent against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent against any Excluded Taxes attributable to such Lender or L/C Issuer, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender or L/C Issuer by the Administrative Agent shall be conclusive absent manifest error. Each Lender and L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) *Evidence of Payments*. Upon request by a Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by any Loan Party, the Parent Guarantor or the Administrative Agent to a Governmental Authority as provided in this Section 3.01, such Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to such Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to such Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Each Lender and L/C Issuer that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, each Lender and L/C Issuer, if reasonably requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender or L/C Issuer is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B), (ii)(C) and (ii)(D) below) shall not be required if in the Lender's, L/C Issuer's or Swing Line Lender's reasonable judgment such completion, execution or submission would subject such Lender or L/C Issuer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or L/C Issuer.

(ii) Without limiting the generality of the foregoing:

(A) each Lender or L/C Issuer that is a U.S. Person (or, if such Lender or L/C Issuer is disregarded as an entity separate from its owner for U.S. federal income tax purposes, is owned by a U.S. Person) shall deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender or L/C Issuer becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), duly completed and executed originals of IRS Form W-9 certifying that such Lender or L/C Issuer or such U.S. Person, as applicable, is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) relying on the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, duly completed and executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, duly completed and executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;



(2) duly completed and executed originals of IRS Form W-8ECI with respect to such Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, with respect to the Person treated as its owner for U.S. federal income tax purposes);

(3) in the case of a Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) relying on the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate.”) and (y) duly completed and executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) is not the beneficial owner, duly completed and executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender (or, if such Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) is a partnership and one or more direct or indirect partners of such Foreign Lender (or owner) are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

provided that, for the absence of doubt, in the event a Foreign Lender is eligible for more than one benefit or exemption described in the above clauses, such Foreign Lender shall deliver to the Borrowers and the Administrative Agent properly completed and executed documentation described in whichever of the clause above would establish an exemption from or the greatest reduction of withholding Tax with respect to payments made under any Loan Document;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to any Lender or L/C Issuer under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or L/C Issuer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender or L/C Issuer shall deliver to the Borrowers and the Administrative Agent at the time or times prescribed by applicable Law and at such time or times reasonably requested by the Borrowers or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender or L/C Issuer has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender or L/C Issuer agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall promptly (x) update such form or certification or (y) notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

(iv) Each Lender, L/C Issuer and Swing Line Lender shall promptly (A) notify the Borrowers, the Holdcos and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender or L/C Issuer, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that the Borrowers, the Holdcos or the Administrative Agent make any withholding or deduction for Taxes from amounts payable to such Lender or L/C Issuer.

(f) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.01 (including by the payment of additional amounts pursuant to this Section 3.01), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) FATCA. For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date, each Borrower and the Administrative Agent shall treat (and

the Lenders and the L/C Issuer hereby authorize the Administrative Agent to treat) the obligations under the Loan Documents as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(h) *Survival*. Each party’s obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other ABL Credit Obligations.

**Section 3.02 Illegality**. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Base Rate, or to determine or charge interest rates based upon the Eurodollar Base Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrowers through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Base Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Base Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Base Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Base Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Base Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Base Rate. Each Lender agrees to notify the Administrative Agent and the Borrowers in writing promptly upon becoming aware that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Base Rate. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

**Section 3.03 Inability to Determine Rates**.

(a) Unless and until a Replacement Rate is implemented in accordance with clause (b) below, if the Required Lenders advise the Administrative Agent prior to a Eurodollar Rate Borrowing or a conversion of a Base Rate Loan to a Eurodollar Rate Loan or a continuation of a Eurodollar Rate Loan that (i) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, (ii) adequate and reasonable means do not exist for determining the Eurodollar Base Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan or (iii) the Eurodollar Base Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the

Administrative Agent will as promptly as practicable notify the applicable Borrower (by telephone and/or fax) and each Lender. Thereafter, (x) any Interest Election Request that requests the conversion of any Base Rate Loan to a Eurodollar Rate Loan or the continuation of a Eurodollar Rate Loan shall be ineffective, (y) if any Borrowing Request requests a Eurodollar Rate Borrowing, then such Borrowing shall be made as a Base Rate Borrowing and (z) in the event of a determination described in the preceding sentence with respect to the Eurodollar Base Rate component of the Base Rate, the utilization of the Eurodollar Base Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Notwithstanding anything to the contrary herein, upon receipt of such notice, such Borrower may revoke any pending request for a Eurodollar Rate Borrowing, conversion of a Base Rate Loan to a Eurodollar Rate Loan or a continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

(b) If at any time the Administrative Agent notifies the Borrowers that it has determined, or either any Borrower or the Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrowers) that such Borrower or such Required Lenders (as applicable) have determined, that: (i) the circumstances set forth in Section 3.03(a)(i) or (ii), have arisen and such circumstances are unlikely to be temporary or (ii) the administrator of the Eurodollar Base Rate or a Governmental Authority having, or purporting to have, jurisdiction over the Eurodollar Base Rate has made a public statement identifying a specific date after which the Eurodollar Base Rate shall no longer be made available or used for determining interest rates for loans in the U.S. syndicated loan market in Dollars (such specific date, the “Scheduled Unavailability Date”), then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrowers may agree to amend this Agreement to establish an alternate rate of interest to the Eurodollar Base Rate (including any mathematical or other adjustments to such alternate rate of interest (if any) incorporated therein or to the Applicable Margin), giving due consideration to any evolving or then existing convention for similar syndicated credit facilities in the U.S. market denominated in Dollars and to any selection, endorsement or recommendation of a replacement rate and/or replacement spread or the mechanism for determining such a rate or spread by the relevant Governmental Authority in effect at such time (any such proposed rate, a “Replacement Rate”), together with any proposed Replacement Rate Conforming Changes; provided that such amendment shall provide that if such Replacement Rate shall be less than zero, such Replacement Rate shall be deemed to be zero for purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.01, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the date a copy of such amendment is provided to the Lenders, written notice from the Required Lenders stating that such Lenders object to such amendment. If no Replacement Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrowers and each Lender, and thereafter until execution of an amendment to implement an alternative rate in accordance with the foregoing, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Base Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrowers may revoke any pending request for a Loan of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Section 3.04 **Increased Costs.**

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement, including any compulsory loan, insurance charge or similar requirement against assets held by, deposits with or for the account of, or credit extended or participated in by, any Lender (or its applicable Lending Office) (except any reserve requirement which is reflected in the determination of the Adjusted Eurodollar Rate hereunder) or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender (or its applicable Lending Office) or L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient (or its applicable Lending Office) of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, any L/C Issuer or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, L/C Issuer or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, L/C Issuer or such other Recipient, the applicable Borrower will pay to such Lender, L/C Issuer or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, L/C Issuer or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If any Lender or an L/C Issuer determines that any Change in Law affecting such Lender or an L/C Issuer or its applicable Lending Office or such Lender's or an L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or an L/C Issuer's capital or on the capital of such Lender's or an L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy and liquidity requirements), then from time to time the Borrowers will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of a Lender or L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers shall pay such Lender or L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) *Delays in Requests.* Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that

such Lender or L/C Issuer, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.05 **Compensation for Losses**. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the applicable Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

- (i) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);
- (ii) any failure by such Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower pursuant to this Agreement; or
- (iii) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by such Borrower pursuant to Section 2.15 or Section 10.14;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Such Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrowers to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate for such Loan by a matching deposit or, other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

Section 3.06 **Mitigation Obligations: Replacement of Lenders**.

(a) *Designation of a Different Lending Office*. If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, any L/C Issuer or any Governmental Authority for the account of any Lender or L/C Issuer pursuant to Section 3.01, or if any event gives rise to the operation of Section 3.02, such Lender or L/C Issuer shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender or L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) would not subject such Lender or L/C Issuer to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or L/C Issuer, as the case may be, in any material respect. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender or L/C Issuer in connection with any such designation or assignment.

(b) *Replacement of Lenders*. If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or

any Governmental Authority for the account of any Lender or L/C Issuer pursuant to Section 3.01 and, in each case, such Lender or L/C Issuer has declined or is unable to designate a different Lending Office in accordance with Section 3.06(a), such Borrower may replace such Lender or L/C Issuer in accordance with Section 10.14.

Section 3.07 **Survival**. All of each Borrower's obligations under this Article III shall survive repayment of all other ABL Credit Obligations hereunder and resignation of the Administrative Agent.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES

On the date of each Credit Event as provided in Section 5.01, each Holdco and each Borrower represents and warrants to each of the Lenders that:

Section 4.01 **Organization; Powers**. Except as set forth on Schedule 4.01, each Holdco, each Borrower and each of the Material Subsidiaries (a) is a partnership, limited liability company or corporation duly organized, validly existing and in good standing (or, if applicable in a foreign jurisdiction, enjoys the equivalent status under the laws of any jurisdiction of organization outside the United States) under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in each jurisdiction where such qualification is required, except where the failure so to qualify would not reasonably be expected to have a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of each Borrower, to borrow and otherwise obtain credit hereunder.

Section 4.02 **Authorization**. The execution, delivery and performance by the Holdcos, each Borrower and each of the Subsidiary Loan Parties of each of the Loan Documents to which it is a party, and the borrowings hereunder and the transactions forming a part of the Transactions (a) have been duly authorized by all corporate, stockholder, partnership or limited liability company action required to be obtained by the Holdcos, such Borrower and such Subsidiary Loan Parties and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents (including any partnership, limited liability company or operating agreements) or bylaws of the Holdcos, any such Borrower or any such Subsidiary Loan Party, (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority or (C) any provision of any indenture, certificate of designation for preferred stock, agreement or other instrument to which the Holdcos, any such Borrower or any such Subsidiary Loan Party is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) or to a loss of a material benefit under any such indenture, certificate of designation for preferred stock, agreement or other instrument, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section 4.02(b), would reasonably be expected to have, individually or in the aggregate a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by any such Borrower or any such Subsidiary Loan Party, other than the Liens created by the Loan Documents and Permitted Liens.

Section 4.03 **Enforceability**. This Agreement has been duly executed and delivered by the Holdcos and each Borrower and constitutes, and each other Loan Document when executed and delivered by each Loan Party and the Parent Guarantor that is party thereto will constitute, a legal, valid

and binding obligation of such Loan Party and the Parent Guarantor enforceable against each such Loan Party and the Parent Guarantor in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

Section 4.04 **Governmental Approvals**. No action, consent, exemption or approval of, registration or filing with or any other action by, or notice to, any Governmental Authority is or will be required in connection with the Transactions, the perfection or maintenance of the Liens created under the Security Documents or the exercise by the Administrative Agent, any L/C Issuer or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral, except for (a) the filing of Uniform Commercial Code financing statements and equivalent filings, registrations or other notifications in foreign jurisdictions, (b) filings with the United States Patent and Trademark Office and the United States Copyright Office and comparable offices in foreign jurisdictions and equivalent filings in foreign jurisdictions, (c) recordation of the Mortgages, (d) such as have been made or obtained and are in full force and effect, (e) such actions, consents and approvals the failure of which to be obtained or made would not reasonably be expected to have a Material Adverse Effect and (f) filings or other actions listed on Schedule 4.04.

Section 4.05 **Financial Statements**. The audited combined balance sheets of Ultimate Parent and its consolidated Subsidiaries as at the end of the 2016 and 2017 fiscal years, and the related audited combined statements of income, stockholders' equity, and cash flows for such fiscal years, reported on by and accompanied by a report from the auditors thereof, copies of which have heretofore been furnished to each Lender, (i) present fairly in all material respects the combined financial position of Ultimate Parent and its consolidated Subsidiaries as at such date and the combined results of operations, stockholders' equity, and cash flows of the Ultimate Parent and its Subsidiaries for the years then ended and (ii) were prepared in accordance with the Applicable Accounting Rules consistently applied throughout the respective periods covered thereby, except as otherwise expressly noted therein.

Section 4.06 **No Material Adverse Effect**. Since December 31, 2017, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

Section 4.07 **Title to Properties; Possession Under Leases**. (a) Each Borrower and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, or easements or other limited property interests in, all its Real Properties (including all Mortgaged Properties) and has good and valid title to its personal property and assets, in each case, except for Permitted Liens and except for defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes and except where the failure to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All such properties and assets are free and clear of Liens, other than Permitted Liens. As of the Closing Date, all material permits required to have been issued or appropriate to enable the Real Properties to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full force and effect.

(b) Each Borrower and each of its Subsidiaries has complied with all obligations under all leases to which it is a party, except where the failure to comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and all such leases are in full force and effect, except leases in respect of which the failure to be in full force and effect would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 4.07(b), each Borrower and each of its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.



(c) As of the Closing Date, no Borrower nor any of their respective Subsidiaries has received any notice of any pending or contemplated condemnation proceeding affecting any material portion of the Mortgaged Properties or any sale or disposition thereof in lieu of condemnation that remains unresolved as of the Closing Date.

(d) No Borrower nor any of their respective Subsidiaries is obligated on the Closing Date under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any interest therein, except as permitted by Section 7.02 or 7.05.

Section 4.08 **Subsidiaries**. (a) Schedule 4.08(a) sets forth as of the Closing Date the name and jurisdiction of incorporation, formation or organization of each direct and indirect subsidiary of the Holdcos (other than the Parent Guarantor) and, as to each such subsidiary, the percentage of each class of Equity Interests owned by Holdcos (other than the Parent Guarantor) or by any such subsidiary.

(b) As of the Closing Date, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Equity Interests of any Borrower or any of its Subsidiaries, except as set forth on Schedule 4.08(b).

Section 4.09 **Litigation: Compliance with Laws**. (a) There are no actions, suits or proceedings at law or in equity or, to the knowledge of any Borrower, investigations by or on behalf of any Governmental Authority or in arbitration now pending, or, to the knowledge of the Holdcos or any Borrower, threatened in writing against or affecting the Ultimate Parent, the Holdcos or the Borrowers or any of their respective Subsidiaries or any business, property or rights of any such person which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) No Borrower nor any of their respective Subsidiaries and their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any law, rule or regulation (including any zoning, building, ordinance, code or approval or any building permit, but excluding any Environmental Laws, which are subject to Section 4.16) or any restriction of record or agreement affecting any Mortgaged Property, or is in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

Section 4.10 **Federal Reserve Regulations**. (a) None of the Holdcos, the Borrowers or the Borrowers' Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or Regulation X.

Section 4.11 **Investment Company Act**. None of the Holdcos, the Borrowers and the Borrowers' Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 4.12 **Use of Proceeds**. The Borrowers will use the proceeds of each Credit Event for general corporate purposes and to effect the repurchase under and termination of or, refinancing (or discharge) of Indebtedness under, the Existing Factoring Agreement.

Section 4.13 **Taxes**. Except as set forth on Schedule 4.13:

(i) except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (x) each of the Holdcos, each Borrower and its Subsidiaries has filed or caused to be filed all federal, state, local and non-U.S. Tax returns required to have been filed by it and (y) each such Tax return is true and correct;

(ii) each of the Holdcos, each Borrower and its Subsidiaries has timely paid or caused to be timely paid all Taxes shown to be due and payable by it on the returns referred to in clause (a)(i) above and all other Taxes or assessments (or made adequate provision (in accordance with the Applicable Accounting Rules) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the Closing Date (except Taxes or assessments that are being contested in good faith by appropriate proceedings in accordance with Section 6.03 and for which the Holdcos, any Borrower or any of its Subsidiaries (as the case may be) has set aside on its books adequate reserves in accordance with the Applicable Accounting Rules), which Taxes, if not paid or adequately provided for, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(iii) other than as would not be, individually or in the aggregate, reasonably expected to have a Material Adverse Effect as of the Closing Date, with respect to each of the Holdcos, each Borrower and its Subsidiaries, there are no claims being asserted in writing by any Governmental Authority with respect to any Taxes.

Section 4.14 **No Material Misstatements**. (a) All written information (other than the Projections, estimates and information of a general economic nature or general industry nature) (the "Information") concerning the Holdcos, the Borrowers, their respective Subsidiaries, the Transactions and any other transactions contemplated hereby included in the Information Memorandum or otherwise prepared by or on behalf of the foregoing or their representatives and made available to any Lenders or the Administrative Agent in connection with the Transactions or the other transactions contemplated hereby, when taken as a whole, was true and correct in all material respects, as of the date such Information was furnished to the Lenders and, if delivered after the Original Closing Date and prior to the Closing Date, as of the Closing Date and did not, taken as a whole, contain any untrue statement of a material fact as of any such date or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole, not materially misleading in light of the circumstances under which such statements were made.

(b) The Projections and estimates and information of a general economic nature prepared by or on behalf of any Borrower or any of its representatives and that have been made available to any Lenders or the Administrative Agent in connection with the Transactions or the other transactions contemplated hereby (i) have been prepared in good faith based upon assumptions believed by such

Borrower to be reasonable as of the date thereof (it being understood that actual results may vary materially from the Projections), as of the date such Projections and estimates were furnished to the Lenders and as of the Closing Date, and (ii) as of the Closing Date, have not been modified in any material respect by such Borrower.

Section 4.15 **Employee Benefit Plans**. (a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) each Plan is in compliance in all respects with the applicable provisions of ERISA and the Code; (ii) no Reportable Event has occurred during the past five years; (iii) no Plan has any Unfunded Pension Liability; (iv) no ERISA Event has occurred or is reasonably expected to occur; and (v) none of the Holdcos, the Borrowers, their respective Subsidiaries and the ERISA Affiliates (A) has received any written notification that any Multiemployer Plan is insolvent or has been terminated within the meaning of Title IV of ERISA, or has knowledge that any Multiemployer Plan is reasonably expected to be insolvent or to be terminated or (B) has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan.

(b) Each of the Holdcos, the Borrowers and their respective Subsidiaries is in compliance (i) with all applicable provisions of law and all applicable regulations and published interpretations thereunder with respect to any employee pension benefit plan or other employee benefit plan governed by the laws of a jurisdiction other than the United States and (ii) with the terms of any such plan, except, in each case, for such noncompliance that would not reasonably be expected to have a Material Adverse Effect.

(c) Within the last five years, no Plan of the Holdcos, Borrowers, any Subsidiaries or the ERISA Affiliates has been terminated, whether or not in a "standard termination" as that term is used in Section 4041(b)(1) of ERISA, that would reasonably be expected to result in liability to the Holdcos, Borrowers, any Subsidiaries or the ERISA Affiliates in excess of \$1,000,000, nor has any Plan of the Holdcos, Borrowers, any Subsidiaries or the ERISA Affiliates (determined at any time within the past five years) with Unfunded Pension Liabilities been transferred outside of the "controlled group" (with the meaning of Section 4001(a)(14) of ERISA) of the Holdcos, Borrowers, any Subsidiaries or the ERISA Affiliates, in either case, that has or would reasonably be expected to result in a Material Adverse Effect.

Section 4.16 **Environmental Matters**. Except as set forth in Schedule 4.16 and except as to matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) no written notice, request for information, order, complaint or penalty has been received by any Borrower or any of its Subsidiaries, and there are no judicial, administrative or other actions, suits or proceedings pending or, to such Borrower's knowledge, threatened, which allege a violation of or liability under any Environmental Laws, in each case relating to such Borrower or any of its Subsidiaries, (ii) each Borrower and each of its Subsidiaries has all environmental permits, licenses and other approvals necessary for its operations to comply with all applicable Environmental Laws and is, and during the term of all applicable statutes of limitation, has been, in compliance with the terms of such permits, licenses and other approvals and with all other applicable Environmental Laws, (iii) to any Borrower's knowledge, no Hazardous Material is located at, on or under any property currently owned, operated or leased by such Borrower or any of its Subsidiaries that would reasonably be expected to give rise to any cost, liability or obligation of such Borrower or any of its Subsidiaries under any Environmental Laws, and no Hazardous Material has been generated, owned, treated, stored, handled or controlled by such Borrower or any of its Subsidiaries and transported to or Released at any location in a manner that would reasonably be expected to give rise to any cost, liability or obligation of such Borrower or any of its Subsidiaries under any Environmental Laws, (iv) there are no agreements in which any Borrower or any of its Subsidiaries has expressly assumed or undertaken responsibility for any known or reasonably likely liability or obligation of any other person arising under or relating to

Environmental Laws, which in any such case has not been made available to the Administrative Agent prior to the date hereof and (v) no Lien in favor of any Governmental Authority securing, in whole or in part, Environmental Liabilities has attached to any Property of any Borrower or any Subsidiary of any Borrower and, to the knowledge of the Borrowers, no facts, circumstances or conditions exist that would reasonably be expected to result in any such Lien attaching to any such Property.

Section 4.17 **Security Documents**. (a) The Collateral Agreement is effective to create in favor of the Collateral Agent (for the benefit of the Secured Parties) a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Collateral described in the Collateral Agreement, when certificates or promissory notes, as applicable, representing such Pledged Collateral, together with stock powers or other instruments of transfer with respect thereto endorsed in blank, are delivered to the Collateral Agent, and in the case of the other Collateral described in the Collateral Agreement (other than the Intellectual Property (as defined in the Collateral Agreement)), when financing statements and other filings specified in the Perfection Certificate are filed in the offices specified in the Perfection Certificate, the Collateral Agent (for the benefit of the Secured Parties) shall have a perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and, subject to Section 9-315 of the New York Uniform Commercial Code, the proceeds thereof, as security for the ABL Finance Obligations to the extent perfection can be obtained by filing Uniform Commercial Code financing statements, in each case prior and superior in right to any other Person (except for Permitted Liens and subject to the Intercreditor Agreements).

(b) When the Collateral Agreement, a summary thereof or one or more intellectual property security agreements in form and substance satisfactory to the Administrative Agent is properly filed in the United States Patent and Trademark Office and the United States Copyright Office, and, with respect to Collateral in which a security interest cannot be perfected by such filings, upon the proper filing of the financing statements referred to in paragraph (a) above, the Collateral Agent (for the benefit of the Secured Parties) shall have a perfected Lien on, and security interest in, all right, title and interest of the Loan Parties thereunder in all domestic Intellectual Property, in each case prior and superior in right to any other person (except Permitted Liens and subject to the Intercreditor Agreements), it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a lien on registered trademarks and patents, trademark and patent applications and registered copyrights acquired by the Loan Parties after the Closing Date.

(c) The Mortgages (including those to be executed and delivered after the Closing Date pursuant to Section 6.10) shall be effective to create in favor of the Collateral Agent (for the benefit of the Secured Parties) a valid Lien on all of the Loan Parties' right, title and interest in and to the Mortgaged Property thereunder and the proceeds thereof, and when such Mortgages are filed or recorded in the proper real estate filing or recording offices, the Collateral Agent (for the benefit of the Secured Parties) shall have a perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Mortgaged Property and, to the extent applicable, subject to Section 9-315 of the Uniform Commercial Code, the proceeds thereof, in each case prior and superior in right to any other person, subject to the Intercreditor Agreements and except with respect to the rights of a person pursuant to Permitted Liens.

(d) Notwithstanding anything herein (including this Section 4.17) or in any other Loan Document to the contrary, neither any Borrower nor any other Loan Party makes any representation or warranty as to the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest in any Equity Interests of any Foreign Subsidiary that is not a Loan Party, or as to the rights and remedies of the Administrative Agent, the Collateral Agent or any Lender with respect thereto, under foreign law.

Section 4.18 **Location of Real Property and Leased Premises**. (a) The Perfection Certificate correctly sets forth and identifies, in all material respects, as of the Closing Date all material Real Property owned by the Holdcos (other than the Parent Guarantor), the Borrowers and the Subsidiary Loan Parties and the addresses thereof. As of the Closing Date, the Holdcos (other than the Parent Guarantor), the Borrowers and the Subsidiary Loan Parties own in fee simple all the Real Property set forth as being owned by them on the Perfection Certificate.

(b) The Perfection Certificate completely and correctly sets forth and identifies, in all material respects, as of the Closing Date, all material Real Property leased by the Holdcos (other than the Parent Guarantor), the Borrowers and the Subsidiary Loan Parties and the addresses thereof and the leases pursuant to which the Real Property is leased.

Section 4.19 **Solvency**. (a) Immediately after giving effect to the Transactions on the Closing Date or prior to the date this representation and warranty is made or remade, (i) the fair value of the assets of each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, direct, subordinated, unmatured, unliquidated, contingent or otherwise, of such Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries on a consolidated basis, respectively; (ii) the present fair saleable value of the property of each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of such Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries on a consolidated basis, respectively, on their debts and other liabilities, direct, subordinated, unmatured, unliquidated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted following the Closing Date.

(b) On the Closing Date, neither the Holdcos nor any Borrower intends to, and neither the Holdcos nor any Borrower believes that it or any of its subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing and amounts of cash to be received by it or any such subsidiary and the timing and amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such subsidiary.

Section 4.20 **Labor Matters**. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes pending or threatened against any Holdco (other than the Parent Guarantor), any Borrower or any of their respective Subsidiaries; (b) the hours worked by and payments made to employees of each Holdco (other than the Parent Guarantor), each Borrower and their respective Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable law dealing with such matters; and (c) all payments due from any Holdco (other than the Parent Guarantor), any Borrower or any of their respective Subsidiaries or for which any claim may be made against any Holdco (other than the Parent Guarantor), any Borrower or any of their respective Subsidiaries, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of such Holdco, such Borrower or such Subsidiary to the extent required by the Applicable Accounting Rules. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, the consummation of the Transactions will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to which any Holdco (other than

the Parent Guarantor), any Borrower or any of their respective Subsidiaries (or any predecessor) is a party or by which any Holdco (other than the Parent Guarantor), any Borrower or any of their respective Subsidiaries (or any predecessor) is bound.

Section 4.21 **Insurance.** Schedule 4.21 sets forth a true, complete and correct description, in all material respects, of all material insurance maintained by or on behalf of the Holdcos (other than the Parent Guarantor), the Borrowers and their respective Subsidiaries as of the Closing Date. As of such date, such insurance is in full force and effect.

Section 4.22 **No Default.** No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

Section 4.23 **Intellectual Property; Licenses, Etc.** Except as would not reasonably be expected to have a Material Adverse Effect and as set forth in Schedule 4.23, (a) each Borrower and each of its Subsidiaries owns, or possesses the right to use, all of the patents, patent rights, trademarks, service marks, trade names, copyrights, mask works, domain names, and any and all applications or registrations for any of the foregoing (collectively, "Intellectual Property Rights") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other person, (b) to the best knowledge of each Borrower, neither such Borrower nor its Subsidiaries nor any Intellectual Property Right, proprietary right, product, process, method, substance, part, or other material now employed, sold or offered by or contemplated to be employed, sold or offered by such Borrower or its Subsidiaries infringes upon Intellectual Property Rights of any other person, and (c) no claim or litigation regarding any of the foregoing is pending or, to the best knowledge of each Borrower, threatened.

Section 4.24 **Senior Debt.** The ABL Credit Obligations constitute "Senior Debt" (or the equivalent thereof) and "Designated Senior Debt" (or the equivalent thereof) under the documentation governing any outstanding Indebtedness, if any, permitted to be incurred hereunder constituting Indebtedness that, by its terms, is expressly subordinated in right of payment to the ABL Credit Obligations pursuant to written agreement.

Section 4.25 **Anti-Money Laundering and Economic Sanction Laws.**

(a) To its reasonable knowledge, no Loan Party or any of its subsidiaries or its Affiliates and none of the respective officers, directors or agents of such Loan Party, subsidiary or Affiliate has violated or is in violation of any applicable Anti-Money Laundering Laws in any material respect.

(b) No Loan Party nor any of its subsidiaries or its Affiliates nor, to its knowledge, any director, officer, employee, agent, Affiliate or representative of such Loan Party or Subsidiary (each, a "Specified Person") is an individual or entity that is, or is owned or controlled by individuals or entities that are currently the subject of any sanctions or trade embargoes imposed, administered or enforced by OFAC, the U.S. Department of State, or any other Governmental Authority of the United States of America, including without limitation, OFAC or the U.S. Department of State, or by Her Majesty's Treasury, the United Kingdom or the European Union (collectively, "Sanctions"), nor is any Loan Party or any of its subsidiaries or its Affiliates or any individuals or entities that own or control such person located, organized or resident in a Sanctioned Country. To its knowledge, each Borrower, its Subsidiaries and their respective Affiliates maintains reasonable policies and procedures designed to promote and achieve compliance with Sanctions and Anti-Money Laundering Laws and with the representation and warranty contained herein.

(c) Except to the extent permitted for a Person required to comply with Sanctions, no Specified Person will, directly or indirectly, use any proceeds of the Loans or any Letter of Credit or lend, contribute or otherwise make available such proceeds to any Person (i) for the purpose of financing the activities or business of or with any Person or in any country or territory that, at the time of financing, is an Embargoed Person or a Sanctioned Country or (ii) in any other manner that would result in a violation of Sanctions by any Loan Party.

(d) Except to the extent conducted in accordance with applicable Law, no Loan Party, nor any of its subsidiaries and Affiliates and, to its knowledge, none of the respective officers, directors, brokers or agents of such Loan Party, such subsidiary or such Affiliate acting or benefiting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any Sanctions or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the applicable prohibitions set forth under Sanctions.

Section 4.26 **Anti-Corruption Laws**. None of the Holdcos, any Borrower or any of their respective Subsidiaries nor, to their knowledge, any director, officer, agent, employee or Affiliate of the Holdcos, any Borrower or any of their respective Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the FCPA or any other applicable anti-corruption laws, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization or approval of the payment of any money, or other property, gift, promise to give or authorization of the giving of anything of value, directly or indirectly, to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office in contravention of the FCPA or any other applicable anti-corruption laws. Each Borrower, its Subsidiaries and their respective Affiliates have conducted their businesses in compliance with applicable anti-corruption laws and the FCPA and will maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

Section 4.27 **Borrowing Base Matters**. The calculation by the Borrowers of the Borrowing Base in each Borrowing Base Certificate delivered hereunder is complete and accurate in all material respects as of the time such calculation was made. The Administrative Agent may rely, in determining which Accounts are Eligible Accounts, and which Inventory is Eligible Inventory, on all statements and representations by the Borrowers and their respective Subsidiaries with respect thereto, as contained in the Borrowing Base Certificate, and in any other Loan Document.

Section 4.28 **EEA Financial Institution**. None of the Holdcos or any Borrower is an EEA Financial Institution.

## ARTICLE V CONDITIONS OF LENDING

The obligations of (a) the Lenders to make Loans and (b) any L/C Issuer to issue Letters of Credit or increase the stated amounts of Letters of Credit hereunder (each, a "**Credit Event**") are subject to the satisfaction or waiver (in accordance with Section 10.01 hereof) of the following conditions:

Section 5.01 **All Credit Events**. On the date of each Credit Event:

(a) The Administrative Agent shall have received, in the case of a Borrowing, a Borrowing Request as required by Section 2.03 (or a Borrowing Request shall have been deemed given in

accordance with the last paragraph of Section 2.03 or with Section 2.04(c)(i) or, in the case of the issuance of a Letter of Credit, the applicable L/C Issuer and the Administrative Agent shall have received a notice requesting the issuance of such Letter of Credit as required by Section 2.05.

(b) The representations and warranties set forth in the Loan Documents shall be true and correct in all material respects (or, to the extent that any such representations and warranties are qualified by materiality, in all respects) as of such date (other than an amendment, extension or renewal of a Letter of Credit without any increase in the stated amount of such Letter of Credit), as applicable, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (or, to the extent that any such representations and warranties are qualified by materiality, in all respects) as of such earlier date).

(c) At the time of and immediately after such Borrowing or issuance, amendment, extension or renewal of a Letter of Credit (other than an amendment, extension or renewal of a Letter of Credit without any increase in the stated amount of such Letter of Credit), as applicable, (i) no Event of Default or Default shall have occurred and be continuing or would result therefrom and (ii) the Revolving Facility Credit Exposure shall not exceed the lesser of (A) the Maximum Credit and (B) Borrowing Base.

Each such Credit Event shall be deemed to constitute a representation and warranty by the Borrowers on the date of such Borrowing, issuance, amendment, extension or renewal, as applicable, as to the matters specified in paragraphs (b) and (c) of this Section 5.01.

Section 5.02 **First Credit Event**. On or prior to the Closing Date.

(a) The Administrative Agent (or its counsel) shall have received from each party thereto either (i) a counterpart of this Agreement and each other Loan Document to be executed on or prior to the Closing Date, signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and such other applicable Loan Documents.

(b) The Administrative Agent shall have received, on behalf of itself, the Lenders and the L/C Issuer on the Closing Date, a favorable written opinion of Wachtell, Lipton, Rosen & Katz, Clifford Chance Europe LLP and other counsel set forth on Schedule 5.02(b), in each case addressed to the Administrative Agent, the Lenders and the L/C Issuer, which shall be in form and substance reasonably satisfactory to the Administrative Agent and covering such matters as the Administrative Agent shall reasonably request.

(c) The Administrative Agent shall have received in the case of each Loan Party and the Parent Guarantor each of the items referred to in clauses (i), (ii), (iii) and (iv) below, to the extent applicable:

(i) a copy of the certificate or articles of incorporation, certificate of limited partnership or certificate of formation, as applicable, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State (or other similar official) of the jurisdiction of its organization, a certificate as to the good standing (to the extent such concept or a similar concept exists under the laws of such jurisdiction) of each such Loan Party as of a recent date from such Secretary of State (or other similar official), a copy of the articles of association ( *statuts* ) of the Parent Guarantor and a recent extract from the commercial and companies registry ( *register du commerce et des sociétés* ) of Paris relating to the Parent Guarantor;



(ii) a certificate of the Secretary or Assistant Secretary or similar officer of each Loan Party and the Parent Guarantor dated the Closing Date and certifying;

(A) that attached thereto is a true and complete copy of the by-laws (or partnership agreement, limited liability company agreement or other equivalent governing documents) of such Loan Party and the articles of association of the Parent Guarantor as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below;

(B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party and the Parent Guarantor (or its managing general partner or managing member) authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of each Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect on the Closing Date;

(C) that the certificate or articles of incorporation, certificate of limited partnership or certificate of formation of such Loan Party has not been amended since the date of the last amendment thereto disclosed pursuant to clause (i) above;

(D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (other than the Parent Guarantor); and

(E) as to the absence of any pending proceeding for the dissolution or liquidation of such Loan Party and the Parent Guarantor or, to the knowledge of such person, threatening the existence of such Loan Party and the Parent Guarantor;

(iii) a certificate of a director or another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary or similar officer executing the certificate pursuant to clause (ii) above (other than the certificate with respect to the Parent Guarantor); and

(iv) such other documents as the Administrative Agent, the Lenders and any L/C Issuer on the Closing Date may reasonably request (including without limitation, tax identification numbers and addresses).

(d) The Administrative Agent shall have received evidence that the elements of the Collateral and Guarantee Requirement required to be satisfied on the Closing Date have been satisfied and the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are Permitted Liens or have been released.

(e) The Administrative Agent and the Lenders shall have received a solvency certificate substantially in the form of Exhibit B-1 and signed by the Chief Financial Officer or Treasurer, as applicable, of each Borrower.

(f) The Administrative Agent shall have received a certificate signed by a Responsible Officer of each Borrower certifying as to the matters set forth in Section 5.01 and Section 5.02(i) and (j).

(g) The Administrative Agent shall have received evidence reasonably satisfactory to it that the Existing Factoring Agreement shall have been terminated and all amounts due or outstanding thereunder shall have been (or substantially with the closing under this Agreement shall be) paid in full and satisfactory arrangements shall have been made for the termination of any Liens granted in connection therewith.

(h) The Administrative Agent and the Lenders shall have received the financial information (i) referred to in Section 4.05 and (ii) constituting the Projections, in each case, the results and assumptions set forth therein in form and substance reasonably satisfactory to the Administrative Agent.

(i) On the Closing Date, after giving effect to the Transactions and the other transactions contemplated hereby, (x) no Borrower shall have outstanding any Indebtedness and each Borrower and its Subsidiaries shall have outstanding no Indebtedness other than (i) the extensions of credit under this Agreement and (ii) other Indebtedness permitted pursuant to Section 7.01 and (y) the Holdcos (other than the Parent Guarantor) shall have no Indebtedness for borrowed money (other than intercompany loans owed to Ultimate Parent or any of its Subsidiaries) for which they are liable as primary obligor.

(j) Since December 31, 2017 there shall not have been any event, development or circumstance that, individually or in the aggregate, has, had or would reasonably be expected to have a Material Adverse Effect.

(k) All fees and expenses due and payable on or prior to the Closing Date, pursuant to the Fee Letter or as may otherwise be agreed between the Borrowers and the Joint Lead Arrangers shall have been paid (which amounts, at the option of the Borrowers, may be offset against the proceeds of the Revolving Facility), including, to the extent invoiced, reimbursement or payment of all reasonable out of pocket expenses (including reasonable fees, charges and disbursements of Sidley Austin LLP) required to be reimbursed or paid by the Loan Parties hereunder or under any Loan Document.

(l) The Administrative Agent shall have received all insurance certificates satisfying the requirements of Section 6.02(a) of this Agreement.

(m) The Administrative Agent and each Lender shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation, the USA PATRIOT Act to the extent requested not less than seven (7) Business Days prior to the Closing Date.

(n) Bowling Green shall have delivered, or cause to be delivered, to the Administrative Agent an inventory appraisal and a field examination from an Acceptable Appraiser for Bowling Green, in each case that are reasonably satisfactory in form and substance to the Administrative Agent on or prior to the Closing Date, and the Administrative Agent shall have received a Borrowing Base Certificate effective as of the last day of the month immediately preceding the Closing Date.

For purposes of determining compliance with the conditions specified in this Section 5.02, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the Closing Date specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of the initial Borrowing.

## ARTICLE VI AFFIRMATIVE COVENANTS

Each Borrower covenants and agrees with each Lender that unless and until (i) all Commitments shall have been terminated, (ii) all ABL Credit Obligations arising under the Loan Documents (other than contingent obligations for unasserted claims) shall have been repaid and (iii) all Letters of Credit have been canceled or have expired (or shall have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent) and all amounts drawn or paid thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, each Borrower will, and will cause each of the Material Subsidiaries to:

Section 6.01 **Existence; Businesses and Properties.** (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except, in the case of a Subsidiary of a Borrower, where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and except as otherwise expressly permitted under Section 7.05, and except for the liquidation or dissolution of Subsidiaries if the assets of such Subsidiaries, to the extent they exceed estimated liabilities, are acquired by a Borrower or a Wholly Owned Subsidiary of a Borrower in such liquidation or dissolution; provided that Subsidiary Loan Parties may not be liquidated into Subsidiaries that are not Loan Parties and Domestic Subsidiaries may not be liquidated into Foreign Subsidiaries.

(b) Except where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, do or cause to be done all things necessary to (i) lawfully obtain, preserve, renew, extend and keep in full force and effect the rights, privileges, qualifications, permits, franchises, authorizations, patents, trademarks, service marks, trade names, copyrights, licenses and rights with respect thereto necessary in the normal conduct of its business, (ii) at all times maintain and preserve all property necessary in the normal conduct of its business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith, if any, may be properly conducted at all times, and (iii) conduct its business and affairs without infringement of or interference with any Intellectual Property Right of any other Person in any respect (in each case except as expressly permitted by this Agreement).

Section 6.02 **Insurance.** (a) Maintain, with financially sound and reputable insurance companies (that are not Affiliates of any Loan Party), insurance in such amounts, providing such coverage as is sufficient and against such risks as are customarily maintained by similarly situated companies engaged in the same or similar businesses operating in the same or similar locations and cause, subject to the time periods set forth in clause (ix) of the definition of "Collateral and Guarantee Requirement" and Schedule 6.10, if applicable, the Administrative Agent to be listed as a loss payee on property policies and as an additional insured on liability policies. All such policies of insurance will contain an endorsement, in form and substance acceptable to the Administrative Agent, showing loss payable to the Administrative Agent (Form CP 1218 or equivalent and naming the Administrative Agent as lenders loss payee as agent for the Lenders) and extra expense and business interruption endorsements.

Such endorsement, or an independent instrument furnished to the Administrative Agent, will provide that the insurance companies will give the Administrative Agent at least 30 days' prior written notice before any such policy or policies of insurance shall be altered or canceled and that no act or default of the Loan Parties or any other Person shall affect the right of the Administrative Agent to recover under such policy or policies of insurance in case of loss or damage. Each Loan Party shall direct all present and future insurers under its "All Risk" policies of property insurance to pay all proceeds payable thereunder directly to the Administrative Agent. Subject to the terms of the Intercreditor Agreements, if any insurance proceeds are paid by check, draft or other instrument payable to any Loan Party and the Administrative Agent jointly, the Administrative Agent may endorse such Loan Party's name thereon and do such other things as the Administrative Agent may deem advisable to reduce the same to cash. The Administrative Agent reserves the right at any time, upon review of each Loan Party's risk profile, to reasonably require additional forms and limits of insurance. All flood insurance on Mortgaged Properties (including all related diligence, documentation and coverage) shall comply with the Flood Laws, or otherwise shall be reasonably satisfactory to all Lenders.

(b) With respect to any Mortgaged Properties, if at any time the area in which the Premises (as defined in the Mortgages) are located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), maintain, subject to the time periods and other requirements regarding flood insurance set forth in clause (vii) of the definition of "Collateral and Guarantee Requirement" to the extent commercially reasonably available, flood insurance from such providers, on such terms, and in amounts no less than that maintained by the Borrowers and the Material Subsidiaries as of the Closing Date or in such other total amount as the Administrative Agent may from time to time reasonably require or as otherwise required by the Lenders, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

(c) In connection with the covenants set forth in this Section 6.02, it is understood and agreed that:

(i) none of the Administrative Agent, the Lenders and their respective agents or employees shall be liable for any loss or damage insured by the insurance policies required to be maintained under this Section 6.02, it being understood that (A) the Loan Parties shall look solely to their insurance companies or any other parties other than the aforesaid parties for the recovery of such loss or damage and (B) such insurance companies shall have no rights of subrogation against the Administrative Agent, the Lenders or their agents or employees. If, however, the insurance policies, as a matter of the internal policy of such insurer, do not provide waiver of subrogation rights against such parties, as required above, then each of the Holdcos and the Borrowers, on behalf of itself and behalf of each of its Subsidiaries, hereby agrees, to the extent permitted by law, to waive, and further agrees to cause each of their Subsidiaries to waive, its right of recovery, if any, against the Administrative Agent, the Lenders and their agents and employees; and

(ii) the designation of any form, type or amount of insurance coverage by the Administrative Agent under this Section 6.02 shall in no event be deemed a representation, warranty or advice by the Administrative Agent or the Lenders that such insurance is adequate for the purposes of the business of the Holdcos, the Borrowers and their respective Subsidiaries or the protection of their properties.

(d) Unless the Loan Parties provide the Administrative Agent with evidence of the insurance coverage required by this Agreement (including, without limitation, flood insurance), the Administrative Agent may purchase insurance (including, without limitation, flood insurance) at the Loan

Parties' expense to protect the Administrative Agent's and Lenders' interests in the Loan Parties' and their Subsidiaries' properties with ten (10) days' prior written notice to the Loan Parties. This insurance may, but need not, protect the Loan Parties' and their Subsidiaries' interests. The coverage that the Administrative Agent purchases may not pay any claim that any Loan Party or any Subsidiary of any Loan Party makes or any claim that is made against such Loan Party or any Subsidiary in connection with said Property. The Loan Parties may later cancel any insurance purchased by the Administrative Agent, but only after providing the Administrative Agent with evidence that there has been obtained insurance as required by this Agreement. If the Administrative Agent purchases insurance, the Loan Parties will be responsible for the costs of that insurance, including interest and any other charges the Administrative Agent may impose in connection with the placement of insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance shall be added to the ABL Credit Obligations. The costs of the insurance may be more than the cost of insurance the Loan Parties may be able to obtain on their own.

Section 6.03 **Taxes.** Pay and discharge promptly when due all Taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims which, if unpaid, might give rise to a Lien (other than a Permitted Lien) upon such properties or any part thereof, except to the extent the validity or amount thereof shall be contested in good faith by appropriate proceedings, and the Holdco's, the Borrowers or the affected Subsidiary, as applicable, shall have set aside on its books reserves in accordance with the Applicable Accounting Rules with respect thereto and except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 6.04 **Financial Statements, Reports, etc.** Furnish to the Administrative Agent (which will promptly furnish such information to the Lenders):

(a) Within 120 days after the end of each fiscal year, a consolidated balance sheet and related statements of operations, cash flows and owners' equity showing the financial position of the Ultimate Parent and its Subsidiaries as of the close of such fiscal year and the consolidated results of its operations during such year and setting forth in comparative form the corresponding figures for the prior fiscal year, which consolidated balance sheet and related statements of operations, cash flows and owners' equity shall be audited by independent public accountants of recognized national (in the United States of America) or international standing and accompanied by an opinion of such accountants (which opinion shall not be qualified as to scope of audit or as to the status of the Ultimate Parent as a going concern) to the effect that such consolidated financial statements fairly present, in all material respects, the financial position and results of operations of the Ultimate Parent and its Subsidiaries on a consolidated basis in accordance with the Applicable Accounting Rules;

(b) within 65 days after the end of each of the first three fiscal quarters of each fiscal year beginning with the fiscal quarter ending March 31, 2019, a consolidated balance sheet and related statements of operations and cash flows showing the financial position of the Ultimate Parent and its Subsidiaries as of the close of such fiscal quarter and the consolidated results of its operations during such fiscal quarter and the then elapsed portion of the fiscal year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior fiscal year, and which consolidated balance sheet and related statements of operations and cash flows shall be certified by a Financial Officer of the Ultimate Parent on behalf of the Ultimate Parent as fairly presenting, in all material respects, the financial position and results of operations of the Ultimate Parent and its Subsidiaries on a consolidated basis in accordance with the Applicable Accounting Rules (subject to normal year-end audit adjustments and the absence of footnotes);

(c) within 35 days after the end of each fiscal month of each fiscal year (including the last fiscal month of each fiscal year) beginning with the fiscal month ending January 31, 2019, a consolidated balance sheet and related statements of operations and cash flows showing the financial position of each Borrower and its Subsidiaries as of the close of such fiscal month and the consolidated results of its operations during such fiscal month and the then elapsed portion of the fiscal year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior fiscal year, and which consolidated balance sheet and related statements of operations and cash flows shall be certified by a Financial Officer of each Borrower on behalf of such Borrower as fairly presenting, in all material respects, the financial position and results of operations of such Borrower and its Subsidiaries on a consolidated basis in accordance with the Applicable Accounting Rules (subject to normal year-end audit adjustments and the absence of footnotes);

(d) concurrently with any delivery of financial statements under paragraphs (a) or (b) above, a certificate of a Financial Officer of each Borrower (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) solely with respect to any fiscal period for which the average daily Availability during such fiscal period is less than 25% of the Maximum Credit, setting forth computations in reasonable detail satisfactory to the Administrative Agent of the Fixed Charge Coverage Ratio and the Minimum Borrower EBITDA Contribution, (iii) setting forth computations in reasonable detail satisfactory to the Administrative Agent of the Average Quarterly Excess Availability, (iv) certifying a list of names of all Immaterial Subsidiaries, that each Subsidiary set forth on such list individually qualifies as an Immaterial Subsidiary and that all such Subsidiaries in the aggregate do not exceed the limitation set forth in clause (ii) of the definition of the term Immaterial Subsidiary and (v) certifying a list of names of all Unrestricted Subsidiaries, that each Subsidiary set forth on such list individually qualifies as an Unrestricted Subsidiary;

(e) within 90 days after the beginning of each fiscal year, a reasonably detailed consolidated annual budget for each fiscal quarter during such fiscal year (including a projected consolidated balance sheet of each Borrower and its Subsidiaries as of the end of the following fiscal year, and the related consolidated statements of projected cash flow and projected income), including a description of underlying assumptions with respect thereto (collectively, the “Budget”), which Budget shall in each case be accompanied by the statement of a Financial Officer of each Borrower to the effect that the Budget is based on assumptions believed by such Financial Officer to be reasonable as of the date of delivery thereof;

(f) upon the reasonable request of the Administrative Agent, an updated Perfection Certificate (or, to the extent such request relates to specified information contained in the Perfection Certificate, such information) reflecting all changes since the date of the information most recently received pursuant to this paragraph (f) or Section 6.10(f);

(g) (i) promptly, from time to time, such other information regarding the operations, collateral, business affairs and financial condition of the Holdcos, the Borrowers or any of the Borrowers’ respective Subsidiaries, or compliance with the terms of any Loan Document, or such consolidating financial statements as in each case the Administrative Agent may reasonably request (for itself or on behalf of any Lender) and (ii) prior written notice in the event that any Borrower changes its fiscal year end or any other material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof;

(h) promptly upon request by the Administrative Agent, copies of: (i) each Schedule SB or MB (Actuarial Information) to the most recent annual report (Form 5500 Series) filed with the

Internal Revenue Service with respect to a Plan; (ii) the most recent actuarial valuation report for any Plan; (iii) all notices received from a Multiemployer Plan sponsor, a plan administrator or any governmental agency, or provided to any Multiemployer Plan by the Holdcos, the Borrowers, a Subsidiary or any ERISA Affiliate, concerning an ERISA Event; and (iv) such other documents or governmental reports or filings relating to any Plan or Multiemployer Plan as the Administrative Agent shall reasonably request; and

- (i) Borrowing Base Certificates, at the times specified in Section 6.13.

Section 6.05 **Litigation and Other Notices**. Furnish to the Administrative Agent (which will promptly thereafter furnish to the Lenders) written notice of the following promptly after any Responsible Officer of the Holdcos or any Borrower obtains actual knowledge thereof:

- (i) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;
- (ii) the filing or commencement of, or any written threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority or in arbitration, against the Holdcos, any Borrower or any of the Borrowers' respective Subsidiaries as to which an adverse determination is reasonably probable and which, if adversely determined, would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;
- (iii) any other development (including, without limitation, any development related to litigation or labor controversies) specific to the Holdcos, any Borrower or any of its Subsidiaries that is not a matter of general public knowledge and that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (iv) the development or occurrence of any ERISA Event that, together with all other ERISA Events that have developed or occurred, would reasonably be expected to have a Material Adverse Effect;
- (v) the creation, establishment or acquisition of any direct or indirect Subsidiary of a Borrower; and
- (vi) the termination of, amendment to, or event of default under, any Secured Notes Document.

Section 6.06 **Compliance with Laws**. Comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect; provided that this Section 6.06 shall not apply to Environmental Laws, which are the subject of Section 6.09, or to laws related to Taxes, which are the subject of Section 6.03.

Section 6.07 **Maintaining Records; Access to Properties and Inspections**. Maintain all financial records in accordance with the Applicable Accounting Rules and permit the Administrative Agent (and its consultants or agents), accompanied by any Lender which so elects, upon reasonable advance notice and at reasonable times during regular business hours, and at any time when an Event of Default exists, to have access to, examine, audit, make extracts from or copies of, and inspect any or all of the Loan Parties' records, files, and books of account and the Collateral, and discuss the Loan Parties' affairs with the Loan Parties' officers and senior management; provided that, (i) unless an Event of

Default is continuing, such access, examinations, audits and inspections shall be limited to two instances in any calendar year and (ii) all such access, examinations, audits and inspections will be at the Loan Parties' expense. The Loan Parties will deliver to the Administrative Agent any instrument necessary for the Administrative Agent to obtain records from any service bureau maintaining records for the Loan Parties. The Administrative Agent may, and at the direction of the Required Lenders shall, at any time when an Event of Default exists, and at the Loan Parties' expense, make copies of all of the Loan Parties' books and records, or require the Loan Parties to deliver such copies to the Administrative Agent. Upon reasonable request to senior management of the applicable Borrower, the Administrative Agent may, without expense to the Administrative Agent, use such of the Loan Parties' respective personnel, supplies, and premises as may be reasonably necessary for maintaining or enforcing the Collateral Agent's Liens. The Administrative Agent shall have the right, at any time, in the Administrative Agent's name or in the name of a nominee of the Administrative Agent, to verify the validity, amount, or any other matter relating to the Accounts, Inventory, or other Collateral, by mail, telephone, or otherwise; provided, however, in the absence of an Event of Default, the Collateral Agent agrees that it will not attempt to verify more than ten (10) Accounts each month.

Section 6.08 **Use of Proceeds**. Use the proceeds of each Credit Event solely for (a) working capital, capital expenditures, Permitted Business Acquisitions and other general corporate purposes not in violation of this Agreement or the other Loan Documents, (b) to effect the repurchase under and termination of or, refinancing (or discharge) of Indebtedness under, the Existing Factoring Agreement, (c) costs, expenses and fees in connection with the Revolving Facility and (d) upon the effectiveness of the Incremental Revolving Facility, the repayment of obligations owing to the purchasers under the AB Receivables Financing.

Section 6.09 **Compliance with Environmental Laws**. Comply, and make reasonable efforts to cause all lessees and other persons occupying its properties to comply, with all Environmental Laws applicable to its operations and properties; obtain and renew all material authorizations and permits required pursuant to Environmental Law for its operations and properties, in each case in accordance with Environmental Laws, complete any investigation, study, sampling and testing and undertake any clean up, removal, remediation or other response necessary to remove and clean up Hazardous Materials, to the extent such actions are required under any applicable Environmental Laws, and make an appropriate response to any notice, request for information, order, or complaint that alleges a violation of or liability under any Environmental Laws, except, in each case with respect to this Section 6.09, to the extent the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.10 **Further Assurances; Additional Security**. (a) Promptly execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, Mortgages and other documents and recordings of Liens in stock registries), that may be required under any applicable law or to carry out more effectively the purposes of this Agreement or any other Loan Document, including, for the avoidance of doubt, the post-closing items set forth on Schedule 6.10, or that the Collateral Agent may reasonably request to satisfy the Collateral and Guarantee Requirement and to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Loan Parties and provide to the Collateral Agent, from time to time upon reasonable request, evidence reasonably satisfactory to the Collateral Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) If any asset (including any Real Property (other than Real Property covered by paragraph (c), below) or improvements thereto or any interest therein) that has an individual fair market value (as determined in good faith by the applicable Borrower) in an amount greater than \$1,000,000 is



acquired by a Borrower or any other Loan Party after the Closing Date or owned by an entity at the time it becomes a Subsidiary Loan Party (in each case other than (x) assets constituting Collateral under a Security Document that become subject to the Lien of such Security Document upon acquisition thereof and (y) assets that are not required to become subject to Liens in favor of the Collateral Agent pursuant to Section 6.10(g) or the Security Documents) (i) notify the Collateral Agent thereof, and (ii) cause such asset to be subjected to a Lien securing the ABL Finance Obligations (subject, as the case may be, to the Intercreditor Agreements and Permitted Liens) and take, and cause the Subsidiary Loan Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent to grant and perfect such Liens, (subject, as the case may be, to the Intercreditor Agreements and Permitted Liens), including actions described in paragraph (a) of this Section 6.10, all at the expense of the Loan Parties, subject to paragraph (g) below.

(c) Promptly notify the Collateral Agent of the acquisition of, and grant and cause each of the Subsidiary Loan Parties to grant to the Collateral Agent security interests and mortgages in, such Real Property of such Borrower or any such Subsidiary Loan Parties as are not covered by the original Mortgages, to the extent acquired after the Closing Date and having a value at the time of acquisition in excess of \$25,000,000 in the aggregate, and, to the extent requested by the Collateral Agent, pursuant to documentation substantially in the form of the Mortgages delivered to the Collateral Agent pursuant to the post-closing timing requirement specified in the definition of "Collateral and Guarantee Requirement" or in such other form as is reasonably satisfactory to the Collateral Agent (each, an "Additional Mortgage") and constituting valid and enforceable Liens subject to no other Liens except Permitted Liens and subject to the Intercreditor Agreements, at the time of perfection thereof, record or file, and cause each such Subsidiary to record or file, the Additional Mortgage or instruments related thereto in such manner and in such places as is required by law to establish, perfect, preserve and protect the Liens in favor of the Collateral Agent required to be granted pursuant to the Additional Mortgages and pay, and cause each such Subsidiary to pay, in full, all Taxes, fees and other charges payable in connection therewith, in each case subject to paragraph (g) below. Unless otherwise waived by the Collateral Agent, with respect to each such Additional Mortgage, the applicable Borrower shall deliver to the Collateral Agent (i) if such Real Property is an improved Real Property, prior to the execution and delivery of such Additional Mortgage, (x)(1) address and other identifying information with respect to such Real Property reasonably satisfactory to the Collateral Agent and (2) if any improvements on such Mortgaged Property are located within any area designated by the Director of the Federal Emergency Management Agency as a "special flood hazard" area (as may be established by a completed Federal Emergency Management Agency Standard Flood Hazard Determination with respect to such Mortgaged Property), evidence of a flood insurance policy (if such insurance is required by applicable Law and commercially reasonably available) from a company and in an amount satisfactory to the Collateral Agent for the applicable portion of the premises, naming the Collateral Agent, for the benefit of the Lenders, as mortgagee or (y) a certification from a registered engineer or land surveyor in a form reasonably satisfactory to the Collateral Agent or other evidence reasonably satisfactory to the Collateral Agent that none of the improvements on such Mortgaged Property is located within any area designated by the Director of the Federal Emergency Management Agency as a "special flood hazard" area and (ii) contemporaneously therewith a title insurance policy and a copy of any survey obtained by such Borrower with respect to each Real Property subject to an Additional Mortgage.

(d) If any additional direct or indirect Subsidiary of any Borrower is formed (including pursuant to a Division) or acquired after the Closing Date (with any Subsidiary Redesignation resulting in an Unrestricted Subsidiary becoming a Subsidiary being deemed to constitute the acquisition of a Subsidiary), and if such Subsidiary is a Subsidiary Loan Party, within ten Business Days after the date such Subsidiary is formed or acquired, notify the Collateral Agent and the Lenders thereof and, within 20 Business Days after the date such Subsidiary is formed or acquired or such longer period as the Collateral Agent shall agree, cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party, subject to paragraph (g) below.

(e) If any additional Foreign Subsidiary of any Borrower is formed or acquired after the Closing Date (with any Subsidiary Redesignation resulting in an Unrestricted Subsidiary becoming a Subsidiary being deemed to constitute the acquisition of a Subsidiary), and if such Subsidiary is a "first tier" Foreign Subsidiary, within five Business Days after the date such Foreign Subsidiary is formed or acquired, notify the Collateral Agent and the Lenders thereof and, within 20 Business Days after the date such Foreign Subsidiary is formed or acquired or such longer period as the Collateral Agent shall agree, cause the Collateral and Guarantee Requirement to be satisfied with respect to any Equity Interest in such Foreign Subsidiary owned by or on behalf of any Loan Party, subject to the Intercreditor Agreements and paragraph (g) below.

(f) (i) Furnish to the Collateral Agent prompt written notice of any change (A) in any Loan Party's or the Parent Guarantor's corporate or organization name or jurisdiction of organization or formation, (B) in any Loan Party's or the Parent Guarantor's identity or organizational structure or (C) in any Loan Party's or the Parent Guarantor's organizational identification number; provided that no Borrower shall effect or permit any such change unless all filings have been made, or will have been made within any statutory period, under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral for the benefit of the Secured Parties and (ii) promptly notify the Collateral Agent if any material portion of the Collateral is damaged or destroyed.

(g) The Collateral and Guarantee Requirement and the other provisions of this Section 6.10 need not be satisfied with respect to (i) any motor vehicle, (ii) Exempt Deposit Accounts, (iii) any Equity Interests issued or acquired after the Closing Date (other than Equity Interests in each Borrower or, in the case of any person which is a Subsidiary, Equity Interests in such person issued or acquired after such person became a Subsidiary) in accordance with this Agreement if, and to the extent that, and for so long as (A) such Equity Interests constitute less than 100% of all applicable Equity Interests of such person and the person holding the remainder of such Equity Interests are not Affiliates, (B) doing so would violate applicable law or a contractual obligation binding on or with respect to such Equity Interests or such Subsidiary and (C) with respect to such contractual obligations, such obligation existed at the time of the acquisition thereof and was not created or made binding on or with respect to such Equity Interests or such Subsidiary in contemplation of or in connection with the acquisition of such Equity Interests or Subsidiary, (iv) any assets acquired after the Closing Date, to the extent that, and for so long as, taking such actions would violate an enforceable contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on such assets in contemplation or in connection with the acquisition of such assets (except in the case of assets acquired with Indebtedness permitted pursuant to Section 7.01(i) that is secured by a Permitted Lien) or (v) those assets as to which the Collateral Agent shall reasonably determine that the costs of obtaining or perfecting such a security interest are excessive in relation to the value of the security to be afforded thereby; provided that, upon the reasonable request of the Collateral Agent, the applicable Borrower shall, and shall cause any applicable Subsidiary to, use commercially reasonable efforts to have waived or eliminated any contractual obligation of the types described in clauses (iii) and (iv) above.

(h) Within 60 days after the Closing Date (or such later date as may be agreed by the Administrative Agent in its discretion), Bowling Green shall execute and deliver to the Collateral Agent a Deposit Account Control Agreement with respect to each Deposit Account of such Borrower and the Loan Parties in existence as of the Closing Date, other than any Exempt Deposit Account.

(i) Prior to any Loan Party establishing and funding a Deposit Account following the Closing Date, the applicable Borrower shall notify the Collateral Agent thereof and execute and deliver to the Collateral Agent a Deposit Account Control Agreement with respect to each such Deposit Account, other than any Exempt Deposit Account.

(j) Following the Closing Date (and subject to the time period provided for in Section 6.10(h)), the Loan Parties shall maintain effective Deposit Account Control Agreements with respect to each Deposit Account, other than Exempt Deposit Accounts, of the Loan Parties, at all times unless and until the Security Interest (as defined in the Collateral Agreement) with respect to such Deposit Account is released in accordance with this Agreement.

Section 6.11 **Appraisals and Field Examinations**. Whenever an Event of Default exists, and at other times not more frequently than once per consecutive 12-month period so long as Availability during such period is at all times greater than 12.5% of the Maximum Credit, the Loan Parties shall, at their expense and upon the Administrative Agent's request, provide the Administrative Agent with appraisals and field examinations or updates thereof of any or all of the Collateral from one or more Acceptable Appraisers, and prepared in a form and on a basis reasonably satisfactory to the Administrative Agent, such appraisals and updates to include, without limitation, information required by requirements of Law and by the internal policies of the Lenders; provided that the Loan Parties shall provide, at the expense of the Loan Parties, during any time within a consecutive 12- month period that the Availability is less than 12.5% of the Maximum Credit, a second such appraisal or field examination or update during such period; provided, further, that upon the request of the Administrative Agent, the Loan Parties shall provide, at the expense of the Administrative Agent and the Lenders, any other such appraisal or field examination or update. In addition, the Loan Parties shall have the right (but not the obligation), at their expense, at any time and from time to time (but not more than once per year) to provide the Administrative Agent with additional appraisals or updates thereof of any or all of the Collateral from one or more Acceptable Appraisers, and prepared in a form and on a basis reasonably satisfactory to the Administrative Agent, in which case such appraisals or field examinations or updates shall be used in connection with the determination of the Orderly Liquidation Value and the calculation of the Borrowing Base hereunder.

Section 6.12 **Collection of Accounts; Payments**. Subject to the post-closing timing requirement specified in Section 6.10 of this Agreement, establish a payment account for each Borrower, or designate an existing deposit account for each Borrower in form and substance reasonably satisfactory to the Administrative Agent (in either case, collectively, the "Primary Payment Accounts"), which shall each be a Controlled Account and into which all Account collections (other than (i) prior to the effectiveness of the Incremental Revolving Facility, with respect to Muscle Shoals, collections from the AB Receivables, and (ii) Qualified Receivables to the extent subject to a Qualified Receivables Financing) and other proceeds of ABL Priority Collateral with respect to the applicable Borrower will be deposited (it being understood that the Loan Parties shall promptly transfer to the applicable Primary Payment Account any such collections or proceeds on deposit in or credited to any other payment account or other account, or received directly by any Loan Party), and the Loan Parties hereby agree that, during an Accounts Availability Triggering Event, the Collateral Agent will have exclusive control over each Primary Payment Account; provided, however, that, in the absence of an Accounts Availability Triggering Event, the Loan Parties will have exclusive right to make withdrawals from the Primary Payment Accounts.

Section 6.13 **Collateral Reporting**. (a) Provide, or cause to be provided, to the Administrative Agent, a Borrowing Base Certificate (i) on or before the twelfth (12<sup>th</sup>) Business Day of each calendar month for the preceding calendar month-end and (ii) during the continuance of an Availability Triggering Event, on each Friday (with respect to the week ending the previous Friday) or

any later date approved by the Administrative Agent in its sole discretion. If any of the Loan Parties' records or reports of the Collateral required to be delivered pursuant to this Agreement or any other Loan Document are prepared by an accounting service or other agent, each Loan Party hereby authorizes such service or agent to deliver such records or reports to the Administrative Agent, for distribution to the Lenders. Without limiting the foregoing, a Borrower may, at or prior to the closing of a Permitted Business Acquisition (but subject to any review of the acquired company's Eligible Accounts and Eligible Inventory as required by the definitions of such terms), deliver a revised Borrowing Base Certificate showing the Borrowing Base on a Pro Forma Basis after giving effect to such acquisition, which would be effective for purposes of Borrowing as of the time of the closing of such Permitted Business Acquisition and, for the avoidance of doubt, demonstrating compliance with the requirements of clause (iii) of the definition thereof. The applicable Borrower shall be permitted upon notice of such election to the Administrative Agent to deliver an updated Borrowing Base Certificate more frequently than monthly (as specified in such notice); provided that in such case, such Borrower shall, for the immediately following 90 days, deliver an updated Borrowing Base Certificate with the same frequency as the frequency specified in such notice.

(b) Deliver to the Administrative Agent (i) concurrently with the delivery of each Borrowing Base Certificate, a summary of Inventory by location and type with a supporting perpetual Inventory report consistent with past practice; (ii) concurrently with the delivery of each Borrowing Base Certificate, a monthly trial balance showing Accounts outstanding aged from due date as follows: current, 1 to 30 days, 31 to 60 days and 61 days or more, (iii) from time to time, such other information with respect to the Borrowing Base or any other reports delivered under this Section 6.13 as shall be requested by the Administrative Agent in its reasonable discretion; and (iv) at the time of delivery of each of the monthly financial statements delivered pursuant to Section 6.04(c): (A) a reconciliation of the most recent Borrowing Base and month-end Inventory reports by location each Borrower's general ledger and monthly financial statements delivered pursuant to Section 6.04(c); (B) a reconciliation of the accounts receivable aging to the Borrowers' most recent Borrowing Base Certificate, general ledger and monthly financial statements delivered pursuant to Section 6.04(c); (C) an aging of accounts payable and a reconciliation of such accounts payable aging to each Borrower's general ledger and monthly financial statements delivered pursuant to Section 6.04(c); and (D) in the case of any monthly financial statements delivered for the last month of a fiscal quarter, a listing of government contracts, including those that are subject to the Federal Assignment of Claims Act of 1940 or any similar state or municipal law.

Section 6.14 **Anti-Money Laundering and Economic Sanction Laws; Anti-Corruption Laws.** Each Loan Party shall comply, and each Loan Party shall cause each of its Subsidiaries to comply, in all material respects, with all laws, regulations and executive orders referred to in Sections 4.25 and 4.26 so as to make such representations and warranties true and correct in all material respects.

## ARTICLE VII NEGATIVE COVENANTS

Each Borrower (and for purposes of Section 7.11, each Holdco) covenants and agrees with each Lender that unless and until (i) all Commitments shall have been terminated and (ii) all ABL Credit Obligations arising under the Loan Documents (other than contingent obligations for unasserted claims) shall have been paid and (iii) all Letters of Credit have been canceled or have expired (or have been Cash Collateralized or backstopped on terms reasonably satisfactory to the Administrative Agent)

and all amounts drawn or paid thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, each Borrower will not, and will not permit any of the Material Subsidiaries to:

Section 7.01 **Indebtedness**. Incur, create, assume or permit to exist any Indebtedness, except:

(a) Indebtedness existing on the Closing Date and set forth on Schedule 7.01 and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness (other than intercompany indebtedness Refinanced with Indebtedness owed to a person not affiliated with such Borrower or any Subsidiary);

(b) (i) Indebtedness created hereunder and under the other Loan Documents and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness; and (ii) Guarantees by the Borrowers and the Material Subsidiaries of Indebtedness of Ultimate Parent, Parent Guarantor or any Subsidiary thereof;

(c) obligations (contingent or otherwise) arising under a Swap Contract if such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates, commodity prices or foreign exchange rates (or to allow any customer to do so); provided, however, to the extent that such Indebtedness is incurred under a Secured Hedge Agreement, such Secured Hedge Agreement was entered into in connection with the execution of customer contracts to hedge currency and commodity risk thereunder;

(d) Indebtedness owed to (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) any person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance to any Borrower or any Subsidiary, pursuant to reimbursement or indemnification obligations to such person, in each case in the ordinary course of business; provided that upon the incurrence of Indebtedness with respect to reimbursement obligations regarding workers' compensation claims, such obligations are reimbursed not later than 30 days following such incurrence;

(e) unsecured Indebtedness of any Borrower to the Ultimate Parent, any Subsidiary of Ultimate Parent or any Subsidiary and of any Subsidiary to Ultimate Parent, any Subsidiary of Ultimate Parent, the Borrowers or any other Subsidiary; provided that, except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations among Ultimate Parent and its subsidiaries, Indebtedness of any Loan Party to any Person incurred under this clause (e) shall be subordinated to the ABL Credit Obligations on terms reasonably satisfactory to the Administrative Agent;

(f) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(g) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or other cash management services in the ordinary course of business; provided that (x) such Indebtedness (other than credit or purchase cards) is extinguished within ten Business Days of notification to the applicable Borrower of its incurrence and (y) such Indebtedness in respect of credit or purchase cards is extinguished within 60 days from its incurrence;

(h) (i)(x) Indebtedness of a Subsidiary acquired after the Closing Date or an entity merged into or consolidated or amalgamated with any Borrower or any Subsidiary after the Closing Date

and Indebtedness assumed in connection with the acquisition of assets, which Indebtedness in each case exists at the time of such acquisition, merger, consolidation or amalgamation and is not created in contemplation of such event and where such acquisition, merger, consolidation or amalgamation is permitted by this Agreement and (y) Indebtedness incurred to finance Permitted Business Acquisitions permitted pursuant to Section 7.04(j) and (ii) any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness; provided that no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(i) Capital Lease Obligations, mortgage financings and purchase money Indebtedness incurred by any Borrower or any Subsidiary prior to or within 270 days after the acquisition, lease, construction, repair, replacement or improvement of the respective property (real or personal, and whether through the direct purchase of property or the Equity Interests of any person owning such property) permitted under this Agreement in order to finance such acquisition, lease, construction, repair, replacement or improvement, and any Permitted Refinancing Indebtedness in respect thereof, in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof, together with the Remaining Present Value of outstanding leases permitted under Section 7.03(a), would not exceed \$125,000,000 at any time outstanding;

(j) Capital Lease Obligations incurred by any Borrower or any Subsidiary in respect of any Sale and Lease Back Transaction that is permitted under Section 7.03 and any Permitted Refinancing Indebtedness in respect thereof;

(k) other Indebtedness of any Borrower or any Subsidiary, in an aggregate principal amount outstanding that at the time of, and after giving effect to, the incurrence thereof, would not exceed \$25,000,000 at any time outstanding; provided that any Indebtedness incurred pursuant to this clause (k) that by its terms is subordinated in right of payment to the ABL Credit Obligations shall not, pursuant to the terms thereof, be required to be repaid (other than pursuant to customary change of control, asset sale proceeds and similar provisions), in whole or in part, prior to the date that is 91 days following the Facility Maturity Date;

(l) Indebtedness arising from agreements of any Borrower or any Subsidiary providing for indemnification, adjustment of purchase or acquisition price or similar obligations, in each case, incurred or assumed in connection with the Transactions and any Permitted Business Acquisition or the disposition of any business, assets or a Subsidiary not prohibited by this Agreement, other than Guarantees of Indebtedness incurred by any person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(m) Indebtedness in respect of letters of credit, bank guarantees, warehouse receipts or similar instruments issued to support performance obligations and trade letters of credit (other than obligations in respect of other Indebtedness) in the ordinary course of business;

(n) Indebtedness supported by a Letter of Credit in a principal amount not in excess of the stated amount of such Letter of Credit;

(o) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(p) Indebtedness of Subsidiaries that are not Subsidiary Loan Parties; provided that the aggregate amount of Indebtedness incurred under this clause (p), when aggregated with all other Indebtedness incurred and outstanding pursuant to this clause (p), shall not exceed \$10,000,000 at the time of such incurrence;

(q) Indebtedness representing deferred compensation to employees and directors of any Borrower or any Subsidiary incurred in the ordinary course of business;

(r) Indebtedness consisting of obligations of any Borrower or any Subsidiary under deferred compensation or other similar arrangements incurred by such Person in connection with Permitted Business Acquisitions or any other Investment permitted hereunder;

(s) Indebtedness incurred under any Qualified Receivables Financing;

(t) Indebtedness of Muscle Shoals to Rexam evidenced by or arising under the Rexam Financing Documents in an amount not to exceed the amount outstanding on the Original Closing Date, less the aggregate amount of all repayments, repurchases, redemptions, rebates or credits after the Original Closing Date, whether optional or mandatory, in respect thereof, plus interest thereon (whether or not capitalized) at the rate provided in the Rexam Financing Documents and any Permitted Refinancing Indebtedness incurred to Refinance such Indebtedness; and

(u) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in paragraphs (a) through (t) above.

Section 7.02 **Liens**. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person, including any Borrower and any Subsidiary) at the time owned by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, "Permitted Liens"):

(a) Liens on property or assets of any Borrower and its Subsidiaries existing on the Closing Date and set forth on Schedule 7.02(a) and any modifications, replacements, renewals or extensions thereof; provided that such Liens shall secure only those obligations that they secure on the Closing Date (and any Permitted Refinancing Indebtedness in respect of such obligations permitted by Section 7.01(a)) and shall not subsequently apply to any other property or assets of any Borrower or any Subsidiary other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien, and (B) proceeds and products thereof;

(b) (i) Liens created under the Loan Documents (including, without limitation, Liens created under the Security Documents securing obligations under Secured Hedge Agreements incurred pursuant to Section 7.01(c) and securing obligations under Cash Management Agreements) or permitted in respect of any Mortgaged Property by the terms of the applicable Mortgage and (ii) Liens securing Indebtedness incurred pursuant to Section 7.01(b)(ii) (including Liens securing Swap Obligations secured under the documents governing such Indebtedness), which Liens are subject to the applicable Intercreditor Agreements or any other intercreditor agreement substantially consistent with and no less favorable to the Revolving Facility Lenders in any material respect than the applicable Intercreditor Agreements;

(c) Liens on any property or asset of any Borrower or any Subsidiary securing Indebtedness permitted under Section 7.01(h)(i)(x) or Permitted Refinancing Indebtedness in respect thereof if permitted by Section 7.01(h)(ii), in each case, subject to the applicable Intercreditor Agreements; provided that such Lien (i) does not apply to any other property or assets of any Borrower or any of its Subsidiaries not securing such Indebtedness at the date of the acquisition of such property or asset (other than after acquired property subjected to a Lien securing Indebtedness and other obligations incurred prior to such date and which Indebtedness and other obligations are permitted hereunder that require a pledge of after acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such

acquisition), (ii) such Lien is not created in contemplation of or in connection with such acquisition, and (iii) in the case of a Lien securing Permitted Refinancing Indebtedness, subject to compliance with clause (iv) of the definition of the term “Permitted Refinancing Indebtedness”;

(d) Liens for Taxes, assessments or other governmental charges or levies not yet due or that are being contested in compliance with Section 6.03;

(e) Liens imposed by law, such as landlord’s, carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s, construction or other like Liens arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or that are being contested in good faith by appropriate proceedings and in respect of which, if applicable, any Borrower or any Subsidiary shall have set aside on its books reserves in accordance with Applicable Accounting Rules;

(f) (i) pledges and deposits and other Liens made in the ordinary course of business in compliance with the Federal Employers Liability Act or any other workers’ compensation, unemployment insurance and other social security laws or regulations and deposits securing liability to insurance carriers under insurance or self-insurance arrangements in respect of such obligations and (ii) pledges and deposits and other Liens securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to any Borrower or any Subsidiary;

(g) deposits and other customary Liens to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory and regulatory obligations, surety and appeal bonds, performance and return of money bonds, bids, leases, government contracts, trade contracts, agreements with utilities, and other obligations of a like nature (including letters of credit in lieu of any such bonds or to support the issuance thereof) incurred in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(h) zoning restrictions, survey exceptions and such matters as an accurate survey would disclose, easements, trackage rights, leases (other than Capital Lease Obligations), licenses, special assessments, rights of way, covenants, conditions, restrictions and declaration on or with respect to the use of Real Property, servicing agreements, development agreements, site plan agreements and other similar encumbrances incurred in the ordinary course of business and title defects or irregularities that are of a minor nature and that, in the aggregate, do not interfere in any material respect with the ordinary conduct of the business of any Borrower or any Subsidiary;

(i) Liens securing Indebtedness permitted by Section 7.01(i) or (j) (in each case, limited to the assets subject to such Indebtedness);

(j) Liens arising out of sale and lease-back transactions permitted under Section 7.03, so long as such Liens attach only to the property sold and being leased in such transaction and any accessions thereto or proceeds thereof and related property

(k) Liens securing judgments that do not constitute an Event of Default under Section 8.01(j) and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(l) Liens disclosed by the title insurance policies delivered on or subsequent to the Closing Date and pursuant to Section 6.10 and any replacement, extension or renewal of any such Lien; provided that such replacement, extension or renewal Lien shall not cover any property other than the



property that was subject to such Lien prior to such replacement, extension or renewal; provided, further, that the Indebtedness and other obligations secured by such replacement, extension or renewal Lien are permitted by this Agreement;

(m) any interest or title of a lessor or sublessor under any leases or subleases entered into by any Borrower or any Subsidiary in the ordinary course of business;

(n) Liens that are contractual rights of set off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of any Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of any Borrower or any Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of any Borrower or any Subsidiary in the ordinary course of business;

(o) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set off or similar rights;

(p) Liens securing obligations in respect of trade related letters of credit or bank guarantees permitted under Section 7.01(g) or (m) and covering the goods (or the documents of title in respect of such goods) financed by such letters of credit or bank guarantees and the proceeds and products thereof;

(q) leases or subleases, licenses or sublicenses (including with respect to intellectual property and software) granted to others in the ordinary course of business not interfering in any material respect with the business of any Borrower and its Subsidiaries, taken as a whole;

(r) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(s) Liens solely on any cash earnest money deposits made by any Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder;

(t) Liens with respect to property or assets of any Subsidiary that is not a Subsidiary Loan Party securing Indebtedness permitted under Section 7.01(p);

(u) other Liens with respect to property or assets of any Borrower or any Subsidiary provided that either (i) the obligations secured by any such Liens shall not exceed \$50,000,000 at any time outstanding or (ii) the Payment Conditions shall have been met; provided further that (i) no such Lien shall secure any Swap Obligation, (ii) at the time of the incurrence of such Lien no Default or Event of Default shall have occurred and be continuing or would result therefrom, (iii) the Indebtedness or other obligations secured by such Lien are otherwise permitted by this Agreement, and (iv) to the extent such Liens extend to ABL Priority Collateral, such Liens shall be subordinated to the Liens securing the ABL Finance Obligations pursuant to the applicable Intercreditor Agreements (or an additional intercreditor agreement reasonably satisfactory to the Administrative Agent);

(v) the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business;

(w) Liens arising from precautionary Uniform Commercial Code financing statements or consignments entered into in connection with any transaction otherwise permitted under this Agreement;

(x) Liens on Equity Interests in joint ventures securing obligations of such joint venture;

(y) Liens on securities that are the subject of repurchase agreements constituting Permitted Investments under clause (iii) of the definition thereof;

(z) the PBGC Lien;

(aa) Liens on goods or inventory the purchase, shipment or storage price of which is financed by a documentary letter of credit, bank guarantee or bankers' acceptance issued or created for the account of any Borrower or any Subsidiary in the ordinary course of business; provided that such Lien secures only the obligations of such Borrower or such Subsidiaries in respect of such letter of credit or bank guarantee to the extent permitted under Section 7.01;

(bb) Liens securing insurance premiums financing arrangements, provided that such Liens are limited to the applicable unearned insurance premiums;

(cc) Liens on deposits securing Swap Contracts permitted under Section 7.01(c) not to exceed \$1,000,000 in the aggregate;

(dd) Liens on the Specified Mill Assets securing Indebtedness under the Rexam Financing Documents to the extent such Indebtedness is permitted hereunder;

(ee) Liens on AB Receivables and other Qualified Receivables in connection with Qualified Receivables Financings permitted hereunder; and

(ff) Liens on all or any portion of the Bowling Green Property securing Indebtedness permitted by Section 7.01(j) in respect of Sale and Lease Back Transactions permitted by Section 7.03(b).

Section 7.03 **Sale and Lease Back Transactions**. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a "Sale and Lease Back Transaction"); provided that (a) Sale and Lease Back Transactions shall be permitted so long as the aggregate fair market value (as determined in good faith by the applicable Borrower at the time of the applicable Sale and Lease Back Transaction) of all property subject to Sale and Lease Back Transactions permitted pursuant to this clause (a) does not exceed \$25,000,000 in the aggregate at any time, and (b) Bowling Green may enter into any Sale and Lease Back Transactions so long as the fair market value (as determined in good faith by Bowling Green as of January 10, 2019) of all property subject to Sale and Lease Back Transactions permitted pursuant to this clause (b) does not exceed \$ 63,000,000 in the aggregate at any time; provided, however, that (x) as a condition precedent to any Sale and Lease Back Transaction permitted pursuant to this clause (b), the lessors, owners and lenders party to the Sale and Lease Back Transaction shall have entered into the Bowling Green Current Assets Access Agreement and (y) in the event that Liens on all or any portion of the Bowling Green Property are granted by Bowling Green pursuant to Section 7.02(ff) in connection with any Sale and Lease Back Transaction permitted pursuant to this clause (b), the Administrative Agent shall, at the request of Bowling Green, enter into the Bowling Green Real Estate Intercreditor Arrangements with respect to such Sale and Lease Back Transaction.

Section 7.04 **Investments, Loans and Advances**. Purchase, hold or acquire (including pursuant to any merger, consolidation or amalgamation with a person that is not a Wholly Owned Subsidiary immediately prior to such merger, consolidation or amalgamation) any Equity Interests, evidences of Indebtedness or other securities of, make or permit to exist any loans or advances to or Guarantees of the obligations of, or make or permit to exist any investment or any other interest in (each, an “Investment”), any other person, except:

(a) (i) Investments by any Borrower or any Subsidiary in the Equity Interests of any Borrower or any Subsidiary; (ii) intercompany loans from any Borrower or any Subsidiary to any Borrower or any Subsidiary; and (iii) Guarantees by any Borrower or any Subsidiary Loan Party of Indebtedness otherwise expressly permitted hereunder of any Borrower or any Subsidiary, provided that the sum of (A) Investments (valued at the time of the making thereof and without giving effect to any write downs or write offs thereof) made after the Closing Date by the Loan Parties pursuant to clause (i) in Subsidiaries that are not Subsidiary Loan Parties, plus (B) net intercompany loans made after the Closing Date by Loan Parties to Subsidiaries that are not Subsidiary Loan Parties pursuant to clause (ii), plus (C) Guarantees after the Closing Date by Loan Parties of Indebtedness of Subsidiaries that are not Subsidiary Loan Parties pursuant to clause (iii), shall not exceed an aggregate net amount equal to \$5,000,000 ( plus any return of capital actually received by the respective investors in respect of Investments theretofore made by them pursuant to this paragraph (b));

(b) Permitted Investments and Investments that were Permitted Investments when made;

(c) Investments arising out of the receipt by any Borrower or any Subsidiary of non-cash consideration for the sale of assets permitted under Section 7.05;

(d) loans and advances to officers, directors, employees or consultants of any Borrower or any Subsidiary (i) in the ordinary course of business not to exceed \$1,000,000 at any time outstanding (calculated without regard to write downs or write offs thereof), (ii) in respect of payroll payments and expenses in the ordinary course of business and (iii) in connection with such person’s purchase of Equity Interests of the Holdcos (or any Parent Entity) solely to the extent that the amount of such loans and advances shall be contributed to such Borrower in cash as common equity;

(e) accounts receivable, security deposits and prepayments arising and trade credit granted in the ordinary course of business and any assets or securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss and any prepayments and other credits to suppliers made in the ordinary course of business;

(f) Swap Contracts permitted hereunder;

(g) Investments existing on, or contractually committed as of, the Closing Date and set forth on Schedule 7.04 and any extensions, renewals or reinvestments thereof, so long as the aggregate amount of all Investments pursuant to this clause (g) is not increased at any time above the amount of such Investment existing or contractually committed to on the Closing Date;

(h) Investments resulting from pledges and deposits under Sections 7.02(f), (g), (k), (r), (s) and (u);

(i) other Investments by any Borrower or any Subsidiary if (i) the Payment Conditions shall have been met and (ii) no Event of Default shall have occurred and be continuing or would result therefrom;

(j) Investments constituting Permitted Business Acquisitions;

(k) intercompany loans between Subsidiaries that are not Subsidiary Loan Parties and Guarantees by such Subsidiaries to the extent permitted by Section 7.01(l);

(l) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with or judgments against, customers and suppliers, in each case in the ordinary course of business or Investments acquired by any Borrower as a result of a foreclosure by such Borrower or any of its Subsidiaries with respect to any secured Investments or other transfer of title with respect to any secured Investment in default;

(m) Investments of a Subsidiary acquired after the Closing Date or of an entity merged into any Borrower or merged into or consolidated with a Subsidiary after the Closing Date, in each case, to the extent permitted under this Section 7.04 and, in the case of any acquisition, merger, consolidation or amalgamation, in accordance with Section 7.05 to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, consolidation or amalgamation and were in existence on the date of such acquisition, merger, consolidation or amalgamation;

(n) acquisitions by any Borrower of obligations of one or more current or former officers, directors or other employees of the Holdcos, any Parent Entity, such Borrower or its Subsidiaries and their respective estates, spouses or former spouses in connection with such person's acquisition of Equity Interests of the Holdcos or any Parent Entity, so long as no cash is actually advanced by such Borrower or any of its Subsidiaries to such persons in connection with the acquisition of any such obligations;

(o) Guarantees by any Borrower or any Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by any Borrower or any Subsidiary in the ordinary course of business;

(p) Investments to the extent that payment for such Investments is made with Equity Interests of the Holdcos (or any Parent Entity);

(q) Investments in the Equity Interests of one or more newly formed persons that are received in consideration of the contribution by the Holdcos, the applicable Borrower or the applicable Subsidiary of assets (including Equity Interests and cash) to such person or persons; provided that (i) the fair market value (as determined in good faith by such Borrower) of such assets, determined on an arms'-length basis, so contributed pursuant to this paragraph (q) shall not in the aggregate exceed \$1,000,000 and (ii) in respect of each such contribution, a Responsible Officer of the applicable Borrower shall certify (x) no Default or Event of Default shall have occurred and be continuing or would result from such contribution, (y) the fair market value (as determined in good faith by such Borrower) of the assets so contributed and (z) that the requirements of clause (i) of this proviso remain satisfied;

(r) Investments consisting of Restricted Payments permitted under Section 7.06;

(s) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(t) Investments in Subsidiaries that are not Loan Parties not to exceed \$1,000,000 at any time outstanding (plus any return of capital actually received by the respective investors in respect of Investments theretofore made by them pursuant to this paragraph (u)), as valued at the fair market value (as determined in good faith by the applicable Borrower) of such Investment at the time such Investment is made;

(u) Investments consisting of the licensing or contribution of intellectual property licenses pursuant to joint marketing arrangements with other persons;

(v) Guarantees permitted under Section 7.01 (except to the extent such Guarantee is expressly subject to Section 7.04);

(w) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the applicable Borrower or Subsidiary;

(x) Investments by any Borrower and its Subsidiaries, including loans and advances, to any direct or indirect parent of such Borrower, if such Borrower or any other Subsidiary would otherwise be permitted to make a Restricted Payment in such amount ( provided that the amount of any such Investment shall also be deemed to be a Restricted Payment under the appropriate clause of Section 7.06 for all purposes of this Agreement);

(y) Investments received substantially contemporaneously in exchange for Equity Interests of the Holdcos or any Parent Entity;

(z) Investments in joint ventures not in excess of \$5,000,000 in the aggregate (plus any return of capital actually received by the respective investors in respect of Investments theretofore made by them pursuant to this clause (z)); provided that if any Investment pursuant to this clause (z) is made in any person that is not a Subsidiary of any Borrower at the date of the making of such Investment and such person becomes a Subsidiary of any Borrower after such date, such Investment shall thereafter be deemed to have been made pursuant to Section 7.04(a) and shall cease to have been made pursuant to this clause (z) for so long as such person continues to be a Subsidiary of a Borrower;

(aa) Reasonable and customary Investments (including, to the extent reasonable and customary, capital contributions, intercompany debt or other extensions of credit) in any Receivables Subsidiary in connection with any Qualified Receivables Financing; and

(bb) Industrial revenue bonds or other similar municipal bonds issued to any Borrower or any Subsidiary pursuant to arrangements of the type pursuant to which the industrial revenue bond set forth on Schedule 7.04 was issued, provided that any consideration paid by any Borrower or any Subsidiary for such bonds is applied solely for the acquisition, lease, construction, repair, replacement or improvement of property owned or leased (or to be owned or leased) by any Borrower or any Subsidiary and to pay costs and expenses in connection with such arrangements.

Section 7.05 **Mergers, Consolidations, Sales of Assets and Acquisitions**. Merge into or consolidate or amalgamate with any other person, or permit any other person to merge into or consolidate or amalgamate with it, or otherwise sell, transfer, lease or otherwise dispose (including to a Divided LLC pursuant to a Division) of (in one transaction or in a series of transactions) all or any part of

its assets (whether now owned or hereafter acquired), or issue, sell, transfer or otherwise dispose of any Equity Interests of any Borrower or any Subsidiary, or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other person or any division, unit or business of any person, except that this Section shall not prohibit:

(a) (i) the purchase and sale of inventory in the ordinary course of business by any Borrower or any Subsidiary, (ii) the acquisition or lease (pursuant to an operating lease) of any other asset in the ordinary course of business by any Borrower or any Subsidiary, (iii) the sale of surplus, obsolete or worn out equipment or other property in the ordinary course of business by any Borrower or any Subsidiary or (iv) the sale of Permitted Investments in the ordinary course of business;

(b) if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing or would result therefrom,

(i) the merger, consolidation or amalgamation of any Subsidiary with or into any Borrower or any Subsidiary Loan Party in a transaction in which the surviving or resulting entity is such Borrower or, if a Borrower is not a party to such transaction, a Subsidiary Loan Party, and no person other than a Borrower or Subsidiary Loan Party receives any consideration,;

(ii) the merger, consolidation or amalgamation of any Subsidiary that is not a Subsidiary Loan Party into or with any Subsidiary that is not a Subsidiary Loan Party,

(iii) the liquidation or dissolution or change in form of entity of any Subsidiary if the applicable Borrower determines in good faith that such liquidation, dissolution or change in form is in the best interests of such Borrower and is not materially disadvantageous to the Lenders, or

(iv) any Subsidiary may merge, consolidate or amalgamate with or into any other person in order to effect an Investment permitted pursuant to Section 7.04 so long as the continuing or surviving person shall be a Subsidiary, which shall be a Loan Party if the merging, consolidating or amalgamating Subsidiary was a Loan Party and which together with each of its Subsidiaries shall have complied with the requirements of Section 6.10;

(c) sales, transfers, leases or other dispositions to a Borrower or a Subsidiary (upon voluntary liquidation or otherwise); provided that any sales, transfers, leases or other dispositions by a Loan Party to a Subsidiary that is not a Subsidiary Loan Party in reliance on this paragraph (c) shall be made in compliance with Section 7.07 and the aggregate gross proceeds of any such sales, transfers, leases or other dispositions plus the aggregate fair market value of any or all assets sold, transferred, leased, licensed or otherwise disposed of in reliance on clause (g) below, shall not exceed, in any fiscal year of the Borrowers, \$5,000,000;

(d) Sale and Lease Back Transactions permitted by Section 7.03;

(e) Investments permitted by Section 7.04 and Permitted Liens and Restricted Payments permitted by Section 7.06;

(f) the sale or other disposition of defaulted receivables and the compromise, settlement and collection of receivables in the ordinary course of business or in bankruptcy or other proceedings concerning the other account party thereon and not as part of an accounts receivables financing transaction;

(g) sales, transfers, leases, licenses or other dispositions of assets not otherwise permitted by this Section 7.05 (or required to be included in this clause (g) pursuant to Section 7.05(c)); provided that (i) the aggregate gross proceeds (including non-cash proceeds) of any or all assets sold, transferred, leased, licensed or otherwise disposed of in reliance upon this clause (g) shall not exceed, in any fiscal year of the Borrowers, \$10,000,000 and (ii) no Default or Event of Default exists or would result therefrom;

(h) Permitted Business Acquisitions (including any merger, consolidation or amalgamation in order to effect a Permitted Business Acquisition); provided that following any such merger, consolidation or amalgamation (i) involving a Borrower, such Borrower is the surviving corporation or such merger, consolidation or amalgamation shall otherwise satisfy the requirements of subsection (b)(i) above and (ii) involving a Subsidiary Loan Party, the surviving or resulting entity shall be a Subsidiary Loan Party that is a Wholly Owned Subsidiary;

(i) leases, licenses (on a non-exclusive basis with respect to intellectual property), or subleases or sublicenses (on a non-exclusive basis with respect to intellectual property) of any real or personal property in the ordinary course of business;

(j) sales, leases or other dispositions of inventory of any Borrower and its Subsidiaries determined by the management of such Borrower to be no longer useful or necessary in the operation of the business of such Borrower or any of its Subsidiaries;

(k) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract tort or other claims of any kind to the extent that any of the foregoing could not reasonably be expected to have a Material Adverse Effect;

(l) any exchange of assets for services and/or other assets of comparable or greater value; provided that (i) at least 90% of the consideration received by the transferor consists of assets that will be used in a business or business activity permitted hereunder, (ii) in the event of a swap with a fair market value (as determined in good faith by the applicable Borrower) in excess of \$2,000,000, the Administrative Agent shall have received a certificate from a Responsible Officer of such Borrower with respect to such fair market value and (iii) in the event of a swap with a fair market value (as determined in good faith by the applicable Borrower) in excess of \$5,000,000, such exchange shall have been approved by at least a majority of the Board of Directors of the applicable Holdco or such Borrower; provided that (A) the aggregate gross consideration (including exchange assets, other non-cash consideration and cash proceeds) of any or all assets exchanged in reliance upon this paragraph (n) shall not exceed, in any fiscal year of the Borrowers, \$10,000,000 and (B) no Default or Event of Default exists or would result therefrom;

(m) any disposition of Equity Interests of a Subsidiary pursuant to an agreement or other obligation with or to a person (other than each Borrower and its Subsidiaries) from whom such Subsidiary was acquired or from whom such Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition) in a Permitted Business Acquisition, made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(n) any merger, consolidation, conveyance, transfer, lease or other disposition of the Equity Interests of, or undertaken by, Wise Alloys Finance Corporation or Listerhill Total Maintenance Center, LLC, so long as the assets attributable to such entities do not have a book value or fair market value in an aggregate amount in excess of \$4,000,000 measured at the time of each such disposition; and

(o) with respect to any Receivables Subsidiary, the sale of all or substantially all of the applicable receivables of such Receivables Subsidiary in one or more transactions pursuant to any Qualified Receivables Financing.

Notwithstanding anything to the contrary contained in Section 7.05 above, (i) no sale, transfer or other disposition of assets shall be permitted by this Section 7.05 (other than sales, transfers, leases, licenses or other dispositions to Loan Parties pursuant to paragraph (c) of this Section 7.05 or any Sale and Lease Back Transaction permitted by Section 7.03(b)) unless such disposition is for fair market value (as determined in good faith by the applicable Borrower), or if not fair market value, the shortfall is permitted as an Investment under Section 7.04, (ii) no sale, transfer or other disposition of assets in excess of \$1,000,000 shall be permitted by paragraph (e) of this Section 7.05 unless such disposition is for at least 75% cash consideration; provided that, for purposes of this clause (ii), (a) the amount of any liabilities (as shown on any Borrower's or any Subsidiary's most recent balance sheet delivered pursuant to Section 6.04(c)) of any Borrower or any Subsidiary of any Borrower (other than liabilities that are by their terms subordinated to the ABL Credit Obligations) that are assumed by the transferee of any such assets, (b) any notes or other obligations or other securities or assets received by such Borrower or such Subsidiary of such Borrower from such transferee that are converted by such Borrower or such Subsidiary of such Borrower into cash within 180 days of the receipt thereof (to the extent of the cash received) and (c) any Designated Non-Cash Consideration received by such Borrower or any of its Subsidiaries in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed \$5,000,000 at the time of the receipt of such Designated Non-Cash Consideration (with the fair market value (as determined in good faith by the applicable Borrower) of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value) shall be deemed to be cash and (iii) in respect of any sale, transfer or other disposition of Accounts and/or Inventory made in any case outside of the ordinary course of business of any Borrower or any other applicable Loan Party, such Borrower shall notify the Administrative Agent thereof in writing and the amount set forth in clause (x) of the definition of "Borrowing Base" shall be reduced by the Net Proceeds thereof until receipt by the Administrative Agent of the next Borrowing Base Certificate delivered pursuant to Section 6.13 hereof. To the extent any Collateral is disposed of in a transaction expressly permitted by this Section 7.05 to any Person other than the Holdcos, the Borrowers or any Subsidiary, such Collateral shall be sold free and clear of the Liens created by the Loan Documents, and the Administrative Agent shall take, and shall be authorized by each Lender to take, any actions reasonably requested by the applicable Borrower in order to evidence the foregoing.

**Section 7.06 Dividends and Distributions.** Declare or pay any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any of its Equity Interests (other than dividends and distributions on Equity Interests payable solely by the issuance of additional Equity Interests (other than Disqualified Stock) of the person paying such dividends or distributions) or directly or indirectly redeem, purchase, retire or otherwise acquire for value (or permit any Subsidiary to purchase or acquire) any of its Equity Interests or set aside any amount for any such purpose (other than through the issuance of additional Equity Interests (other than Disqualified Stock) of the person redeeming, purchasing, retiring or acquiring such shares) (the foregoing, "Restricted Payments"); provided, however, that:

(a) any Subsidiary of any Borrower may make Restricted Payments to such Borrower or to any Wholly Owned Subsidiary of such Borrower (or, in the case of non- Wholly Owned Subsidiaries, to such Borrower or any Subsidiary that is a direct or indirect parent of such Subsidiary and to each other owner of Equity Interests of such Subsidiary on a *pro rata* basis (or more favorable basis from the perspective of such Borrower or such Subsidiary) based on their relative ownership interests so long as any repurchase of its Equity Interests from a person that is not such Borrower or a Subsidiary is permitted under Section 7.04);



(b) each Borrower may make Restricted Payments to any Holdco in respect of (i) overhead, legal, accounting and other professional fees and expenses of such Holdco, (ii) fees and expenses related to any public offering or private placement of debt or equity securities of such Holdco whether or not consummated, (iii) franchise Taxes or similar Taxes and fees and expenses in connection with the maintenance of such Holdco's existence and such Holdco's ownership of such Borrower, (iv) payments permitted by Section 7.07(b), (v) the portion (which shall be 100% for so long as such Holdco owns no assets other than the Equity Interests in such Borrower) of the tax liability to each relevant jurisdiction in respect of consolidated, combined, unitary or affiliated returns for the relevant jurisdiction of such Holdco attributable to such Borrower or its Subsidiaries, (vi) tax liabilities of such Holdco incurred as a result of transactions occurring prior to the Closing Date, and (vii) customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Holdco, in each case in order to permit such Holdco to make such payments; provided that, in the case of clauses (i), (ii) and (iii), the amount of such Restricted Payments shall not exceed the portion of any amounts referred to in such clauses (i), (ii) and (iii) that are allocable to such Borrower and its Subsidiaries (which shall be 100% for so long as such Holdco, owns no assets other than the Equity Interests in such Borrower);

(c) non-cash repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(d) each Borrower may make Restricted Payments to any Holdco or any Parent Entity to finance any Investment permitted to be made pursuant to Section 7.04; provided that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment and (ii) such parent shall, immediately following the closing thereof, cause (A) all property acquired (whether assets or Equity Interests) to be contributed to such Borrower or a Subsidiary or (B) the merger, consolidation or amalgamation (to the extent permitted in Section 7.05) of the Person formed or acquired into such Borrower or a Subsidiary in order to consummate such Permitted Business Acquisition or Investment, in each case, in accordance with the requirements of Section 6.10;

(e) Restricted Payments made within 60 days after the date of declaration thereof, if at the date of declaration such payment would have been permitted under (and was counted against any applicable basket under) this Agreement; and

(f) each Borrower may make any Restricted Payment; provided that (x) no Event of Default shall have occurred and be continuing or would result therefrom and (y) the Payment Conditions shall have been satisfied.

**Section 7.07 Transactions with Affiliates.** (a) Sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transaction with, any of its Affiliates or any known direct or indirect holder of 10% or more of any class of capital stock of the Holdcos or any Borrower in a transaction involving aggregate consideration in excess of \$1,000,000, unless such transaction is (i) otherwise permitted (or required) under this Agreement or (ii) upon terms no less favorable to such Borrower or such Subsidiary, as applicable, than would be obtained in a comparable arm's length transaction with a person that is not an Affiliate. For purposes of this Section 7.07, any transaction with any Affiliate or any such 10% holder shall be deemed to have satisfied the standard set forth in clause (ii) of the immediately preceding sentence if such transaction is approved by a majority of the disinterested members of the Board of Directors of the Holdcos or such Borrower.

- (b) The foregoing paragraph (a) shall not prohibit, to the extent otherwise permitted under this Agreement,
- (i) any issuance of securities, or other payments, loans (or cancellation of loans), awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, equity purchase agreements, stock options and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Holdcos or of any Borrower,
  - (ii) loans or advances to employees or consultants of the Holdcos (or any Parent Entity), any Borrower or any of its Subsidiaries in accordance with Section 7.04(d),
  - (iii) transactions among any Borrower or any Subsidiary or any entity that becomes a Loan Party as a result of such transaction (including via merger, consolidation or amalgamation in which a Subsidiary is the surviving entity),
  - (iv) the payment of fees, reasonable out-of-pocket costs and indemnities to directors, officers, consultants and employees of the Holdcos, any Parent Entity, any Borrower and its Subsidiaries in the ordinary course of business (limited, in the case of the Holdcos or any Parent Entity, to the portion of such fees and expenses that are allocable to the applicable Borrower and its Subsidiaries),
  - (v) (A) any employment agreements entered into by any Borrower or any of its Subsidiaries in the ordinary course of business, (B) any subscription agreement or similar agreement pertaining to the repurchase of Equity Interests pursuant to put/call rights or similar rights with employees, officers or directors, and (C) any employee compensation, benefit plan or arrangement, any health, disability or similar insurance plan which covers employees, and any reasonable employment contract and transactions pursuant thereto,
  - (vi) Restricted Payments permitted under Section 7.06, including payments to the Holdcos (and any Parent Entity),
  - (vii) any purchase by a Holdco of the Equity Interests of the applicable Borrower, or contributions by a Holdco to the capital of the applicable Borrower; provided that any Equity Interests of such Borrower purchased by such Holdco shall be pledged to the Administrative Agent on behalf of the Lenders pursuant to the Collateral Agreement,
  - (viii) transactions with Wholly Owned Subsidiaries for the purchase or sale of goods, products, parts and services entered into in the ordinary course of business in a manner consistent with past practice,
  - (ix) any transaction in respect of which any Borrower delivers to the Administrative Agent (for delivery to the Lenders) a letter addressed to the Board of Directors of such Borrower from an accounting, appraisal or investment banking firm, in each case of nationally recognized standing that is (A) in the good faith determination of such Borrower qualified to render such letter and (B) reasonably satisfactory to the Administrative Agent, which letter states that such transaction is on terms that are no less favorable to such Borrower or such Subsidiary, as applicable, than would be obtained in a comparable arm's length transaction with a person that is not an Affiliate,

(x) transactions with joint ventures for the purchase or sale of goods, equipment and services entered into in the ordinary course of business,

(xi) without duplication of any amounts otherwise paid with respect to Taxes, payments by the Holdcos (and any Parent Entity), any Borrower and its Subsidiaries pursuant to tax sharing agreements among the Holdcos (and any such Parent Entity), such Borrower and its Subsidiaries on customary terms that require each party to make payments when such Taxes are due or refunds received of amounts equal to the income tax liabilities and refunds generated by each such party calculated on a separate return basis and payments to the party generating tax benefits and credits of amounts equal to the value of such tax benefits and credits made available to the group by such party,

(xii) the provision to subsidiaries, or by Affiliates, of cash management, accounting and other overhead services in the ordinary course of business undertaken in good faith (as certified in an officer's certificate executed by a Responsible Officer of the applicable Borrower) and not for the purpose of circumventing any covenant set forth in this Agreement,

(xiii) intercompany transactions undertaken in good faith (as certified in an officer's certificate executed by a Responsible Officer of the applicable Borrower) for the purpose of improving the consolidated tax efficiency of such Borrower and its Subsidiaries and not for the purpose of circumventing any covenant set forth in this Agreement, or

(xiv) any transactions between or among any Holdco, Borrower or any of its Subsidiaries and any other Constellium Entity.

Section 7.08 **Business of the Borrowers and their respective Subsidiaries.** Notwithstanding any other provisions hereof, engage at any time in any business or business activity other than any business or business activity conducted by any of them on the Closing Date and any business or business activities incidental or related thereto, or any business or activity that is reasonably similar or complementary thereto or a reasonable extension, development or expansion thereof or ancillary thereto.

Section 7.09 **Limitation on Modifications of Indebtedness; Modifications of Certificate of Incorporation, By Laws and Certain Other Agreements; etc.** (a) Amend or modify in any manner materially adverse to the Lenders (as determined in good faith by the Administrative Agent), or grant any waiver or release under or terminate in any manner (if such granting or termination shall be materially adverse to the Lenders taken as a whole (as determined in good faith by the Administrative Agent)), the articles or certificate of incorporation, by laws, limited liability company operating agreement, partnership agreement or other organizational documents of any Borrower or any of its Subsidiaries.

(b) (i) Make, or agree or offer to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest (x) on any Indebtedness for borrowed money on which a Borrower or a Subsidiary of a Borrower is a primary obligor, prior to its scheduled maturity or scheduled payment date, except for (A) the ABL Finance Obligations, (B) Refinancings with the proceeds of Permitted Refinancing Indebtedness, (C) prepayments of other Indebtedness (excluding any Indebtedness which by its terms is subordinated in right of payment to the ABL Credit Obligations) in amounts not to exceed \$1,000,000 in the aggregate, (D) prepayments of intercompany Indebtedness of the Loan Parties owed to Ultimate Parent or any of its Subsidiaries, provided, that (I) no Event of Default has occurred and is continuing or would result therefrom and (II) the Payment Conditions shall have been satisfied, (E) other prepayments of

Indebtedness in amounts not to exceed \$10,000,000 in the aggregate, provided, that (I) no Event of Default has occurred and is continuing or would result therefrom and (II) the Payment Conditions shall have been satisfied, (F) Refinancings of the Indebtedness evidenced by or arising under the CF Intercompany Loan Agreement with the proceeds from any Sale and Lease Back Transaction permitted by Section 7.03(b) and (G) prepayments of Indebtedness owed by any Borrower or any Subsidiary of a Borrower to any other Borrower or Subsidiary of any Borrower or (y) on any Indebtedness permitted by Section 7.01(e) (other than intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations among Ultimate Parent and its subsidiaries), on its scheduled maturity date, other than (A) any Refinancing of the Indebtedness evidenced by or arising under the CF Intercompany Loan Agreement with the proceeds from any Sale and Lease Back Transaction permitted by Section 7.03(b), and (B) any other payment if, in the case of this clause (B), (I) no Event of Default has occurred and is continuing or would result therefrom and (II) the Payment Conditions shall have been satisfied; or

(ii) Amend or modify, or permit the amendment or modification of, (A) any provision of any Secured Notes Document, except to the extent permitted by the Secured Notes Intercreditor Agreement or (B) any provision of Junior Financing, or any agreement, document or instrument evidencing or relating thereto, other than amendments or modifications that (1) are not in any manner materially adverse to the Revolving Facility Lenders and that do not affect the subordination or payment provisions thereof (if any) in a manner adverse to the Revolving Facility Lenders and (2) otherwise comply with the definition of "Permitted Refinancing Indebtedness"; *provided*, that any refusal of Bowling Green to elect to pay interest "in kind" under the Ravenswood Holdings Intercompany Loan Agreement on or before January 15, 2021, and any other notice under or amendment or modification of the Ravenswood Holdings Intercompany Loan Agreement permitting or requiring Bowling Green to make any payment in cash in respect of interest accrued thereunder on or before January 15, 2021, in each case, shall be deemed materially adverse to the Revolving Facility Lenders and shall be prohibited by this Section 7.09(b)(ii) notwithstanding the foregoing clauses (1) and (2).

(c) Permit any Material Subsidiary to enter into any agreement or instrument that by its terms restricts (i) the payment of dividends or distributions or the making of cash advances to any Borrower or any Subsidiary that is a direct or indirect parent of such Subsidiary or (ii) the granting of Liens by any Borrower or such Material Subsidiary pursuant to the Security Documents, in each case other than those arising under any Loan Document, except, in each case, restrictions existing by reason of:

(A) restrictions imposed by applicable law;

(B) contractual encumbrances or restrictions in effect on the Closing Date under Indebtedness existing on the Closing Date and set forth on Schedule 7.01 or any agreements related to any Permitted Refinancing Indebtedness in respect of any such Indebtedness that does not expand the scope of any such encumbrance or restriction;

(C) any restriction on a Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Equity Interests or assets of a Subsidiary pending the closing of such sale or disposition;

(D) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business;

(E) any restrictions imposed by any agreement relating to secured Indebtedness permitted by this Agreement to the extent that such restrictions apply only to the property or assets securing such Indebtedness;

(F) customary provisions contained in leases or licenses of intellectual property and other similar agreements entered into in the ordinary course of business;

(G) customary provisions restricting subletting or assignment of any lease governing a leasehold interest;

(H) customary provisions restricting assignment of any agreement entered into in the ordinary course of business;

(I) customary restrictions and conditions contained in the document relating to any Lien, so long as (1) such Lien is a Permitted Lien in an amount less than \$5,000,000 and such restrictions or conditions relate only to the specific asset subject to such Lien, and (2) such restrictions and conditions are not created for the purpose of avoiding the restrictions imposed by this Section 7.09;

(J) customary net worth provisions contained in Real Property leases entered into by Subsidiaries of any Borrower, so long as such Borrower has determined in good faith that such net worth provisions would not reasonably be expected to impair the ability of such Borrower and its Subsidiaries to meet their ongoing obligations;

(K) any agreement in effect at the time such subsidiary becomes a Subsidiary, so long as such agreement was not entered into in contemplation of such person becoming a Subsidiary other than Subsidiaries of such new Subsidiary;

(L) restrictions in agreements representing Indebtedness permitted under Section 7.01 of a Subsidiary of any Borrower that is not a Subsidiary Loan Party;

(M) customary restrictions on leases, subleases, licenses or Equity Interests or asset sale agreements otherwise permitted hereby as long as such restrictions relate to the Equity Interests and assets subject thereto;

(N) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business; or

(O) any encumbrances or restrictions of the type referred to in Sections 7.09(c)(i) and 7.09(c)(ii) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (A) through (N) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the applicable Borrower, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 7.10 **Margin Stock; Use of Proceeds**. (a) No Loan Party shall, and no Loan Party shall suffer or permit any of its Subsidiaries to, use any portion of the Loan proceeds, directly or indirectly, to purchase or carry Margin Stock or repay or otherwise refinance Indebtedness of any Loan Party or others incurred to purchase or carry Margin Stock, or otherwise in any manner which is in contravention of any applicable Law or in violation of this Agreement.

(b) No Borrower shall, nor shall it permit any other Loan Party or any other Subsidiary to, use any proceeds of the Loans or any Letter of Credit in a manner that would make the representations and warranties referred to in Sections 4.25 and 4.26 fail to be true and correct in all material respects at any time.

Section 7.11 **Holdcos Covenants**. Each Holdco covenants and agrees with each Lender that unless and until (i) all Commitments shall have been terminated and (ii) all ABL Credit Obligations arising under the Loan Documents (other than contingent obligations for unasserted claims) shall have been repaid, unless the Required Lenders shall otherwise consent in writing, no Holdco (x) will create, incur, assume or permit to exist any Lien (other than Liens of a type described in Section 7.02(b), (d), (e) or (k)) on any of the Equity Interests issued by the applicable Borrower other than the Liens created under the Loan Documents or (y) will merge into or consolidate or amalgamate with any other person, or permit any other person to merge into or consolidate or amalgamate with it, or otherwise sell, transfer, lease or otherwise dispose (including to a Divided LLC pursuant to a Division) of (in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired), or issue, sell, transfer or otherwise dispose of any Equity Interests of any Borrower, except that (1) each Constellium Holding Company shall be permitted to merge into or consolidate or amalgamate with any other Subsidiary of Ultimate Parent that is organized under the laws of the United States or any political subdivision, state, or province thereof, in a transaction in which any Constellium Holding Company or such Subsidiary is the surviving or resulting entity, (2) Parent Guarantor shall be permitted to merge into, or convert its jurisdiction of formation to, any Subsidiary of Ultimate Parent organized under the laws of the European Union, Switzerland, or United States or any political subdivision, state, or province thereof, and (3) each Constellium Holding Company shall be permitted to issue, sell, transfer or otherwise dispose of the Equity Interests of any Borrower to any other Constellium Holding Company, provided that, in the case of clauses (1) and (2), the applicable surviving Person (if other than the applicable Holdco) shall promptly reaffirm its obligations, and, as applicable, its grant of security interests, under the Guaranty and the Collateral Agreement, as applicable, and otherwise comply with Section 6.10 to ensure that such Person remains a Loan Party or the Parent Guarantor hereunder, as applicable, and in the case of clause (2), shall promptly deliver to the Administrative Agent a favorable written opinion of its legal counsel qualified in its jurisdiction of organization addressed to the Administrative Agent, the Lenders and the L/C Issuer, which shall be in form and substance reasonably satisfactory to the Administrative Agent and covering such matters as the Administrative Agent shall reasonably request.

Section 7.12 **Financial Covenants**. If a Financial Covenant Triggering Event has occurred and is continuing:

(a) permit the Fixed Charge Coverage Ratio to be less than 1.0 to 1.0 for the most recently ended four fiscal quarters for which the Administrative Agent has received financial statements pursuant to Section 6.04(a) or (b); or

(b) permit the Minimum Borrower EBITDA Contribution to be less than 25% for the four most recently ended fiscal quarters for which the Administrative Agent has received financial statements pursuant to Section 6.04(a) or (b).

**ARTICLE VIII  
EVENTS OF DEFAULT**

Section 8.01 **Events of Default.** In case of the happening of any of the following events (each, an “Event of Default”):

(a) any representation or warranty made or deemed made by the Holdcos, any Borrower or any other Loan Party herein or in any other Loan Document or any certificate or document delivered pursuant hereto or thereto shall prove to have been false or misleading in any material respect (without duplication of other materiality qualifiers contained therein) when so made or deemed made;

(b) default shall be made in the payment of any principal of any Loan or any L/C Obligation or the deposit of any funds as Cash Collateral in respect of L/C Obligations when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any L/C Obligation or in the payment of any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of five Business Days;

(d) default shall be made in the due observance or performance by the Holdcos, any Borrower or any of its Subsidiaries of any covenant, condition or agreement contained in any of Section 6.01(a), 6.05(i), 6.08 or 6.10(h), 6.12 or in Article VII;

(e) default shall be made in the due observance or performance by the Holdcos, any Borrower or any of its Subsidiaries of any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraphs (b), (c) and (d) above) and such default shall continue unremedied for a period of 30 days (or (i) 60 days if such default results solely from a Foreign Subsidiary’s failure to duly observe or perform any such covenant, condition or agreement; (ii) 5 Business Days in the case of any covenant, condition or agreement contained in Section 6.07, 6.11 or 6.13 or (iii) 10 Business Days in the case of any covenant, condition or agreement contained in Section 6.04) after notice thereof from the Administrative Agent to any Borrower;

(f) (i) any Loan Party, the Parent Guarantor or any Subsidiary of any thereof (A) fails to make payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and beyond any applicable grace period, regardless of amount, in respect of the Secured Notes Obligations or any Material Indebtedness (other than in respect of Swap Contracts), (B) fails to perform or observe any other condition or covenant, or any other event shall occur or condition shall exist, under any agreement or instrument relating to the Secured Notes Obligations or any Material Indebtedness, if the effect of such failure, event or condition (giving effect to any applicable grace period) is to cause, or to permit the holder or holders or beneficiary or beneficiaries of the Secured Notes Obligations or such Material Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, the Secured Notes Obligations or such Material Indebtedness to be declared to be due and payable prior to its stated maturity or (C) shall be required by the terms of the Secured Notes Obligations or such Material Indebtedness to offer to prepay or repurchase such Secured Notes Obligations or Material Indebtedness (or any portion thereof) prior to the stated maturity thereof; or (ii) there occurs under any Swap Contract or Swap Obligation an Early Termination Date (as defined in such Swap Contract) resulting from any event of default under such Swap Contract as to which any Loan Party, the Parent Guarantor or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) and the Swap Termination Value owed by a Loan Party, the Parent Guarantor or any Subsidiary

thereof as a result thereof is greater than \$ 15,000,000 (in the case of Borrower and its Subsidiaries) or \$50,000,000 (in the case of any other Loan Party, the Parent Guarantor or Subsidiary thereof); provided that this clause (f) shall not apply to secured Indebtedness that becomes due, or which any Loan Party or the Parent Guarantor shall be required to prepay or repurchase, as a result of the sale or transfer (including by way of condemnation or casualty) of the property or assets securing such Indebtedness if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness;

(g) there shall have occurred a Change in Control;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Holdcos, any Borrower or any of its Subsidiaries, or of a substantial part of the property or assets of the Holdcos, any Borrower or any Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Holdcos, any Borrower or any of its Subsidiaries or for a substantial part of the property or assets of the Holdcos, any Borrower or any of its Subsidiaries or (iii) the winding up or liquidation of the Holdcos, any Borrower or any Subsidiary (except, in the case of any Subsidiary, in a transaction permitted by Section 7.05); and, in each case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Holdcos, any Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (h) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Holdcos, any Borrower or any of its Subsidiaries or for a substantial part of the property or assets of the Holdcos, any Borrower or any Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) become unable or admit in writing its inability or fail generally to pay its debts as they become due;

(j) the failure by the Holdcos, any Borrower or any Subsidiary to pay one or more final judgments aggregating in excess of \$15,000,000 (in the case of a Borrower and its Subsidiaries) or \$50,000,000 (in the case of any other Loan Party, the Parent Guarantor or Subsidiary of any thereof) (in each case to the extent not covered by insurance), which judgments are not discharged or effectively waived or stayed for a period of 45 consecutive days;

(k) (i) a trustee shall be appointed by a United States district court to administer any Plan, (ii) an ERISA Event or ERISA Events shall have occurred, (iii) the PBGC shall institute proceedings (including giving notice of intent thereof) to terminate any Plan or Plans, (iv) the Holdcos, any Borrower or any Subsidiary or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is insolvent or is being terminated, within the meaning of Title IV of ERISA, (v) the Holdcos, any Borrower or any Subsidiary shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to have a Material Adverse Effect;

(l) (i) any Loan Document shall for any reason be asserted in writing by the Holdcos, any Borrower or any Subsidiary not to be a legal, valid and binding obligation of any party thereto, (ii) any security interest purported to be created by any Security Document and to extend to assets



that are not immaterial to the Holdcos, any Borrower and its Subsidiaries on a consolidated basis shall cease to be, or shall be asserted in writing by any Borrower or any other Loan Party not to be, a valid and perfected security interest (perfected as or having the priority required by this Agreement or the relevant Security Document and subject to such limitations and restrictions as are set forth herein and therein) in the securities, assets or properties covered thereby, except to the extent that any such loss of perfection or priority results from the limitations of foreign laws, rules and regulations as they apply to pledges of Equity Interests in Foreign Subsidiaries or the application thereof, or from the failure of the Administrative Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Agreement or to file Uniform Commercial Code continuation statements or take the actions described on Schedule 4.04 and except to the extent that such loss is covered by a lender's title insurance policy and the Administrative Agent shall be reasonably satisfied with the credit of such insurer, or (iii) the Guarantees pursuant to the Security Documents by the Holdcos, the Borrowers or the Subsidiary Loan Parties of any of the ABL Finance Obligations shall cease to be in full force and effect (other than in accordance with the terms thereof), or shall be asserted in writing by the Holdcos or any Borrower or any Subsidiary Loan Party not to be in effect or not to be legal, valid and binding obligations; or

(m) the PBGC Intercreditor Agreement, the Muscle Shoals Intercreditor Agreement, the Bowling Green Current Assets Access Agreement or the Ravenswood Intercreditor Agreement, or any provision thereof, shall cease to be in full force and effect (except in accordance with its terms), or any of the Loan Parties or the Parent Guarantor party thereto shall deny or disaffirm their respective obligations thereunder or default in the due performance or observance of any term, covenant or agreement on their part to be performed or observed pursuant to the terms thereof;

(n) then, and in every such event (other than an event with respect to any Borrower described in paragraph (h) or (i) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to the Borrowers, take any or all of the following actions, at the same or different times: (i) terminate forthwith the Commitments (and any obligations to make L/C Credit Extensions), (ii) declare the Loans and L/C Obligations then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans and the L/C Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, (iii) require that the Borrowers Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto), and (iv) exercise all rights and remedies granted to it under any Loan Document and all its rights under any other applicable law or in equity; and in any event with respect to the applicable Borrower described in paragraph (h) or (i) above, the Commitments (and any obligations to make L/C Credit Extensions) shall automatically terminate, the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Section 8.02 **Exclusion of Immaterial Subsidiaries**. Solely for the purposes of determining whether an Event of Default has occurred under clause (h), (i), (j) or (l) of Section 8.01, any reference in any such clause to any Subsidiary shall be deemed not to include any Immaterial Subsidiary affected by any event or circumstance referred to in any such clause.

Section 8.03 **Application of Funds**. After the exercise of remedies provided for in Section 8.01 (or after the Loans have automatically become immediately due and as set forth in Section 8.01), any amounts received on account of the ABL Finance Obligations shall, subject to the provisions of Section 2.17 and the Intercreditor Agreements, be applied by the Administrative Agent in the following order:

*first*, to payment of that portion of the ABL Finance Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

*second*, to payment of that portion of the ABL Finance Obligations constituting accrued and unpaid interest and unpaid principal of the Swing Line Loans payable to the Swing Line Lender and Agent Advances payable to the Administrative Agent, ratably among the Swing Line Lender and Administrative Agent in proportion to the respective amounts described in this clause Second held by them;

*third*, to payment of that portion of the ABL Finance Obligations constituting accrued and unpaid Letter of Credit Fees and unpaid principal of the L/C Borrowings, ratably among the L/C Issuers in proportion to the respective amounts described in this clause Third held by them;

*fourth*, to payment of that portion of the ABL Finance Obligations constituting fees, indemnities and other amounts (other than amounts paid under preceding clauses) payable to the Lenders and the L/C Issuers arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Fourth payable to them;

*fifth*, to the Administrative Agent for the account of the L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrowers pursuant to Sections 2.05 and 2.16;

*sixth*, to payment of that portion of the ABL Finance Obligations, other than amounts paid under preceding clauses, constituting (i) accrued and unpaid interest on the Loans and other ABL Credit Obligations and (ii) unpaid principal of the Loans, in each case, ratably among the Lenders in proportion to the respective amounts described in this clause Sixth held by them;

*seventh*, to payment of that portion of the ABL Finance Obligations constituting unpaid amounts then owing under Secured Hedge Agreements and Secured Cash Management Agreements, ratably among the relevant Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Seventh held by them; and

*last*, the balance, if any, after all of the ABL Finance Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by Law.

Subject to Sections 2.05(c) and 2.16, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other ABL Finance Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, ABL Finance Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a “Lender” party hereto.

## ARTICLE IX THE AGENCY PROVISIONS

### Section 9.01 **Appointment and Authority**.

(a) **Administrative Agent**. Each of the Lenders (in its capacities as a Lender and on behalf of itself and its Affiliates as a potential Hedge Bank and a potential Cash Management Bank) and L/C Issuers hereby irrevocably appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto (including, without limitation, the making of one or more Agent Advances). The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and L/C Issuers. No Borrower shall have rights as a third party beneficiary of any of such provisions (except as expressly provided in Section 9.06). It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) **Collateral Agent**. The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (in its capacities as a Lender on behalf of itself and its Affiliates and as a potential Hedge Bank and a potential Cash Management Bank) and L/C Issuers hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and L/C Issuers for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the ABL Finance Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents (and subject to the Intercreditor Agreements), or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c)), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

Section 9.02 **Rights as a Lender**. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person

serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.03 **Exculpatory Provisions**. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

- (i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
- (ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and
- (iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.01) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by a Borrower, a Lender or an L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the value or the sufficiency of any Collateral or (vi) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 9.04 **Reliance by Administrative Agent**. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate,

consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or L/C Issuer prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for a Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.05 **Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 9.06 **Resignation of Administrative Agent.**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (iv) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrowers and such Person remove such Person as Administrative Agent and, in consultation with the Borrowers, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments or

other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

(d) Any resignation by Wells Fargo as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Wells Fargo resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it which are outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.05(c). If Wells Fargo resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrowers of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, issued by the retiring L/C Issuer which are outstanding at the time of such succession or make other arrangements satisfactory to Wells Fargo to effectively assume the obligations of Wells Fargo with respect to such Letters of Credit.

Section 9.07 **Non-Reliance on Administrative Agent and Other Lenders**. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent, any arranger of this credit facility or any amendment thereto or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent, any arranger of this credit facility or any amendment thereto or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.08 **No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the Joint Bookrunners, Joint Lead Arrangers or Co-Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder, but all such parties shall be entitled to the benefits of this Article IX.

Section 9.09 **Administrative Agent May File Proofs of Claim**. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party or the Parent Guarantor, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other ABL Credit Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.05(h) and (j), 2.12 and 10.04) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.12 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the ABL Finance Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 9.10 **Collateral and Guaranty Matters**. Without limiting the provisions of Section 9.09 each of the Lenders (in its capacities as a Lender and as a potential Cash Management Bank and a potential Hedge Bank) and the L/C Issuers irrevocably authorizes the Administrative Agent, at its option and in its discretion, to:

(i) release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (A) upon the Facility Termination Date, (B) with respect to any property that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document or (C) if approved, authorized or ratified in writing in accordance with Section 10.01;

(ii) release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents;

(iii) subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.02(a), (b), (c), (i) or (j); and

(iv) execute and deliver the Intercreditor Agreements and any amendments, supplements or joinders thereto, including any intercreditor agreement necessary or desirable to permit the incurrence by the Loan Parties of secured indebtedness permitted to be incurred hereunder with the priority permitted hereunder and perform its obligations and duties, and exercise its rights and remedies, thereunder.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Borrowers' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Agreement and the other Loan Documents or to subordinate its interest in such item, or to release such Subsidiary Loan Party from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

In addition, the Administrative Agent and the Secured Parties agree to release all Liens over any accounts receivable in connection with their transfer to a Receivables Subsidiary or their sale, transfer or pledge under any Qualified Receivables Financing permitted to be entered into pursuant to the Loan Documents, and will execute any documents and prepare and make any filings reasonably requested by the Borrowers (at the sole cost and expense of the Borrowers), and in form and substance approved by Agent in its reasonable discretion, as may be necessary to evidence such release.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Without limiting the foregoing, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the ABL Finance Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent or Collateral Agent on behalf of the Secured Parties in accordance with the terms thereof. In the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including any sale or disposition conducted under a plan of reorganization), any Secured Party may be the purchaser of any or all of such Collateral at any such sale or other disposition, and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender, Hedge Bank or Cash Management Bank in its or their respective individual capacities) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale, to use and apply any of the ABL Finance Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent on behalf of the Secured Parties at such sale or other disposition. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the ABL Finance Obligations provided under the Loan Documents, to have agreed to the foregoing provisions. The provisions of this paragraph are for the sole benefit of the Secured Parties and shall not afford any right to, or constitute a defense available to, any Loan Party. The Administrative Agent, in its capacity as "ABL Collateral Agent" under the PBGC Intercreditor Agreement, in its capacity



as “ABL Agent” under the Muscle Shoals Intercreditor Agreement and in its capacity as “ABL Agent” under the Ravenswood Intercreditor Agreement shall be entitled to all rights, privileges, protections, immunities, benefits and indemnities provided to the Administrative Agent under this Article IX and under Section 10.04.

Section 9.11 **Secured Hedge Agreements and Secured Cash Management Agreements**. Except as otherwise expressly set forth herein or in any Guaranty or any Security Document, no Hedge Bank or Cash Management Bank that obtains the benefits of Section 8.01, the Guaranty or any Collateral by virtue of the provisions hereof or of the Guaranty or any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, ABL Finance Obligations arising under Secured Hedge Agreements and Secured Cash Management Agreements unless the Administrative Agent has received written notice of such ABL Finance Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedge Bank or Cash Management Bank, as the case may be.

Section 9.12 **Certain ERISA Matters**.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of the Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

## ARTICLE X MISCELLANEOUS

Section 10.01 **Amendments, Etc.** Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent with the consent or ratification of the Required Lenders or such other number or percentage of Lenders as may be specified herein) and the applicable Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that (x) the Administrative Agent and each Borrower may, with the consent of the Administrative Agent and each Borrower, amend, modify or supplement this Agreement and any other Loan Document to cure any ambiguity, omission, typographical error, mistake, defect or inconsistency if such amendment, modification or supplement does not adversely affect the rights of the Administrative Agent, any Lender or any L/C Issuer, to comply with local law or the advice of local counsel or to cause one or more Loan Documents to be consistent with other Loan Documents and (y) no such amendment, waiver or consent shall:

(i) without the written consent of each Lender, (A) waive any condition set forth in Section 5.02 or (B) without limiting the generality of the preceding clause (A), waive any condition set forth in Section 5.01 as to any Credit Event under the Revolving Facility (it being understood that the waiver of any Default or Event of Default or the amendment or waiver of any covenant or representation contained herein shall not constitute a waiver of any condition set forth in Section 5.01 or Section 5.02);

(ii) extend or increase (other than pursuant to Section 2.15) the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.01) without the written consent of such Lender directly and adversely affected thereby;

(iii) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest or fees due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby;

(iv) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or any fees payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby;

(v) change Section 8.03 in a manner that would alter the *pro rata* sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(vi) change any provision of this Section 10.01, the definition of "Required Lenders" or the definition of "Supermajority Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(vii) modify the definition of "Pro Rata Share" or amend or otherwise modify the provisions of Section 2.14(c) without the written consent of each Lender;

(viii) release the Collateral Agent's Liens on all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender, except to the extent the release of such Liens is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(ix) except as otherwise permitted under this Agreement, permit any Loan Party or the Parent Guarantor to assign its rights under this Agreement or any other Loan Document to which it is a party;

(x) release all or substantially all of the value of the Guaranties, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(xi) subordinate the Collateral Agent's Liens on the ABL Priority Collateral (other than with respect to Permitted Liens) or subordinate the payment of the ABL Finance Obligations, in each case, without the written consent of each Lender;

(xii) increase the advance rates set forth in the definition of Borrowing Base or otherwise modify the definition thereof without the written consent of the Supermajority Lenders; or

(xiii) except as otherwise set forth in the definitions of Eligible Accounts and Eligible Inventory, add new asset categories to the Borrowing Base, or otherwise cause the Borrowing Base availability under the Revolving Facility to be increased beyond the level permissible under this Agreement as then in effect, in each case without the written consent of the Supermajority Lenders (it being understood and agreed that the Administrative Agent's release or reduction of a Reserve shall not constitute an amendment, waiver or consent under this Section 10.01);

provided, further, that: (i) no amendment, waiver or consent shall, unless in writing and signed by each applicable L/C Issuer in addition to the Lenders required above, affect the rights or duties of such L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender

in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) no amendment, waiver or consent which would require the consent of a Lender but for the fact that it is a Defaulting Lender shall be enforced against it without its consent; and (v) the Engagement Letter and the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately more adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, the Borrowers may, by written notice to the Administrative Agent from time to time, make one or more offers (each, a "Loan Modification Offer") to all the Lenders under the Revolving Facility (as subject to such a Loan Modification Offer, an "Affected Facility") to make one or more Permitted Amendments (as defined below) pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrowers. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective (which shall not be less than 10 Business Days nor more than 30 Business Days after the date of such notice) (or such shorter periods as are acceptable to the Administrative Agent). Permitted Amendments shall become effective only with respect to the Loans of the Lenders under the Affected Facility that accept the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders") and, in the case of any Accepting Lender, only with respect to such Lender's Loans under such Affected Facility as to which such Lender's acceptance has been made. Each Borrower and each Accepting Lender shall execute and deliver to the Administrative Agent an agreement in form and substance satisfactory to the Administrative Agent giving effect to the Permitted Amendment (a "Loan Modification Agreement") and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Loans and Commitments of the Accepting Lenders under the Affected Facility. Notwithstanding the foregoing, no Permitted Amendment shall become effective under this paragraph unless the Administrative Agent shall have received any corporate documents, officers' certificates or legal opinions consistent with those delivered on the Closing Date under Section 5.02 reasonably requested by the Administrative Agent. As used in this paragraph, "Permitted Amendments" shall be limited to (i) an extension of the final maturity date of the applicable Loans of the Accepting Lenders ( provided that such extension may not result in having more than two additional final maturity dates in any year, or more than three additional final maturity dates at any time, under this Agreement without the consent of the Administrative Agent), (ii) a reduction, elimination or extension, of the scheduled amortization of the applicable Loans of the Accepting Lenders, (iii) a change in rate of interest (including a change to the Base Rate or Eurodollar Base Rate and any provision establishing a minimum rate), premium, or other amount with respect to the applicable Loans of the Accepting Lenders and/or a change in the payment of fees to the Accepting Lenders and/or a change in the payment of fees to the Accepting Lenders (such change and/or payments to be in the form of cash, Equity Interests or other property to the extent not prohibited by this Agreement) and (iv) any other amendment to a Loan Document required to give effect to the Permitted Amendments described in clauses (i) through (iii) of this sentence.

If any Lender (a “Non-Consenting Lender”) does not consent to a proposed amendment, waiver, consent, release, discharge or termination with respect to any Loan Document that, pursuant to the terms of this Section 10.01, requires the consent of each Lender (or each affected Lender) and that has been approved by the Required Lenders, the Borrowers may replace such Non-Consenting Lender in accordance with Section 10.14.

No Real Property shall be taken as Collateral unless the Lenders receive 45 days prior written notice and each Lender confirms to the Administrative Agent and the Collateral Agent that it has completed all flood due diligence, received copies of all flood insurance documentation and confirmed flood insurance compliance as required by the Flood Laws or as otherwise satisfactory to such Lender. Notwithstanding anything to the contrary in any of the Loan Documents, any grace or cure period or other time period for the creation of Liens on such Real Property shall be tolled from the giving of such written notice until each Lender has provided such confirmation to the Administrative Agent and the Collateral Agent, and no Default or Event of Default shall be deemed to result from the occurrence of any date on which any such period would otherwise have expired. At any time that any Real Property constitutes Collateral, no modification of a Loan Document shall add, increase, renew or extend any Loan, Commitment or other Credit Event hereunder (other than pursuant to Section 2.15) until the completion of flood due diligence, documentation and coverage as confirmed to the Administrative Agent and the Collateral Agent by all Lenders and as required by the Flood Laws or as otherwise satisfactory to all Lenders.

Section 10.02 **Notices; Effectiveness; Electronic Communication**.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any Borrower, the Holdcos or any other Loan Party, the Administrative Agent, an L/C Issuer or the Swing Line Lender to the address, fax number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, fax number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent;

provided that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Article II if such Lender or L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender and L/C Issuers or the Borrowers may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent, the Joint Bookrunners, the Co-Syndications Agents or any of their respective Related Parties (collectively, "Agent Parties") have any liability to the Holdcos, any Borrower, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of Borrower Materials through the Internet.

(d) Change of Address, Etc. Each of the Holdcos, each Borrower, the Administrative Agent, each L/C Issuer and the Swing Line Lender may change its address, fax or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, fax or telephone number for notices and other communications hereunder by notice to each Borrower, the Administrative Agent, each L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, fax number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Borrowing Requests, Letter of Credit Requests and Swing Line Loan Notices) purportedly given by or on behalf of any Borrower or any other Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Each Borrower shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting

from the reliance by such Person on any notice purportedly given by or on behalf of such Borrower in the absence of gross negligence or willful misconduct by the Administrative Agent in relying on any notice purportedly given by or on behalf of such Borrower, such Lender or Related Party, as applicable, as determined in a final and non-appealable judgment by a court of competent jurisdiction. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 10.03 **No Waiver; Cumulative Remedies; Enforcement**. No failure by any Lender or L/C Issuer or by the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, but subject to the Intercreditor Agreements, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.01 for the benefit of all the Lenders and the L/C Issuers; provided, however, that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (ii) any L/C Issuer and the Swing Line Lender from exercising the rights and remedies that inure to its benefit solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be, hereunder and under the other Loan Documents, (iii) any Lender from exercising setoff rights in accordance with Section 10.09 (subject to the terms of Section 2.14) or (iv) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.01 and (y) in addition to the matters set forth in clauses (ii), (iii) and (iv) of the preceding proviso and subject to Section 2.14, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.04 **Expenses; Indemnity; Damage Waiver**.

(a) Costs and Expenses. The Loan Parties and the Parent Guarantor, jointly and severally, agree to pay, upon the Administrative Agent's demand, (i) all reasonable and documented out-of-pocket expenses and customary administrative charges incurred by the Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners and their respective Affiliates (including the reasonable and invoiced fees, charges and disbursements of Sidley Austin LLP, as counsel for the Administrative Agent, and, if necessary, the reasonable fees, charges and disbursements of one local counsel per jurisdiction), in connection with the syndication and arrangement of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents (including expenses incurred in connection with due diligence and initial ongoing Collateral examination to the extent incurred in compliance with this Agreement, filing and search charges, recording taxes, appraisals, environmental assessments and field examination charges and expenses (including a charge at the then-standard rate of the Administrative Agent per person per day for the examiners of the Administrative Agent in the field and in the office, which, as of the Closing Date, is not

to exceed \$1,000 per person per day for examinations with respect to Loan Parties) or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the Transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses and customary administrative charges incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and, (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (including the reasonable and invoiced fees, charges and disbursements of any special counsel (limited to one firm for the Administrative Agent, the Lenders and the L/C Issuers unless, in the reasonable opinion of the Administrative Agent or any such Lender or L/C Issuer seeking reimbursement, such joint representation would be inappropriate due to the existence of any actual or potential conflict of interest, in which case the Administrative Agent or any such Lender or L/C Issuer, as the case may be, shall inform the Borrowers of such conflict and the Borrowers shall reimburse the legal fees and expenses of no more than such number of additional outside counsel for the Administrative Agent, the Lenders and the L/C Issuers as is necessary to avoid any actual or potential conflict of interest)) and local counsel (limited to one firm for the Administrative Agent, the Lenders and the L/C Issuers in each relevant jurisdiction unless, in the reasonable opinion of the Administrative Agent or any such Lender or L/C Issuer seeking reimbursement, such joint representation would be inappropriate due to the existence of any actual or potential conflict of interest, in which case the Administrative Agent or any such Lender or L/C Issuer, as the case may be, shall inform the Borrowers of such conflict and the Borrowers shall reimburse the legal fees and expenses of no more than such number of additional outside counsel for the Administrative Agent, the Lenders and the L/C Issuers as is necessary to avoid any actual or potential conflict of interest for the Administrative Agent, the Lenders and the L/C Issuer), in connection with the enforcement, collection or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification. The Loan Parties and the Parent Guarantor, jointly and severally, shall indemnify the Administrative Agent (and any sub-agent thereof), the Collateral Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Co-Syndication Agents, each Lender, each L/C Issuer, and each of its respective Affiliates and their respective Related Parties (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable legal counsel fees, charges and disbursements of not more than one counsel, plus, if necessary, one local counsel per jurisdiction (except the allocated costs of in-house counsel) unless, in the reasonable opinion of any such Indemnitee seeking indemnity, such joint representation would be inappropriate due to the existence of any actual or potential conflict of interest, in which case such Indemnitee or Indemnitees, as the case may be, shall inform the Borrowers of such conflict and the Borrowers shall reimburse the legal fees and expenses of no more than such number of additional outside counsel for the Indemnitees as is necessary to avoid any actual or potential conflict of interest), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower or any other Loan Party or the Parent Guarantor) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions and the other transactions contemplated hereby or thereby (including, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01)), (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter



of Credit) or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that, with respect to clauses (i), (ii) and (iii) above, such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee (for purposes of this proviso only, each of the Administrative Agent, any Joint Lead Arranger, any Joint Bookrunner, any L/C Issuer, the Swing Line Lender or any Lender shall be treated as several and separate Indemnitees, but each of them, together with its respective directors, trustees, officers and employees, shall be treated as a single Indemnitee) or (y) any material breach of any Loan Document by such Indemnitee. Subject to and without limiting the generality of the foregoing sentence, each Loan Party and the Parent Guarantor agrees to indemnify each Indemnitee against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel or consultant fees, charges and disbursements (limited to not more than one counsel, plus, if necessary, one local counsel per jurisdiction) (except the allocated costs of in-house counsel), incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (A) any claim related in any way to Environmental Laws and Loan Parties or any of their Subsidiaries, or (B) any actual or alleged presence, Release or threatened Release of Hazardous Materials at, under, on or from any Real Property; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the (1) gross negligence, bad faith or willful misconduct of such Indemnitee or (2) any material breach of any Loan Document by such Indemnitee (for purposes of this proviso only, each of the Administrative Agent, any Joint Lead Arranger, any Joint Bookrunner, any L/C Issuer, the Swing Line Lender or any Lender shall be treated as several and separate Indemnitees, but each of them together, together with its respective directors, trustees, officers and employees, shall be treated as a single Indemnitee). None of the Indemnitees (or any of their respective Affiliates) shall be responsible or liable to the Loan Parties or any of their respective subsidiaries, Affiliates or stockholders or any other person or entity for any special, indirect, consequential or punitive damages, which may be alleged as a result of the Revolving Facility or the Transactions. Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes (other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim). The provisions of this Section 10.04 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the ABL Credit Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent or any Lender or L/C Issuer. All amounts due under this Section 10.04 shall be payable on written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

(c) Reimbursement by Lenders. To the extent that the Loan Parties or the Parent Guarantor for any reason fail indefeasibly to pay any amount required under subsection (a) or (b) of this Section to be paid by it or them to the Administrative Agent (or any sub-agent thereof), any L/C Issuer or the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), each L/C Issuer or the Swing Line Lender or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's outstanding Loans and unused Commitments at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' percentage (carried out to the ninth decimal place) of the Revolving Facility (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided that the

unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), an L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) an L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.02(a).

(d) Waiver of Consequential Damages. To the fullest extent permitted by applicable Law, no Borrower shall assert, and each Borrower hereby waives, and acknowledges that no other Loan Party or the Parent Guarantor shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor; provided, however, any Indemnitee shall promptly refund an indemnification payment received hereunder to the extent that there is a final judicial determination that such Indemnitee was not entitled to indemnification with respect to such payment pursuant to this Section 10.04.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 10.02(c) shall survive the resignation of the Administrative Agent, any L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Commitments of all the Lenders and the repayment, satisfaction or discharge of all the other ABL Credit Obligations.

Section 10.05 Payments Set Aside. To the extent that any payment by or on behalf of any Borrower or any other Loan Party or the Parent Guarantor is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Lender or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (i) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (ii) each Lender and L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (ii) of the preceding sentence shall survive the payment in full of the ABL Credit Obligations and the termination of this Agreement.

Section 10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither any Borrower nor any other Loan Party nor the Parent Guarantor (except as otherwise permitted by this Agreement) may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of Section 10.06(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(e). Nothing in this Agreement, expressed or implied, is intended to confer, shall be construed to confer, or shall confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under the Revolving Facility and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, each Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of each Borrower (such consent not to be unreasonably withheld, conditioned or delayed) shall be required unless (1) an Event of

Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrowers shall be deemed to have consented to any such assignment unless they shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; provided, further, that the Borrowers' consent shall not be required during the primary syndication of the Revolving Facility;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required for assignments in respect of (i) any unfunded Commitment if such assignment is to a Person that is not a Lender with a Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) any Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of each L/C Issuer and the Swing Line Lender (such consent not to be unreasonably withheld, conditioned or delayed) shall be required for any assignment in respect of the Revolving Facility.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent). The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to any Loan Party or any Affiliates or Subsidiaries of any Loan Party, (B) to any Defaulting Lender or any of its Subsidiaries, or (C) to any natural person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or sub-participations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, any L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Revolving Facility Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such

Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 10.06. Notwithstanding the foregoing, no assignee, which as of the date of any assignment to it pursuant to this Section 10.06 would be entitled to any payments under Sections 3.01, 3.04 or 3.05 in an amount greater than the assignor would have been entitled to as of such date with respect to the rights assigned, shall be entitled to such greater payments.

(c) Register. (i) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers (and such agency being solely for Tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders and L/C Issuers, and the Commitments of, and principal amounts (and stated interest) of the Loans, L/C Borrowings and Swing Line Loans owing to, each Lender and L/C Issuer pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent, the Lenders and L/C Issuers shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender, L/C Issuer or Swing Line Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or other substantive change to the Loan Documents is pending, any Lender or L/C Issuer may request and receive from the Administrative Agent a copy of the Register.

(ii) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), all applicable tax forms, the processing and recordation fee referred to in paragraph (b)(iv) of this Section 10.06 (unless waived in accordance with such paragraph) and any written consent to such assignment required by paragraph (b)(iii) of this Section 10.06, the Administrative Agent shall promptly accept such Assignment and Assumption and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph (c)(ii).

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a known Defaulting Lender or a Loan Party or any Affiliates or Subsidiaries of a Loan Party) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the L/C Issuers and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any of the other Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clause (y) of the first proviso to Section 10.01 that affects such Participant and requires the consent of each Lender directly affected thereby. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation); provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.14 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01, 3.04 or 3.05, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent. A participant shall not be entitled to the benefits of Section 3.01 to the extent such Participant fails to comply with Section 3.01(e) as though it were a Lender. Each Lender that sells a participation agrees, at a Borrower's request and expense, to use reasonable efforts to cooperate with such Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.14 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, L/C Borrowings, Swing Line Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, L/C Borrowing, Swing Line Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as an L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Wells Fargo assigns all of its Revolving Facility Commitment and Revolving Facility Loans pursuant to Section 10.06(b), Wells Fargo may, (i) upon 30 days' notice to the Borrowers and the Lenders, resign as an L/C Issuer and/or (ii) upon 30 days' notice to the Borrowers, resign as Swing Line Lender. In the event of any such resignation as an

L/C Issuer or the Swing Line Lender, the Borrowers shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrowers to appoint any such successor shall affect the resignation of Wells Fargo as an L/C Issuer or the Swing Line Lender, as the case may be. If Wells Fargo resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it which remain outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.05(c)). If Wells Fargo resigns as the Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (ii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, issued by the retiring L/C Issuer and remaining outstanding at the time of such succession or make other arrangements satisfactory to Wells Fargo to effectively assume the obligations of Wells Fargo with respect to such Letters of Credit.

**Section 10.07 Treatment of Certain Information; Confidentiality**. Each of the Administrative Agent, the L/C Issuers and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed: (i) to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent required or requested by any applicable regulatory authority having jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; (iv) to any other party hereto; (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing confidentiality provisions substantially the same (and at least as restrictive) as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any assignee invited to be a Lender pursuant to Section 2.15 or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the obligations under this Agreement, (vii) to (A) any rating agency in connection with rating any Borrower or its Subsidiaries or the credit facilities provided hereunder or (B) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, in each case on a confidential basis, (viii) with the consent of the Borrowers or (ix) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to the Administrative Agent, any L/C Issuer or any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Holdcos, any Borrower or any Subsidiary. For purposes of this Section, "Information" means all information received from the Holdcos, any Borrower or any Subsidiary relating to the Holdcos, any Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any L/C Issuer or any Lender on a non-confidential basis prior to disclosure by the Holdcos, any Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Notwithstanding any other provision of this Agreement, any other Loan Document or any Assignment and Assumption, the provisions of this Section 10.07 shall

survive with respect to the Administrative Agent and each Lender and L/C Issuer until the second anniversary of the Administrative Agent or Lender ceasing to be the Administrative Agent or a Lender or an L/C Issuer, respectively.

Section 10.08 **Platform; Borrower Materials**. Each of the Holdcos and each Borrower hereby acknowledges that the Administrative Agent may, but shall not be obligated to, make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of the Holdcos and any Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "**Platform**").

Section 10.09 **Right of Setoff**. If an Event of Default shall have occurred and be continuing, each Lender and each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or L/C Issuer or any such Affiliate to or for the credit or the account of any Borrower, any other Loan Party or the Parent Guarantor against any and all of the obligations of such Borrower, such Loan Party or the Parent Guarantor now or hereafter existing under this Agreement or any other Loan Document to such Lender or an L/C Issuer or such Affiliate, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower, such Loan Party or the Parent Guarantor may be contingent or unmatured or are owed to a branch or office of such Lender or L/C Issuer or such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, L/C Issuers and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the ABL Finance Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify the Borrowers and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.10 **Interest Rate Limitation**. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof and (iii) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the ABL Credit Obligations hereunder.

Section 10.11 **Counterparts; Integration; Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to



the Administrative Agent or an L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.02, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by fax or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.12 **Survival of Representations and Warranties**. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender and L/C Issuer, regardless of any investigation made by the Administrative Agent or any Lender or L/C Issuer or on their behalf and notwithstanding that the Administrative Agent or any Lender or L/C Issuer may have had notice or knowledge of any Default or Event of Default at the time of any credit extension, and shall continue in full force and effect as long as any Loan or any other ABL Credit Obligation shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

Section 10.13 **Severability**. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.13, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.14 **Replacement of Lenders**. If any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Borrowers the right to replace a Lender as a party hereto, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) unless waived, the Borrowers or such assignee shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(ii) such Lender shall have received payment of an amount equal to the outstanding par principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from such assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver or consent, as applicable, by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply. Each party hereto agrees that an assignment required pursuant to this Section 10.14 may be effected pursuant to, and recorded on the Register after execution of, an Assignment and Assumption executed by each Borrower, the Administrative Agent and the assignee and the Lender required to make such assignment need not be a party thereto. Each Lender agrees that, if the Borrowers elect to replace such Lender in accordance with this Section, it shall promptly deliver to the Administrative Agent any Note (if Notes have been issued in respect of such Lender's Loans) subject to such Assignment and Assumption. Nothing in this Section 10.14 shall be deemed to prejudice any rights that the Borrowers may have against any Lender that is a Defaulting Lender.

Section 10.15 **Governing Law; Jurisdiction Etc.**

(a) Governing Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD REQUIRE THE APPLICATION OF LAWS OF ANOTHER JURISDICTION.

(b) Submission to Jurisdiction. EACH BORROWER, EACH OTHER LOAN PARTY AND THE PARENT GUARANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, ANY L/C ISSUER OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER, THE PARENT GUARANTOR OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) Waiver of Venue. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) Service of Process. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 10.16 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.17 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i)(A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Co-Syndication Agents and the Lenders are arm's-length commercial transactions between each Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Co-Syndication Agents and the Lenders, on the other hand, (B) each Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii)(A) the Administrative Agent, each Joint Lead Arranger, each Joint Bookrunner, each Co-Syndication Agent and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent, any Joint Lead Arranger, any Joint Bookrunner, any Co-Syndication Agent nor any Lender has any obligation to any Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative

Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Co-Syndication Agents and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their respective Affiliates, and neither the Administrative Agent, any Joint Lead Arranger, any Joint Bookrunner, any Co-Syndication Agent nor any Lender has any obligation to disclose any of such interests to any Borrower or its Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.18 **Electronic Execution of Assignments and Certain Other Documents**. The words “execute,” “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.19 **USA Patriot Act Notice**. Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties and the Parent Guarantor that pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56 (signed into Law October 26, 2001) (the “Patriot Act”), it is required to obtain, verify and record information that identifies each Loan Party and the Parent Guarantor, which information includes the name and address of each Loan Party and the Parent Guarantor and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party and the Parent Guarantor in accordance with the Patriot Act. Each Borrower shall, and shall cause each other Loan Party and the Parent Guarantor to, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

Section 10.20 **Intercreditor Agreements**. Each Lender party hereto understands, acknowledges and agrees that it is the intention of the parties hereto that each of the ABL Finance Obligations and the Secured Notes Obligations are intended to constitute a distinct and separate class from the other, and, as between the Secured Parties, on the one hand, and the Secured Notes Secured Parties, on the other hand, it is the intention of the parties that (i) the ABL Finance Obligations (including all post-petition interest with respect thereto) have a first priority security interest in all ABL Priority Collateral and that the Secured Notes Obligations (including all post-petition interest with respect thereto) have a second priority security interest in all ABL Priority Collateral, and (ii) the Secured Notes Obligations (including all post-petition interest with respect thereto) have a first priority security interest in all Secured Notes Priority Collateral and that the ABL Finance Obligations (including all post-petition interest with respect thereto) have a second priority security interest in all Secured Notes Priority Collateral. Each Lender further understands, acknowledges and agrees that the provisions setting forth the priorities as between the Secured Notes Secured Parties, on the one hand, and the Secured Parties, on the other hand, are set forth in the Secured Notes Intercreditor Agreement.

Each Lender agrees that it will be bound by, and will take no actions contrary to, the provisions of each Intercreditor Agreement. Each Lender authorizes and instructs the Administrative

Agent and the Collateral Agent to enter into the Security Documents and the Intercreditor Agreements on behalf of such Lender and to take all actions (and execute all documents) required (or deemed advisable) by the Administrative Agent or the Collateral Agent in accordance with the terms of the Security Documents and the Intercreditor Agreements.

The provisions of this Section 10.20 are not intended to summarize all relevant provisions of the Intercreditor Agreements. Reference must be made to each Intercreditor Agreement itself to understand all terms and conditions thereof. Each Lender is responsible for making its own analysis and review of each Intercreditor Agreement and the terms and provisions thereof, and neither the Administrative Agent nor the Collateral Agent or any of their respective affiliates, representatives, advisors, attorneys or other Person makes any representation to any Lender as to the sufficiency or advisability of the provisions contained in any Intercreditor Agreement. Notwithstanding anything to the contrary set forth herein or in any other Loan Document, this Agreement is subject to the terms and provisions of each Intercreditor Agreement. In the event of an inconsistency between the provisions of this Agreement and any Intercreditor Agreement, the provisions of such Intercreditor Agreement shall prevail.

Each Lender further agrees that it will be bound by, and will take no actions contrary to, the provisions of any intercreditor agreement contemplated by Section 7.02(b), (u), and (ff) (each, a “Secured Debt Intercreditor Agreement”) or any Bowling Green Real Estate Intercreditor Arrangements. Each Lender authorizes and instructs the Administrative Agent and the Collateral Agent to enter into any Secured Debt Intercreditor Agreement or Bowling Green Real Estate Intercreditor Arrangements on behalf of such Lender and to take all actions (and execute all documents) required (or deemed advisable) by the Administrative Agent or the Collateral Agent in accordance with the terms of such Secured Debt Intercreditor Agreement or Bowling Green Real Estate Intercreditor Arrangements.

Section 10.21 Field Audit and Examination Reports; Disclaimer by Lenders. By signing this Agreement, each Lender: (i) is deemed to have requested that the Administrative Agent furnish such Lender, promptly after it becomes available, a copy of each field audit or examination report (each a “Report” and collectively, “Reports”) prepared by or on behalf of the Administrative Agent; (ii) expressly agrees and acknowledges that neither Wells Fargo nor the Administrative Agent (A) makes any representation or warranty as to the accuracy of any Report, or (B) shall be liable for any information contained in any Report; (iii) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Administrative Agent, Wells Fargo, or other party performing any audit or examination will inspect only specific information regarding the Borrowers and will rely significantly upon the Borrowers’ books and records, as well as on representations of the Borrowers’ personnel; (iv) agrees to keep all Reports confidential and strictly for its internal use, and not to distribute except to its participants, or use any Report in any other manner; and (v) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (A) to hold the Administrative Agent and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to any Borrower, or the indemnifying Lender’s participation in, or the indemnifying Lender’s purchase of, a loan or loans of any Borrower; and (B) to pay and protect, and indemnify, defend, and hold the Administrative Agent and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts incurred by or on behalf of the Administrative Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

Section 10.22 Release of Liens and Guarantees. In the event that any Loan Party conveys, sells, leases, assigns, transfers or otherwise disposes of all or any portion of any of the Equity

Interests or assets of any Subsidiary Loan Party to a person that is not (and is not required to become) a Loan Party in a transaction not prohibited by Section 7.05, any Liens created by any Loan Document in respect of such Equity Interests or assets shall be automatically released and the Administrative Agent shall promptly (and the Lenders hereby authorize the Administrative Agent to) take such action and execute any such documents as may be reasonably requested by the Holdcos or any Borrower and at the Borrowers' expense to release or evidence the release of any Liens created by any Loan Document in respect of such Equity Interests or assets. In the event of (x) a disposition of the Equity Interests of any Subsidiary Loan Party in a transaction permitted by Section 7.05 (including through merger, consolidation, amalgamation or otherwise) and as a result of which such Subsidiary Loan Party would cease to be a Subsidiary, or (y) the designation of any Subsidiary Loan Party as an Unrestricted Subsidiary, in each case, such Subsidiary Loan Party's obligations under the Loan Documents shall be automatically terminated and the Administrative Agent shall promptly (and the Lender hereby authorizes the Administrative Agent to) take such action and execute such documents at the Borrowers' expense as may be reasonably requested by the Holdcos or any Borrower to terminate such Subsidiary Loan Party's obligations under the Loan Documents. In addition, the Administrative Agent agrees (a) to take such actions as are reasonably requested by any Borrower and at the Borrowers' expense to terminate the Liens and security interests created by the Loan Documents when all the ABL Credit Obligations (other than contingent indemnification obligations) are paid in full, all Commitments to lend hereunder are terminated and all Letters of Credit have been either cancelled or cash collateralized as required hereunder and (b) to enter into any Secured Debt Intercreditor Agreement or Bowling Green Real Estate Intercreditor Arrangements (in each case in the circumstances and on those terms contemplated by this Agreement) and to take such actions (and execute all documents) as are reasonably requested by the Holdcos or any Borrower in connection with such Secured Debt Intercreditor Agreement or the Bowling Green Real Estate Intercreditor Arrangements.

Section 10.23 **Headings**. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.24 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

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(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

Section 10.25 **Power of Attorney**

(a) A party may appoint an attorney to represent it for purposes of signing this Agreement or any agreement or document it enters into in connection with this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC

By: /s/ Terrence Woods  
Name: Terrence Woods  
Title: Chief Financial Officer

CONSTELLIUM MUSCLE SHOALS LLC

By: /s/ Terrence Woods  
Name: Terrence Woods  
Title: Chief Financial Officer

CONSTELLIUM US HOLDINGS I, LLC

By: /s/ Ryan Wentling  
Name: Ryan Wentling  
Title: Chief Financial Officer

CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC

By: /s/ Derek Scantlin  
Name: Derek Scantlin  
Title: Chief Financial Officer

CONSTELLIUM BOWLING GREEN, LLC

By: /s/ Janet Cobb  
Name: Janet Cobb  
Title: Vice President and Chief Financial Officer

CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC

By: /s/ Rina E. Teran  
Name: Rina E. Teran  
Title: Vice President and Secretary

Signature Page to the Credit Agreement  
(Constellium)



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CONSTELLIUM INTERNATIONAL S.A.S.

By: /s/ Matthieu Tardy \_\_\_\_\_

Name: Matthieu Tardy

Title: President

Signature Page to the Credit Agreement  
(Constellium)

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WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Administrative Agent, Collateral Agent, L/C Issuer, Swing  
Line Lender and Lender

By: /s/ Cory R. Moore  
Name: Cory R. Moore  
Title: Authorized Signatory

Signature Page to the Credit Agreement  
(Constellium)

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BANK OF AMERICA, N.A.,  
as Lender

By: /s/ Steve M. Siravo  
Name: Steve M. Siravo  
Title: SVP

Signature Page to the Credit Agreement  
(Constellium)

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DEUTSCHE BANK AG NEW YORK BRANCH,  
as Lender

By: /s/ Marguerite Sutton

Name: Marguerite Sutton

Title: Vice President

By: /s/ Yumi Okabe

Name: Yumi Okabe

Title: Vice President

Signature Page to the Credit Agreement  
(Constellium)

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JPMORGAN CHASE BANK, N.A.,  
as Lender

By: /s/ Peter S. Predun

Name: Peter S. Predun

Title: Executive Director

Signature Page to the Credit Agreement  
(Constellium)

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BMO HARRIS BANK N.A.,  
as Lender

By: /s/ Quinn Heiden  
Name: Quinn Heiden  
Title: Managing Director

Signature Page to the Credit Agreement  
(Constellium)

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BARCLAYS BANK PLC,  
as Lender

By: /s/ Ronnie Glenn  
Name: Ronnie Glenn  
Title: Director

Signature Page to the Credit Agreement  
(Constellium)

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HSBC BANK USA, N.A.,  
as Lender

By: /s/ Diane M. Zieske  
Name: Diane M. Zieske  
Title: Senior Vice President

Signature Page to the Credit Agreement  
(Constellium)



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CITIBANK, N.A.,  
as Lender

By: /s/ David L. Smith  
Name: David L. Smith  
Title: Vice President and Director

Signature Page to the Credit Agreement  
(Constellium)

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CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
as Lender

By: /s/ William O'Daly

Name: William O'Daly

Title: Authorized Signatory

By: /s/ Andrew Maletta

Name: Andrew Maletta

Title: Authorized Signatory

Signature Page to the Credit Agreement  
(Constellium)

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] <sup>1</sup> Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] <sup>2</sup> Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] <sup>3</sup> hereunder are several and not joint.] <sup>4</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Following the execution of this Assignment and Assumption, it will be delivered to the Administrative Agent for its consent (if required) and for recording pursuant to the Credit Agreement, effective as of the Effective Date. Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

- 1. Assignor[s]: \_\_\_\_\_  
\_\_\_\_\_
- 2. Assignee[s]: \_\_\_\_\_

<sup>1</sup> For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

<sup>2</sup> For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

<sup>3</sup> Select as appropriate.

<sup>4</sup> Include bracketed language if there are either multiple Assignors or multiple Assignees.

[Assignee is an [Affiliate][Approved Fund] of [ *identify Lender* ]

3. Borrowers: Constellium Muscle Shoals LLC, Constellium Rolled Products Ravenswood, LLC and Constellium Bowling Green LLC
4. Administrative Agent: Wells Fargo Bank, National Association, as the administrative agent under the Credit Agreement
5. Credit Agreement: Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent for the Lenders.
6. Assigned Interest[s]:

<u>Assignor[s]</u> <sup>5</sup>	<u>Assignee[s]</u> <sup>6</sup>	<u>Facility Assigned</u> <sup>7</sup>	<u>Aggregate Amount of Commitment/Loans for all Lenders</u> <sup>8</sup>	<u>Amount of Commitment/Loans Assigned</u> <sup>8</sup>	<u>Percentage Assigned of Commitment/ Loans</u> <sup>9</sup>	<u>CUSIP Number</u>
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

<sup>5</sup> List each Assignor, as appropriate.

<sup>6</sup> List each Assignee, as appropriate.

<sup>7</sup> Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., “Revolving Facility Commitment,” “Incremental Revolving Facility Commitment,” etc.)

<sup>8</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>9</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

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[7. Trade Date: \_\_\_\_\_] <sup>10</sup>

<sup>10</sup> To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: \_\_\_\_\_, 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S] <sup>11</sup>  
[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE[S] <sup>12</sup>  
[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[Consented to and] <sup>13</sup> Accepted:

[NAME OF ADMINISTRATIVE AGENT], as  
Administrative Agent

By: \_\_\_\_\_  
Title:

<sup>11</sup> Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

<sup>12</sup> Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

<sup>13</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

Consented To:  
CONSTELLIUM MUSCLE SHOALS LLC 14

By: \_\_\_\_\_  
Name:  
Title:

Consented To:  
CONSTELLIUM BOWLING GREEN LLC 16

By: \_\_\_\_\_  
Name:  
Title:

Consented To:  
CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC 15

By: \_\_\_\_\_  
Name:  
Title:

Consented To:  
WELLS FARGO BANK, NATIONAL ASSOCIATION, as L/C Issuer  
and Swing Line Lender 17

By: \_\_\_\_\_  
Name:  
Title:

- \_\_\_\_\_  
14 Include to the extent the consent of the Borrowers is required under Section 10.06(b)(iii)(A) of the Credit Agreement.  
15 Include to the extent the consent of the Borrowers is required under Section 10.06(b)(iii)(A) of the Credit Agreement.  
16 Include to the extent the consent of the Borrowers is required under Section 10.06(b)(iii)(A) of the Credit Agreement.  
17 Include to the extent the consent of the L/C Issuer and Swing Line Lender is required under Section 10.06(b)(iii)(C) of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrowers, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrowers, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.06 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.04 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, and (vii) if it is a Foreign Lender<sup>18</sup> attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest,

<sup>18</sup> The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up. If the Borrower is a U.S. Borrower, the bracketed language should be deleted.



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fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

## FORM OF SOLVENCY CERTIFICATE

, 20

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company ("Muscle Shoals"), CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company ("Bowling Green"), CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company ("Ravenswood"), and together with Muscle Shoals and Bowling Green, each a "Borrower" and collectively, the "Borrowers"), CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the "Administrative Agent") for the Lenders. This Certificate is furnished to the Administrative Agent pursuant to Section 5.02(e) of the Credit Agreement. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Each of the undersigned, being the Chief Financial Officer or Treasurer, as applicable, of each Borrower, in that capacity only and not in any individual capacity (and without personal liability), DOES HEREBY CERTIFY on behalf of such Borrower that as of the date hereof, after giving effect to the Transactions on the Closing Date (including the execution and delivery of the Credit Agreement, the making of Loans and the use of proceeds of such Loans on the date hereof):

1. the fair value of the assets of each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries, on a consolidated basis, at a fair valuation, exceeds the debts and liabilities, direct, subordinated, unmatured, unliquidated, contingent or otherwise, of such Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries, on a consolidated basis, respectively;
2. the present fair saleable value of the property of each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability of such Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries, on a consolidated basis, respectively, on their debts and other liabilities, direct, subordinated, unmatured, unliquidated, contingent or otherwise, as such debts and other liabilities become absolute and matured;
3. each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and
4. each Borrower (individually) and the Holdcos, the Borrowers and their respective Subsidiaries, on a consolidated basis, do not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted following the Closing Date.

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*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, each Borrower has caused this certificate to be executed on its behalf by its Chief Financial Officer as of the date set forth above.

CONSTELLIUM MUSCLE SHOALS LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CONSTELLIUM BOWLING GREEN LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[ Signature Page for Solvency Certificate ]

**FORM OF BORROWING BASE CERTIFICATE**

See attached.



Summary Page Borrowing Base Certificate

Date \_\_\_\_\_

Name Constellium Muscle Shoals, LLC , Constellium Rolled Products Ravenswood, LLC and Constellium Bowling Green, LLC

A/R As of: \_\_\_\_\_

Inventory As of: \_\_\_\_\_

The undersigned, \_\_\_\_\_ (“Borrowers”), pursuant to that certain Credit Agreement dated as of \_\_\_\_\_ (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the “Credit Agreement”), entered into among Borrowers, the lenders signatory thereto from time to time and Wells Fargo Bank, N.A. as the arranger and administrative agent (in such capacity, together with its successors and assigns, if any, in such capacity, “Agent”), hereby certifies to Agent that the following items, calculated in accordance with the terms and definitions set forth in the Credit Agreement for such items are true and correct, and that Borrowers are in compliance with and, after giving effect to any currently requested Advances, will be in compliance with, the terms, conditions, and provisions of the Credit Agreement.

Accounts Receivable

Accounts Receivable Balance per Aging Report Assigned To Wells Fargo Capital Finance

Less Ineligibles (detailed on page 2)

Eligible Accounts Receivable

Accounts Receivable Availability before Sublimit(s)

Net Available Accounts Receivable after Sublimit(s)

Inventory

Inventory Balance Assigned To Wells Fargo Capital Finance

Less Ineligibles (Detailed on ‘Inv Detail Summary’)

Eligible Inventory

Inventory Availability before Sublimit(s)

Net Available Inventory after Sublimit(s)

Summary & Other Assets

Net Available AR + Inventory after Sublimit(s)

Reserves

CMS Alloys LLC Reserves

CMS Alloys LLC Reserves

RWD Reserves - Warehousemen / Converter Offset

RWD Reserves - Freight on In-transit material

BG Reserves - Converter Offset

BG Reserves

Total Reserves Calculated before the Credit Line

Total Collateral Availability

Suppressed Availability

Availability before Reserves

Total Credit Line \_\_\_\_\_

Reserves

CMS Alloys LLC Reserves

CMS Alloys LLC Reserves

RWD Reserves

RWD Reserves

BG Reserves

BG Reserves

Total Reserves Calculated after the Credit Line

Total Availability after Reserves before Loan Balance and LCs

CMS Letter of Credit Balance as of Date of Borrowing Base Submission

As of: \_\_\_\_\_

CMS Loan Ledger Balance as of Date of Borrowing Base Submission

As of: \_\_\_\_\_

RWD Letter of Credit Balance as of Date of Borrowing Base Submission

As of: \_\_\_\_\_

RWD Loan Ledger Balance as of Date of Borrowing Base Submission

As of: \_\_\_\_\_

BG Letter of Credit Balance as of Date of Borrowing Base Submission

As of: \_\_\_\_\_

BG Loan Ledger Balance as of Date of Borrowing Base Submission

As of: \_\_\_\_\_

Closing Fees/Other Expenses

\* Net Availability Using Month End Borrowing Base with Loan & LC Balances as of Date of Submission

CMS Letter of Credit Balance as of Date of Month End

As of: \_\_\_\_\_

CMS Loan Ledger Balance as of Date of Month End

As of: \_\_\_\_\_

RWD Letter of Credit Balance as of Date of Month End

As of: \_\_\_\_\_

RWD Loan Ledger Balance as of Date of Month End

As of: \_\_\_\_\_

BG Letter of Credit Balance as of Date of Month End

As of: \_\_\_\_\_

BG Loan Ledger Balance as of Date of Month End

As of: \_\_\_\_\_

Closing Fees/Other Expenses as of Date of Month End

\* Net Availability Using Month End Borrowing Base with Loan & LC Balances as of Date of Month End

\* Net Availability is presented using both the date of submission and the date as of the prior month end. Availability as of the Date of Submission reflects liquidity as of that date. Availability as of the Date of Month End shows a calculation of theoretical availability when the collateral base, outstanding loan balances and letters of credit are all shown using the prior month end as the measurement date. Because of the lag in reporting the borrowing base the resultant calculation of availability using the month end loan balances and letters of credit may be higher or lower dependent upon the borrower’s borrowing or repayments during the interim period than availability as of the date of the borrowing base submission.

Additionally, the undersigned hereby certifies and represents and warrants to the Lender Group on behalf of Borrower that (i) as of the date hereof, each representation or warranty contained in or pursuant to any Loan Document, any agreement, instrument, certificate, document or other writing furnished at any time under or in connection with any Loan Document, and as of the effective date of any advance, continuation or conversion requested above is true and correct in all material respects (except to the extent any representation or warranty expressly related to an earlier date), (ii) each of the covenants and agreements contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), (iii) no Default or Event of Default has occurred and is continuing on the date hereof, nor will any thereof occur after giving effect to the request above, and (iv) all of the foregoing is true and correct as of the effective date of the calculations set forth above and that such calculations have been made in accordance with the requirements of the Credit Agreement.

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Authorized Signer - Constellium Muscle Shoals LLC

Date (mm/dd/yyyy)

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Authorized Signer - Constellium Rolled Products Ravenswood, LLC

Date (mm/dd/yyyy)



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Authorized Signer - Constellium Bowling Green, LLC

Date (mm/dd/yyyy)

FORM OF  
BORROWING REQUEST

Wells Fargo Bank, National Association

[Date]

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company ( *société par actions simplifiée* ) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for the Lenders. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the same meanings. This notice constitutes a Borrowing Request and the Borrower (as defined below) hereby requests Borrowings under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to such Borrowings requested hereby:

- (a) Name of requesting Borrower: (the “Borrower”)
- (b) Aggregate Amount of Borrowing: <sup>19</sup>
- (c) Aggregate Amount of Revolving Facility Credit Exposure (after giving effect to the requested Borrowing):
- (d) Date of Borrowing (which shall be a Business Day):
- (e) Type of Borrowing (Base Rate or Eurodollar Rate):
- (f) Interest Period (if a Eurodollar Rate Borrowing):
- (g) Location and number of Borrower’s account to which proceeds of Borrowing are to be disbursed:

The Borrower hereby represents and warrants that the conditions specified in paragraphs (b) and (c) of Section 5.01 of the Credit Agreement are satisfied.

*[Remainder of page intentionally left blank.]*

<sup>19</sup> Such amount to be not less than \$1,000,000 and an integral multiple of \$250,000.



---

Very truly yours,

[CONSTELLIUM ROLLED PRODUCTS  
RAVENSWOOD, LLC][CONSTELLIUM MUSCLE SHOALS LLC]  
[CONSTELLIUM BOWLING GREEN LLC]

By: \_\_\_\_\_

Name:

Title:

[Signature page to Borrowing Request]

FORM OF  
SWING LINE LOAN NOTICE

Wells Fargo Bank, National Association

[Date]

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for the Lenders. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the same meanings. This notice constitutes a Swing Line Loan Notice and the Borrower (as defined below) hereby requests Borrowings under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to such Borrowings requested hereby:

- (A) Name of requesting Borrower: \_\_\_\_\_ (the “Borrower”)
- (B) Aggregate Amount of Borrowing <sup>20</sup>: \_\_\_\_\_
- (C) Date of Borrowing (which shall be a Business Day): \_\_\_\_\_
- (D) Location and number of Borrower’s account to which proceeds of Borrowing are to be disbursed: \_\_\_\_\_

The Borrower named below hereby represents and warrants that the conditions specified in paragraphs (b) and (c) of Section 5.01 of the Credit Agreement are satisfied.

Very truly yours,

[CONSTELLIUM ROLLED PRODUCTS  
RAVENSWOOD, LLC][CONSTELLIUM MUSCLE SHOALS LLC]  
[CONSTELLIUM BOWLING GREEN LLC]

By: \_\_\_\_\_  
Name:  
Title:

<sup>20</sup> Such amount to be not less than \$250,000 and an integral multiple of \$250,000.

## FORM OF LETTER OF CREDIT REQUEST

Dated

Wells Fargo Bank, National Association  
as Administrative Agent for the Lenders party  
to the Credit Agreement referred to below

Attention:

L/C Issuer: Wells Fargo Bank, N.A.  
401 Research Pkwy, 1st Floor  
Winston Salem, NC 27101

Dear Ladies and Gentlemen:

We hereby request that the L/C Issuer, in its individual capacity, issue a [standby] [trade] Letter of Credit for the account of the undersigned on <sup>1</sup> (the "Date of Issuance"), which Letter of Credit shall be denominated in United States Dollars and shall be in the aggregate amount of <sup>2</sup>.

For the purposes of this Letter of Credit Request, unless otherwise defined herein, all capitalized terms used herein and defined in that certain Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 4186, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the "Administrative Agent") for the Lenders, shall have the respective meanings provided such terms in the Credit Agreement.

The beneficiary of the requested Letter of Credit will be <sup>3</sup>, and such Letter of Credit will be in support of <sup>4</sup> and will have a stated expiration date of <sup>5</sup>.

- 
- 1 Date of Issuance, which shall be at least two (2) Business Days after the date hereof (or such shorter period as is reasonably acceptable to the L/C Issuer).
  - 2 Aggregate initial amount of the Letter of Credit.
  - 3 Insert name and address of beneficiary.
  - 4 Insert brief description of supportable obligations.
  - 5 Insert the last date upon which drafts may be presented which may not be later than the dates referred to in Section 2.05 of the Credit Agreement.

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We hereby certify that the conditions specified in paragraphs (b) and (c) of Section 5.01 of the Credit Agreement are satisfied.

[CONSTELLIUM MUSCLE SHOALS  
LLC][CONSTELLIUM ROLLED PRODUCTS  
RAVENSWOOD, LLC][CONSTELLIUM  
BOWLING GREEN LLC]

By \_\_\_\_\_  
Name:  
Title:

[Signature page to Letter of Credit Request]

[FORM OF]

## U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes and Lenders that are Disregarded Entities for U.S. Federal Income Tax Purposes Whose Owner, for U.S. Federal Income Tax Purposes, is not a Partnership for U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for the Lenders.

Pursuant to the provisions of Section 3.01 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a duly completed and executed certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

In the case of a Lender that is a disregarded entity for U.S. federal income tax purposes, each of the above certifications and representations is given with respect to the person treated as such Lender’s owner for U.S. federal income tax purposes.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

---

[NAME OF LENDER]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

[FORM OF]

## U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes and Participants that are Disregarded Entities for U.S. Federal Income Tax Purposes Whose Owner, for U.S. Federal Income Tax Purposes, is not a Partnership for U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for the Lenders.

Pursuant to the provisions of Section 3.01 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a duly completed and executed certificate of its non -U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

In the case of a Participant that is a disregarded entity for U.S. federal income tax purposes, each of the above certifications and representations is given with respect to the person treated as such Participant’s owner for U.S. federal income tax purposes.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

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[NAME OF PARTICIPANT]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]



[FORM OF]

## U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes and Participants that are Disregarded Entities for U.S. Federal Income Tax Purposes Whose Owner, for U.S. Federal Income Tax Purposes, is a Partnership for U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of February 20, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CONSTELLIUM MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM ROLLED PRODUCTS RAVENSWOOD, LLC, a Delaware limited liability company, CONSTELLIUM BOWLING GREEN LLC, a Delaware limited liability company, CONSTELLIUM HOLDINGS MUSCLE SHOALS LLC, a Delaware limited liability company, CONSTELLIUM US HOLDINGS I, LLC, a Delaware limited liability company, CONSTELLIUM PROPERTY AND EQUIPMENT COMPANY, LLC, a Delaware limited liability company, CONSTELLIUM INTERNATIONAL S.A.S., a simplified joint-stock company (*société par actions simplifiée*) incorporated under French law, having its registered address at 40-44 rue Washington, 75008 Paris, France, registered with the Trade and Companies Registry of Paris under number 832 509 418, the LENDERS party thereto from time to time, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent and collateral agent (in such capacities, the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 3.01 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a duly completed and executed IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) a duly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) a duly completed and executed IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption, together with any other information required to be provided by IRS Form W-8IMY. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

In the case of a Participant that is a disregarded entity for U.S. Federal income Tax purposes, each of the above certifications and representations is given with respect to the person treated as such Participant's owner for U.S. federal income tax purposes.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

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[NAME OF PARTICIPANT]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

[Signature page to Tax Compliance Certificate]

[FORM OF]

## U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes and Lenders that are Disregarded Entities for U.S. Federal Income Tax Purposes Whose Owner, for U.S. Federal Income Tax Purposes, is a Partnership for U.S. Federal Income Tax Purposes)

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Pursuant to the provisions of Section 3.01 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a duly completed and executed IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) a duly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) a duly completed and executed IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption, together with any other information required to be provided by IRS Form W-8IMY. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

In the case of a Lender that is a disregarded entity for U.S. Federal Income Tax purposes, each of the above certifications and representations is given with respect to the person treated as such Lender's owner for U.S. federal income tax purposes.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

[Signature page to Tax Compliance Certificate]

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**Schedule 1.01(a)**  
**Certain U.S. Subsidiaries**

1. Constellium Muscle Shoals Funding II LLC

W/3356740v12

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**Schedule 1.01(b)**  
**Mortgaged Properties**

<u>Name of Borrower/Guarantor</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>
Constellium Rolled Products Ravenswood, LLC	859 Century Road, Ravenswood, WV 26164	Jackson
Constellium Muscle Shoals LLC	4805 Second Street, Muscle Shoals, AL 35661	Colbert
Constellium Muscle Shoals LLC	1009 Ford Rd, Muscle Shoals, AL 35661	Colbert
Constellium Muscle Shoals LLC	501 West 20th Avenue, Sheffield, AL 35660	Colbert

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**Schedule 1.01(c)**  
**Immaterial Subsidiaries**

1. Constellium Muscle Shoals Funding II LLC

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**Schedule 1.01(d)**  
**Qualified Receivables**

1. Nippon Steel & Sumikin Bussan Americas Inc.
2. Crown Cork & Seal



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**Schedule 1.01(e)**  
**Unrestricted Subsidiaries**

None.

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**Schedule 1.01(f)**  
**Acceptable Appraisers**

Sector3 Appraisals, Inc.  
8802 69th Road  
Flushing, NY 11375  
Tel: (718) 268-4376  
Fax: (718) 425-9784

Hilco Appraisal Services  
5 Revere Drive, Suite 206  
Northbrook, IL 60062  
Tel: (847) 509-1100  
Fax: (847) 509-1150



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**Schedule 1.01(h)**  
**Account Debtor Restrictions**

In the case of Accounts of Account Debtors other than Anheuser-Busch, with respect to which more than one hundred twenty (120) days have elapsed since the date of the original invoice therefor or which is more than sixty (60) days past due and after the Incremental Facility Effective Date, in the case of AB Receivables, with respect to which more than one hundred thirty-five (135) days have elapsed since the date of the original invoice therefor or which is more than twenty-five (25) days past due.

**Schedule 2.01  
Commitments**

<u>Lender</u>	<u>Revolving Facility Commitment as of the Closing Date</u>
Wells Fargo Bank, National Association	\$ 112,000,000
Bank of America, N.A.	\$ 70,000,000
Deutsche Bank AG New York Branch	\$ 35,000,000
JPMorgan Chase Bank, N.A.	\$ 35,000,000
BMO Harris Bank N.A.	\$ 31,500,000
Barclays Bank PLC	\$ 22,750,000
HSBC Bank USA, N.A.	\$ 22,750,000
Citibank, N.A.	\$ 14,000,000
Credit Suisse AG, Cayman Islands Branch	\$ 7,000,000
<b>Total</b>	<b>\$ 350,000,000</b>

**Schedule 2.15  
Incremental Revolving Facility Commitments**

Part I

<u>Lender</u>	<u>Incremental Revolving Facility Commitment</u>
Wells Fargo Bank, National Association	\$ 64,000,000
Bank of America, N.A.	\$ 40,000,000
Deutsche Bank AG New York Branch	\$ 20,000,000
JPMorgan Chase Bank, N.A.	\$ 20,000,000
BMO Harris Bank N.A.	\$ 18,000,000
Barclays Bank PLC	\$ 13,000,000
HSBC Bank USA, N.A.	\$ 13,000,000
Citibank, N.A.	\$ 8,000,000
Credit Suisse AG, Cayman Islands Branch	\$ 4,000,000
<b>Total</b>	<b>\$ 200,000,000</b>

Part II

<u>Lender</u>	<u>Revolving Facility Commitment on and after the Incremental Facility Effective Date</u>
Wells Fargo Bank, National Association	\$ 176,000,000
Bank of America, N.A.	\$ 110,000,000
Deutsche Bank AG New York Branch	\$ 55,000,000
JPMorgan Chase Bank, N.A.	\$ 55,000,000
BMO Harris Bank N.A.	\$ 49,500,000
Barclays Bank PLC	\$ 35,750,000
HSBC Bank USA, N.A.	\$ 35,750,000
Citibank, N.A.	\$ 22,000,000
Credit Suisse AG, Cayman Islands Branch	\$ 11,000,000
<b>Total</b>	<b>\$ 550,000,000</b>

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**Schedule 4.01**  
**Organization and Good Standing**

None.

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**Schedule 4.04**  
**Governmental Approvals**

Any Mortgage in respect of the Ravenswood Property or any Lien in respect of any other assets of Constellium Rolled Products Ravenswood, LLC that is subject to a Lien in favor of the PBGC on the Closing Date may only be granted after (i) obtaining the consent of the PBGC to such Mortgage or Lien and (ii) intercreditor arrangements satisfactory to the PBGC have been entered into or are otherwise permitted under the existing terms of the PBGC Intercreditor Agreement.

Consent of applicable Governmental Authorities may be required prior to the granting of any Mortgage in respect of the Bowling Green Property.



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**Schedule 4.07(b)**  
**Leased Properties**

None.

Schedule 4.08(a)

Subsidiaries

	<b>Subsidiaries</b>	<b>Jurisdiction of Formation</b>	<b>Record Owner</b>	<b>Percentage of Outstanding Equity Interest Owned</b>
1.	Constellium Automotive USA, LLC	Delaware	Constellium US Holdings I, LLC	100%
2.	Constellium Bowling Green LLC	Delaware	Constellium US Holdings I, LLC Constellium Property and Equipment Company, LLC	99.9% 0.1%
3.	Constellium Metal Procurement LLC	Delaware	Constellium Holdings Muscle Shoals LLC	100%
4.	Constellium Muscle Shoals Funding II LLC	Delaware	Constellium Muscle Shoals LLC	100%
5.	Constellium Muscle Shoals LLC	Delaware	Constellium Holdings Muscle Shoals LLC	100%
6.	Constellium Property and Equipment Company, LLC	Delaware	Constellium US Holdings I, LLC	100%
7.	Constellium Rolled Products Ravenswood, LLC	Delaware	Constellium US Holdings I, LLC	100%
8.	Listerhill Total Maintenance Center LLC	Delaware	Constellium Holdings Muscle Shoals LLC	100%

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**Schedule 4.08(b)**  
**Subscriptions**

None.

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**Schedule 4.13**  
**Taxes**

None.

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**Schedule 4.16**  
**Environmental Matters**

None.

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**Schedule 4.21**  
**Insurance**

See attached.



**Constellium  
Schedule of Insurance  
2019-2020**

2/13/2019

<u>Line of Business</u>	<u>Policy Number</u>	<u>Carrier/Underwriting Paper</u>	<u>Effective Dates</u>	<u>Limits of Liability</u>	<u>Deductible / SIR / Commission</u>	<u>Comments</u>	<u>Local U/W Contact Details</u>
<b>Property</b>							
<i>US Underlyer to Global Program negotiated by Aon Paris. Various sublimits and deductibles apply</i>							
<b>Global Program Lines</b>							
Commercial Property - Primary (1st Layer)	CPD11737-08	HDI Gerling America Ins. Co.	1/4/2019-1/4/2020	\$463,120,000 Limit of Liability	<u>Key Deductibles:</u> \$5,789,000 - PI/BD Ravenswood 4805 Second St. Muscle Shoals \$1,157,800 - PI/BD Van Buren 6331 Schooner Dr. \$1,000,000 - PI/BD Bowling Green		Marco Hensel Manager – Reverse Flow, Vice President HDI Global Insurance Company 161 North Clark Street – 48th Floor Chicago, IL6060 Phone 312-456-6792 marco.hensel@us.hdi.global
Commercial Property - Excess (2nd Layer)	RDN20116PEZ	RSA State National Insurance Company	1/4/2019-1/4/2020	\$235,860,000 xs \$471,720,000	714 Commonwealth Blvd. All Others - Please refer to imbedded spreadsheet	<b>Total Program Limit:</b> <b>\$707,580,000</b>	

Line of Business	Policy Number	Carrier/Underwriting Paper	Effective Dates	Limits of Liability	Deductible / SIR / Commission	Comments	Local U/W Contact
<b>Builders Risk</b>							
<i>US Underlyer to Global Program negotiated by Aon Paris. Various sublimits and deductibles apply</i>							
Builders Risk 120 Mill (Quick) Roll Change <b>Project # 5</b>	BIPI08140364	Ace American Insurance Co.	12/1/2015-8/31/2017 <b>Extended to 12/31/2017</b> <b>Extended to 4/15/2019</b>	Project Sum Insured: \$17,148,457	\$500,000 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm	<b>Extend to 4/15/19; AP of \$11,346</b>	Kim Pfeiffer Senior Underwriter, Global St 1 Beaver Valley Road, Wilmi 19850, USA Office: 302-476-6208 kimberly.pfeiffer@chubb.com
Builders Risk 120 Mill Fume Exhaust <b>Project # 3</b>	BIPI08140248	Ace American Insurance Co.	01/04/2016-7/31/2017 Extended to 12/31/2017 <b>Extended to 4/15/2019</b>	Project Sum Insured: \$13,049,397	\$500,000 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm	<b>Extend to 4/15/19; AP of \$13,472</b>	Kim Pfeiffer Senior Underwriter, Global St 1 Beaver Valley Road, Wilmi 19850, USA Office: 302-476-6208 kimberly.pfeiffer@chubb.com
Builders Risk M99041-120 Mill HAGC <b>Project # 6</b>	<b>BIPI08140480</b>	Ace American Insurance Co.	8/15/2016-2/2/2017	Project Sum Insured: \$2,580,000	\$500,000 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm	<b>We have been informed that this project is being extended from 1/31/2018-4/15/2019 per endorsement # 2; however we seem to be missing endorsement 1.</b>	Kim Pfeiffer Senior Underwriter, Global St 1 Beaver Valley Road, Wilmi 19850, USA Office: 302-476-6208 kimberly.pfeiffer@chubb.com
Builders Risk MS Level 1 & 2 Upgrade <b>Project # 9</b>	BIPI07332452	Ace American Insurance Co.	10/1/2016-12/15/2017 <b>Extended to 1/31/2019</b>	Project Sum Insured: \$5,020,677	\$500,000 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm	<b>Extend to 1/31/19; AP of \$1,800</b>	Kim Pfeiffer Senior Underwriter, Global St 1 Beaver Valley Road, Wilmi 19850, USA Office: 302-476-6208 kimberly.pfeiffer@chubb.com
Builders Risk Scalper Upgrade <b>Project # 11</b>	BIPI13282523001	Ace American Insurance Co.	3/9/2017-3/23/2018 <b>Extended to 1/31/2019</b>	Project Sum Insured: \$4,420,670	\$500,000 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm	<b>Extend to 1/31/19; AP of \$690</b>	Kim Pfeiffer Senior Underwriter, Global St 1 Beaver Valley Road, Wilmi 19850, USA Office: 302-476-6208 kimberly.pfeiff



<u>Line of Business</u>	<u>Policy Number</u>	<u>Carrier/Underwriting Paper</u>	<u>Effective Dates</u>	<u>Limits of Liability</u>	<u>Deductible / SIR / Commission</u>	<u>Comments</u>	<u>Local U/W Contact Details</u>
Builders Risk 511 Leveler <b>Project # 12</b>	BIPI13282766001	Ace American Insurance Co.	11/20/2017-1/15/2018 <b>Extended?</b>	Project Sum Insured: \$5,270,560	\$5,270,560 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm		Kim Pfeiffer Senior Underwriter, Global Services Chubb 1 Beaver Valley Road, Wilmington, DE 19850, USA Office: 302-476-6208 kimberly.pfeiffer@chubb.com
Builders Risk Maintenance Bldg @ Bowling Green <b>Project # 13</b>	BIPI13283485001	Ace American Insurance Co.	9/1/2018-3/31/2019	Project Sum Insured: \$3,170,000	\$2,270,254 Per Occurrence incl. Flood Earth Movement Water Damage Named Windstorm		Kim Pfeiffer Senior Underwriter, Global Services Chubb 1 Beaver Valley Road, Wilmington, DE 19850, USA Office: 302-476-6208 kimberly.pfeiffer@chubb.com



**Constellium  
Schedule of Insurance  
2019-2020**

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Line of Business	Policy Number	Carrier/Underwriting Paper	Effective Dates	Limits of Liability	Deductible / SIR / Commission	Comments	Local U/W Contact Details
<b>Casualty</b>							
General Liability	PCS00157(119)	Axa Insurance Co.	1/4/2019-1/4/2020	\$2,000,000 Aggregate Products/Completed Ops \$1,000,000 Each Occurrence Employee Benefit Liability Damage to Premises Rented to You Personal & Advertising Injury \$10,000 Medical Expense	\$100,000 BI/PD Combined Deductible		Emiko TASHIRO AXA Insurance Company 125 Broad Street, 5th Floor – New York, NY 10004, USA Tel.: + 1 212 658 8764 emiko.tashiro@axa-ic.com
Umbrella	XS001572(19)	Axa Insurance Co.	1/4/2019-1/4/2020	\$24,000,000 Lead Umbrella	\$25,000 SIR		Emiko TASHIRO AXA Insurance Company 125 Broad Street, 5th Floor – New York, NY 10004, USA
<b>Construction OCP Liability</b>							
Owners & Contractors Protective Liability	PCS002965(19)	Axa Insurance Co.	1/4/2019-1/4/2020	\$5,000,000 Aggregate Products/Completed Ops \$5,000,000 Each Occurrence	\$100,000 BI/PD Combined Deductible	Est. Exposure 16,115,200	Emiko TASHIRO AXA Insurance Company 125 Broad Street, 5th Floor – New York, NY 10004, USA Tel.: + 1 212 658 8764 emiko.tashiro@axa-ic.com
<b>Financial Services Policies</b>							
<i>US Underlyer to Global Program negotiated by Aon Paris. Various sublimits and deductibles apply</i>							
Directors & Officers	32456599	AIG/National Union Fire Ins. Co. of Pittsburgh, PA	01/04/2019-01/04/2020	\$1,000,000 Fronted Limit	\$283,918 Deductible	Includes \$59.00 Taxes	Amy Liang AIG 175 Water Street, New York, NY 10038 718-250-1485
Employment Practices Liability	32456600	AIG/National Union Fire Ins. Co. of Pittsburgh, PA	01/04/2019-01/04/2020	\$1,000,000 Fronted Limit	\$500,000 Deductible	Includes \$59.00 Taxes	Amy Liang AIG 175 Water Street, New York, NY 10038 718-250-1485 amy.liang@aig.com
Fidelity / Crime Policy	ABIN7Q-002	LM/Liberty Mutual Insurance Europe Limited	1/4/2019-1/4/2020	\$2,000,000 Fronted Limit	750,000 Deductible	Includes \$150.00 Taxes	Maxime Chassang Maxime.Chassang@LibertyGlobalGroup.com Ligne directe +33 (0)1 53 05 90 56 Mobile +33 (0)6 18 98 51 44  Milverley Dominique UNDERWRITING ASSISTANT Dominique.Milverley@LibertyGlobalGroup.com Direct Line +33 17 03 91280
Cyber Errors & Omissions	13599333	AIG/National Union Fire Ins. Co. of Pittsburgh, PA	01/04/2019-01/04/2020	\$1,000,000 Fronted Limit	\$567,835 Deductible	Includes \$53.00 Taxes	Amy Liang AIG 175 Water Street, New York, NY 10038 718-250-1485 amy.liang@aig.com

<u>Line of Business</u>	<u>Policy Number</u>	<u>Carrier/Underwriting Paper</u>	<u>Effective Dates</u>	<u>Limits of Liability</u>	<u>Deductible / SIR / Commission</u>	<u>Comments</u>	<u>Local U/W Contact Details</u>
<b>Marine Cargo</b>							
<i>US Underlyer to Global Program negotiated by Aon Paris. Various sublimits and deductibles apply</i>							
Marine Cargo	MAR001618(19)	Axa Insurance Co.	1/4/2019-1/4/2020	\$7,949,200 any one shipment \$3,406,800 any one exhibition/trade fair \$1,000 any one sending by mail/parcel post Export from US to Mexico \$72,000 Truck/Trailer \$280,000 Railroad (per convoy) Bonded Warehouse or Custom (per event)	\$22,712 Deductible in respect of shipment by either vessel, air, truck, rail or ferry		Monique KAPICA DECLIDE AXA Insurance Company Vice-President / Marine and Aviation Manager 125 Broad Street, 5th Floor – New York, NY 10004, USA Tel.: + 1 212 658 8750 Monique.DECLIDE@axa-ic.com
<b>Business Travel Accident</b>							
<i>US Underlyer to Global Program negotiated by Aon Paris. Various sublimits and deductibles apply</i>							
Business Travel Accident	GTP-9134252-B	AIG	1/4/2019-1/4/2020	\$10,000 Per Accident/Terrorism/War Risk Class I - 3x Salary up to \$250k Class II - 3x Salaray up to \$1.5M	N/A		Brandee Keip AIG - Underwriter 330 Business Park Drive, Stevens Point, WI 54482
<b>Standalone Local Lines</b>							
Business Auto	CBA1004235	QBE Insurance Co.	1/4/2019-1/4/2020	\$1,000,000 CSL \$10,000 Medical Payments \$1,000,000 UM/UIM \$1,000 Comprehensive/Collision	Nil	Includes \$320.00 in Surcharges	Todd Pope QBE North America 212.805.9718 todd.pope@us.qbe.com
Workers' Compensation	CWC3977225	Stonington Insurance Company	1/4/2019-1/4/2020	Statutory; Coverage A \$1,000,000 Employers Liability	\$250,000	Includes \$58,986 surcharges	Todd Pope QBE North America 212.805.9718 todd.pope@us.qbe.com
Environmental Site Liability	PPLG27418090002	Chubb (Ace)/Illinois Union Ins. Co.	1/05/2018-1/05/2021	\$25,000,000 Per Pollution Condition \$25,000,000 Aggregate - All Pollution Conditions	\$100,000 SIR (aggregated 4x; maintenance of \$25,000)		Vanessa Jenney Chubb - Executive Underwriter 1133 Avenue of the Americas New York, NY 10036 Vanessa.Jenney@Chubb.com 212 703-7162



**Constellium  
Schedule of Insurance  
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<u>Line of Business</u>	<u>Policy Number</u>	<u>Carrier/Underwriting Paper</u>	<u>Effective Dates</u>	<u>Limits of Liability</u>	<u>Deductible / SIR /Commission</u>	<u>Comments</u>	<u>Local U/W Contact Details</u>
Manufacturer Errors & Omissions	XFR0078783LI	Axa Insurance Co.	1/4/2019-1/4/2020	\$10,000,000 Each Claim \$10,000,000 Aggregate	\$750,000 Retention		Pierric RIVIERE pierric.riviere@axa-cs.com AXA-CS 2-4 rue Jules Lefebvre 75009 Paris France Tel +33 1 56 92 91 99
ERISA Bond	8223-2225	Federal Ins. Co.	1/4/2019-1/4/2020	\$5,000,000 Limit of Liability	Nil		Amy Liang AIG 175 Water Street, New York, NY 10038 718-250-1485
Office Package Policy	MKLM61M0052805	Markel American	1/4/2019-1/4/2020	\$5,370,000 Catastrophe Property \$5,120,000 Business Personal Property \$500,000 Flood Earthquake	\$5,000 Deductible except \$25,000 Flood & Earthquake		Jeannette Weismantel 212-898-6614 Jeannette.weismantel@markelcorp.c

<u>Line of Business</u>	<u>Policy Number</u>	<u>Carrier/Underwriting Paper</u>	<u>Effective Dates</u>	<u>Limits of Liability</u>	<u>Deductible / SIR / Commission</u>	<u>Comments</u>	<u>Local U/W Contact Details</u>
<b>Run-Off (Wise Metals)</b>							
<i>Directors &amp; Officers Run-Off</i>	14239358	AIG/National Union Fire Ins. Co. of Pittsburgh	1/05/2015-1/05/2021	\$10,000,000 Directors & Officers \$5,000,000 Employment Practices \$2,000,000 Fiduciary	\$50,000	Directors & Officers \$150,000 Employment Practices Nil Fiduciary	
<i>Directors &amp; Officers Excess Run-Off</i>	DOX0051860001	Arch Ins. Co.	1/05/2015-1/05/2021	\$10,000,000× \$10,000,000			
<i>Fiduciary Liability Run-Off</i>	FDC005186401	Arch Ins. Co.	1/05/2015-1/05/2021	\$3,000,000× \$2,000,000			

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**Constellium**  
**Schedule of Insurance**

<u>Insurer</u>	<u>Insured</u>	<u>Policy number</u>	<u>Effective Dates</u>	<u>Maximum credit terms</u>	<u>Group maximum aggregate CLD amount</u>
Atradius Trade Credit Insurance, Inc.	Constellium Rolled Products Ravenswood, LLC	658595	1/1/2019 – 12/31/2021	180 days	€1,500,000,000

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**Schedule 4.23**  
**Intellectual Property**

None.

Local Counsel

None.



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**Schedule 6.10**  
**Post-Closing Deliveries**

Within 60 days after the Closing Date (or such later date as may be agreed by the Administrative Agent in its discretion), each Borrower shall execute and deliver to the Collateral Agent a Deposit Account Control Agreement with respect to each Deposit Account of such Borrower and the Loan Parties in existence as of the Closing Date, other than any Exempt Deposit Account.

No later than the date that is 90 days after the Closing Date (or such later date as may be agreed by the Administrative Agent in its discretion), Bowling Green shall deliver, or cause to be delivered, to the Administrative Agent an inventory appraisal and a field examination from an Acceptable Appraiser for Bowling Green, in each case that are reasonably satisfactory in form and substance to the Administrative Agent.

Bowling Green shall use commercially reasonable efforts to obtain any required consent from the applicable Governmental Authority to permit it to grant an Additional Mortgage in respect of the Bowling Green Property and take the other applicable actions described in Section 6.10(b) and (c) of the Credit Agreement with respect thereto (treating the Bowling Green Property as Real Property acquired by Bowling Green after the Closing Date), and if such consent is obtained or Bowling Green determines in good faith that such consent is not required, Bowling Green shall comply with all applicable requirements of Section 6.10(b) and (c) of the Credit Agreement with respect to the Bowling Green Property (treating the Bowling Green Property as Real Property acquired by Bowling Green after the Closing Date) no later than the date that is the later of (i) 120 days after the Closing Date (or such later date as may be agreed by the Administrative Agent in its discretion), and (ii) 30 days after such consent is obtained or determined not to be required (or such later date as may be agreed by the Administrative Agent in its discretion).

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**Schedule 7.01**  
**Indebtedness**

1. Capital Lease Obligations of Constellium Muscle Shoals LLC in the amount of \$2,599,000.
2. Loan by and between Alabama Saves LLC and Constellium Muscle Shoals LLC in the amount of \$128,875.

**Schedule 7.02(a)**

**Liens**

1. Trust Agreement between Constellium Rolled Products Ravenswood, LLC and United Bank, Inc. to secured liabilities of Constellium Rolled Products Ravenswood, LLC in respect of a hazardous waste management facility (storage ponds). The trust is to be funded in an amount of \$472,616 with annual payments over a ten-year period, commencing on January 17, 2008. The environmental escrow account has a balance of \$488,875.57 as of February 12, 2019.

2. Other Liens:

<u>Debtor</u>	<u>Secured Party</u>	<u>Jurisdiction of filing</u>	<u>Type of filing</u>	<u>Initial File #</u>	<u>Initial File Date</u>	<u>Description of Collateral</u>
Constellium Rolled Products Ravenswood, LLC	TFS Capital Funding	DE Secretary of State	Financing Statement	20114480201	11/22/2011	Certain equipment
Constellium Rolled Products Ravenswood, LLC	HYG Financial Services, Inc.	DE Secretary of State	Financing Statement	20122304071	06/14/2012	Certain equipment
Constellium Rolled Products Ravenswood, LLC	Noble Americas Corp.	DE Secretary of State	Financing Statement	20144719738	11/21/2014	Aluminum RSI/ Prime
Constellium Rolled Products Ravenswood, LLC	Glencore Ltd.	DE Secretary of State	Financing Statement	20170235140	01/11/2017	Glencore Ltd.'s Aluminum
Constellium Rolled Products Ravenswood, LLC	Mitsubishi International Corporation	DE Secretary of State	Financing Statement	20183014194	05/03/2018	Certain equipment
Constellium US Holdings I, LLC	NYC Department of Finance	NY New York County	State Tax Lien	003809904-01	01/09/2019	\$233.80
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Wells Fargo Equipment Finance, Inc.	DE Secretary of State	Financing Statement	20103454547	10/04/2010	New Mazak Variaxis 815/120R Vertical Machining Center S/N 223937
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Caterpillar Financial Services Corporation	DE Secretary of State	Financing Statement	20110165764	01/14/2011	Caterpillar 962H Wheel Loader S/N: K6K00510
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	De Lage Landen Financial Services, Inc.	DE Secretary of State	Financing Statement	20120499162	02/08/2012	Certain equipment

<u>Debtor</u>	<u>Secured Party</u>	<u>Jurisdiction of filing</u>	<u>Type of filing</u>	<u>Initial File #</u>	<u>Initial File Date</u>	<u>Description of Collateral</u>
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Caterpillar Financial Services Corporation	DE Secretary of State	Financing Statement	20130613191	02/15/2013	1 Exodus MX457R Material Handler s/n: 457-12-017
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20130891276	03/07/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	AlabamaSaves, LLC	DE Secretary of State	Financing Statement	20131591974	04/25/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20131592139	04/25/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20132337591	06/18/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20132344183	06/19/2013	1 2006 Taylor THC-400L Forklift with S/N: 32656 and 60" Kissing Forks
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20132344191	06/19/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20132349539	06/19/2013	Hitachi ZX210 Excavator S/N 330005 with 42" Bucket Manual Thumb 60" Ditch Bucket W/BOE
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20132359181	06/19/2013	2013 Freightline M2106 Tractor 3ALACXDT3DDFH9798
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20132419720	06/24/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20133617934	09/17/2013	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	GT Commodities LLC	DE Secretary of State	Financing Statement	20134392768	11/07/2013	Aluminum
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20140733220	02/25/2014	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Nations Fund I, Inc.	DE Secretary of State	Financing Statement	20142937498	07/23/2014	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	General Electric Capital Corporation	DE Secretary of State	Financing Statement	20143429552	08/26/2014	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20144432480	11/04/2014	Certain equipment

<u>Debtor</u>	<u>Secured Party</u>	<u>Jurisdiction of filing</u>	<u>Type of filing</u>	<u>Initial File #</u>	<u>Initial File Date</u>	<u>Description of Collateral</u>
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20150235506	01/20/2015	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20150235589	01/20/2015	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20150741651	02/23/2015	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	General Electric Credit Corporation of Tennessee	DE Secretary of State	Financing Statement	20151042729	03/12/2015	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20152587656	06/17/2015	Certain equipment
Constellium Muscle Shoals LLC	LaSalle Systems Leasing, Inc.; MB Financial Bank, N.A.; Beverly Bank & Trust Company N.A.	DE Secretary of State	Financing Statement	20153300950	07/30/2015	Certain equipment
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Alpert & Alpert Iron & Metal, Inc., a California corporation	DE Secretary of State	Financing Statement	20154086665	09/15/2015	Aluminum owned by Secured Party
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20161255833	03/02/2016	Certain equipment
Constellium Muscle Shoals LLC	Hitachi Capital America Corp	DE Secretary of State	Financing Statement	20161577012	03/16/2016	Certain receivables
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Wells Fargo Vendor Financial Services, LLC	DE Secretary of State	Financing Statement	20162861522	05/12/2016	1 Caterpillar Wheel Mounted Cable Log Skidder, Serial# EMB00860, Model#950M
Wise Alloys LLC (n/k/a Constellium Muscle Shoals LLC)	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20168031328	12/27/2016	Certain equipment
Constellium Muscle Shoals LLC	Harbor Capital Leasing, Inc.; Wintrust Equipment Finance	DE Secretary of State	Financing Statement	20171109930	02/17/2017	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20172941489	05/04/2017	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20172941554	05/04/2017	Certain equipment
Wise Alloys Funding II LLC	Hitachi Capital America Corp.	DE	Financing Statement	20161577228	03/16/2016	Accounts and proceeds; Chattel Paper and proceeds
Wise Alloys Funding II LLC	Intesa Sanpaolo S.P.A., New York Branch	DE	Financing Statement	20167258773	11/22/2016	

<u>Debtor</u>	<u>Secured Party</u>	<u>Jurisdiction of filing</u>	<u>Type of filing</u>	<u>Initial File #</u>	<u>Initial File Date</u>	<u>Description of Collateral</u>
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20175702334	08/28/2017	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	2018114368	02/16/2018	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20181563879	03/07/2018	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20181564091	03/07/2018	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20181824271	03/16/2018	Certain equipment
Constellium Muscle Shoals LLC	Deere Credit, Inc.	DE Secretary of State	Financing Statement	20181824354	03/16/2018	Certain equipment
Constellium Muscle Shoals LLC	Crown Equipment Co Inc.	DE Secretary of State	Financing Statement	20187919349	11/15/2018	Grove RT77E Rough Terrain Crane S/N 236018
Constellium Muscle Shoals LLC	Crown Equipment Co Inc.	DE Secretary of State	Financing Statement	20188983120	12/26/2018	Takeuchi TL8CRW Compact Track Loader S/N 200807361 with Bucket
Constellium Muscle Shoals LLC	Crown Equipment Co Inc.	DE Secretary of State	Financing Statement	20188358606	12/26/2018	Takeuchi TL8CRW Compact Track Loader S/N 200807366 with Grapple Bucket & Bucket Hi Cap
Wise Metals Group, LLC (n/k/a Constellium Holdings Muscle Shoals LLC)	LCA Bank Corporation	DE Secretary of State	Financing Statement	20131606145	04/26/2013	Certain equipment
Wise Metals Group, LLC (n/k/a Constellium Holdings Muscle Shoals LLC)	Harbor Capital Leasing, Inc.; Wintrust Equipment Finance	DE Secretary of State	Financing Statement	20144272928	10/23/2014	Certain equipment
Constellium-UACJ ABS LLC	HYG Financial Services, Inc.	DE Secretary of State	Financing Statement	20186099168	09/04/2018	Certain equipment
Constellium Bowling Green LLC	De Lage Landen Financial Services, Inc.	DE Secretary of State	Financing Statement	20190626346	01/28/2019	Certain equipment
Constellium Bowling Green LLC		KY Warren County	Mortgage	Plat Book 35, Page 198; Plat Book 40, Page 413; Plat Book 40; Page 478; Certificate of Land Use Restrictions Book 4, Page 465; Book 7, Page 550; Deed Book 884, Page 409; Deed Book 896, Page 354; Deed Book 912, Page 2019		Certain buildings and use restrictions

<u>Debtor</u>	<u>Jurisdiction of filing</u>	<u>Type of filing</u>	<u>Initial File #</u>	<u>Initial File Date</u>	<u>Description of Collateral</u>
Constellium Bowling Green LLC	KY Warren County	Lease	Miscellaneous Book 6, Page 532	01/27/1992	Certain easement
Constellium Bowling Green LLC	KY Warren County	Lease	Miscellaneous Book 14, Page 948	04/15/1987	Certain interlocal cooperation
Constellium Bowling Green LLC	KY Warren County	Lease	Deed Book 963, Page 342	12/27/2007	Certain ground lease
Constellium Bowling Green LLC	KY Warren County	Lease	Deed Book 963, Page 349	12/27/2007	Certain contract, lease and option
Constellium Bowling Green LLC	KY Warren County	Lease	Miscellaneous Book 7, Page 741	11/30/1993	Certain property bond
Constellium Bowling Green LLC	KY Warren County	Lease	Deed Book 1085, Page 804	10/15/2014	Certain transmission line
Constellium Bowling Green LLC	KY Warren County	Lease	Deed Book 1086, Page 450	11/03/2014	Certain lease

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**Schedule 7.02(ff)**  
**Bowling Green Property Description**

The lessee interest of Constellium Bowling Green LLC, as successor- in-interest to Quiver Ventures, LLC, under that certain Agreement of Lease, dated August 1, 2016, between the Country of Warren and Quiver Ventures, LLC and the building housing Constellium Bowling Green LLC's ABS CALP line in Bowling Green, KY, including its waste water treatment plant.



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**Schedule 7.04**  
**Investments**

\$250,000,000 aggregate principal amount of Taxable Industrial Building Revenue Bonds (Quiver Ventures LLC Project) Series 2016 issued by the County of Warren, Kentucky.

**Schedule 10.02  
Notice Information**

Constellium Rolled Products Ravenswood, LLC

Constellium Rolled Products Ravenswood, LLC  
P.O. Box 68  
859 Century Road  
Ravenswood, WV 26164  
Attn: Derek Scantlin  
Tel: (304) 273-6262  
(304) 273-7134  
Fax: (304) 273-6846  
Email: derek.scantlin@constellium.com

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52 nd Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: bbolin@wlrk.com

Constellium Bowling Green LLC

Constellium Bowling Green LLC  
714 Commonwealth Blvd  
Bowling Green, Kentucky 42101  
Attn: Janet Cobb  
Tel: +1 270 715 9406  
Email: janet.cobb@constellium.com

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52 nd Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: bbolin@wlrk.com

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Constellium Holdings Muscle Shoals LLC

Constellium Holdings Muscle Shoals LLC  
4805 Second Street  
Muscle Shoals, Alabama 35661  
Attn: Alex Godwin  
Tel: +1 256 386 6169  
Email: alex.godwin@constellium.com

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: bbolin@wlrk.com

Constellium Muscle Shoals LLC

Constellium Muscle Shoals LLC  
4805 Second Street  
Muscle Shoals, Alabama 35661  
Attn: Alex Godwin  
Tel: +1 256 386 6169  
Email: alex.godwin@constellium.com

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: bbolin@wlrk.com

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Constellium US Holdings I, LLC

Constellium US Holdings I, LLC  
300 E. Lombard Street, 17<sup>th</sup> Floor

Baltimore, Maryland 21202  
Attn: Rina E. Teran  
Tel: 443-420-7861  
Email: rina.teran@constellium.com

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: bbolin@wlrk.com

Constellium Property and Equipment Company, LLC

Constellium Property and Equipment Company, LLC  
300 E. Lombard Street, 17<sup>th</sup> Floor  
Baltimore, Maryland 21202  
Attn: Rina E. Teran  
Tel: 443-420-7861  
Email: rina.teran@constellium.com

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: bbolin@wlrk.com

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Constellium International S.A.S.

Constellium International S.A.S.  
40-44 rue Washington  
75008 Paris, France  
Attn: Jeremy Leach  
Tel: +33 1 73 01 46 51  
Email: [jeremy.leach@constellium.com](mailto:jeremy.leach@constellium.com)

With a copy to:

Clifford Chance Europe LLP  
1, rue d'Astorg, CS 60058  
75377 Paris Cedex 08  
France  
Attn: Quentin Hervé  
Tel: +33 1 44 05 53 87  
Email: [quentin.herve@cliffordchance.com](mailto:quentin.herve@cliffordchance.com)

With a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, NY 10019  
Attn: Brian Bolin  
Tel: (212) 403-1126  
Email: [bbolin@wlrk.com](mailto:bbolin@wlrk.com)

Administrative Agent

Wells Fargo Bank, National Association  
100 Park Avenue, 14th Floor  
New York, NY 100017  
Attn: Cory R. Moore  
Tel: 212-545-4267  
Email: [cory.moore@wellsfargo.com](mailto:cory.moore@wellsfargo.com)

L/C Issuer

Wells Fargo Bank, National Association  
100 Park Avenue, 14th Floor  
New York, NY 100017  
Attn: Cory R. Moore  
Tel: 212-545-4267  
Email: [cory.moore@wellsfargo.com](mailto:cory.moore@wellsfargo.com)

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Swing Line Lender

Wells Fargo Bank, National Association  
100 Park Avenue, 14th Floor  
New York, NY 10017

Administrative Agent's Account  
Wells Fargo Bank N.A.  
420 Montgomery Street  
San Francisco, CA  
ABA# 121-000-248  
Account# 4124923723  
Ref: Constellium

From: CONSTELLIUM ISSOIRE  
rue Yves Lamourdedieu Z1 les Listes,  
63500 Issoire, France  
  
CONSTELLIUM NEUF BRISACH  
ZIP Rhénane Nord, RD 52,  
68600 Bleshelm, France  
  
(together the “Borrowers”)  
  
CONSTELLIUM HOLDCO II B.V.  
Tupolevlaan 41-61,  
1119 NW Schipol-Rijk, The Netherlands  
  
(the “Parent Company”)

To: FACTOFRANCE  
Tour D2, 17 bis place des Reflets  
92988 Paris-La Défense Cedex, France  
(the “Agent”)

The financial institutions listed in the Inventory Financing Facility Agreement (as defined below) (the “Original Lenders”)

Paris, on 29 March 2018

Dear Sir or Madam,

Second Amendment to the Inventory Financing Facility Agreement (the “Amendment”)

We refer to the inventory financing credit facility agreement entered into on 21 April 2017 between Constellium Neuf Brisach and Constellium Issoire as borrowers, Constellium Holdco II B.V. as parent company and guarantor, FactoFrance as agent, arranger and original lender, Credit Suisse International as original lender, BNP Paribas as original lender and Deutsche Bank AG, London Branch as original lender, as amended on 13 June 2017 (the “Inventory Financing Facility Agreement”).

Unless otherwise defined herein, capitalized terms defined in the Inventory Financing Facility Agreement shall have the same meaning when used in this letter.

On 13 June 2017, as security for its obligations under the Inventory Financing Facility Agreement, Constellium Issoire, the Agent and the Original Beneficiaries (as such term is defined therein) entered into (i) an inventory pledge agreement with dispossession (the “Initial Constellium Issoire Pledge Agreement With Dispossession”) and (ii) an inventory pledge agreement without dispossession (the “Initial Constellium Issoire Pledge Agreement Without Dispossession”).

Since the entry into the Initial Constellium Issoire Pledge Agreement With Dispossession and the Initial Constellium Issoire Pledge Agreement Without Dispossession, Constellium Issoire has made some modifications to certain of its warehouses the inventory of which was pledged under the Initial Constellium Issoire Pledge Agreement Without Dispossession. Due to these modifications, the

inventory located in those warehouses (the “New With Dispossession Warehouses”) can now be pledged with dispossession. As a result, Constellium Issoire now requests that that the inventory located in the New With Dispossession Warehouses be now pledged with dispossession to the Finance Parties, which would allow to increase the Borrowing Base Value applicable to Constellium Issoire.

In this context, we hereby request you to agree to:

- i. replace the definition of “Eligible Inventory” of the Inventory Financing Facility Agreement with the following provisions:  
“Eligible Inventory” means. In respect of any Borrower, aluminium raw material, slabs and billets, semi-finished goods and finished goods which fulfil the following criteria:
  - a) they are located in the Warehouse of such Borrower;
  - b) with respect to slabs and billets, semi-finished goods and finished goods only, they are Ordered Products;
  - c) they are free from any pledge, lien ( *privilege* ), retention of title or any other Security (except under the Security Documents); and
  - d) in case of enforcement of the Finance Parties’ rights under the Security Documents, the Finance Parties are entitled to sell such material or goods without infringing any applicable intellectual property rights in relation to such material or goods.”;
- ii. replace the definition of “Escrow Agent Certificate” of the Inventory Financing Facility Agreement with the following provisions;  
“Escrow Agent Certificate” means, in respect of any Borrower, any escrow agent certificate ( *certificat de tierce détention* ) as defined in each Inventory Pledge Agreement With Dispossession entered into by such Borrower.”;
- iii. replace the definition of “Inventory Pledge Agreement With Dispossession” of the Inventory Financing Facility Agreement with the following provisions.”;  
“Inventory Pledge Agreements With Dispossession” means, in respect of each Borrower, the inventory pledge agreement with dispossession ( *acte de gage avec dépossession* ) entered into on 13 June 2017 between such Borrower and the Finance Parties and, In respect of Constellium Issoire, the inventory pledge agreement with dispossession ( *acte de gage avec dépossession* ) entered into on 20 March 2018 between Constellium Issoire and the Finance Parties, and “Inventory Pledge Agreement With Dispossession” means any of them.”;
- iv. replace the definition of “Inventory Pledge Agreement Without Dispossession” of the Inventory Financing Facility Agreement with the following provisions.”;  
“Inventory Pledge Agreement Without Dispossession” means, in respect of each Borrower, the inventory pledge agreement without dispossession ( *acte de gage sans dépossession* ) entered into on 13 June 2017 between such Borrower and the Finance Parties”;
- v. replace the definition of “Inventory Value (With Dispossession)” of the Inventory Financing Facility Agreement with the following provisions:



“Inventory Value (With Dispossession)” means, on any date, in respect of any Borrower, the book value as at such date of any Eligible Inventory of such Borrower pledged under any Inventory Pledge Agreement With Dispossession entered into by such Borrower, as set out in the accounting systems of the Borrower and determined according to the same methodology as the one used by the relevant Borrower in its accounting as at the Signing Date.”;

- vi. replace the definition of “Ordered Products” of the inventory Financing Facility Agreement with the following provisions:  
“Ordered Products” means slabs and billets, semi-finished goods and finished goods which have been irrevocably ordered by or are subject to a binding forecast from a client of a Borrower.”;
- vii. replace the definition of “Product Net Orderly Liquidation Percentage” of the Inventory Financing Facility Agreement with the following provisions:  
“Product Net Orderly Liquidation Percentage” means, in respect of each Borrower, the percentage per type of products (raw material, slabs and billets, semi-finished goods and finished goods) on a non-conversion basis notified by the Independent Appraiser to the Agent and such Borrower half-yearly in accordance with Clause 5.7.1.”;
- viii. replace the definition of “Security Documents” of the Inventory Financing Facility Agreement with the following provisions:  
“Security Documents” means, in respect of each Borrower, (i) each Inventory Pledge Agreement With Dispossession entered into by such Borrower and (ii) the Inventory Pledge Agreement Without Dispossession entered into by such Borrower.”;
- ix. replace the definition of “Warehouse” of the Inventory Financing Facility Agreement with the following provisions:  
“Warehouse” shall, in relation to any Borrower, have the meaning given to that term in each Inventory Pledge Agreement With Dispossession or the Inventory Pledge Agreement Without Dispossession, as applicable, entered into by such Borrower.”;
- x. replace clause 4.2.3 of the Inventory Financing Facility Agreement with the following provisions:  
“prior to the date of the Utilisation Request, each Escrow Agent Certificate and the Escrow Agent Statement in respect of the relevant Borrower which are due to be provided to the Agent by the most recent date prior to the date of the Utilisation Request in accordance with Clause 5.5.2 have been so provided.”;
- xi. replace clause 5.5.2(a) of the Inventory Financing Facility Agreement with the following provisions:  
“In any event, at the latest on the last Business Day of each calendar month with (i) Escrow Agent Certificate(s) countersigned by the relevant Borrower and setting out, inter alia, the applicable Inventory Value (With Dispossession) and (ii) statements as to positions of inventory ( *registre des positions de stocks* ) issued by the relevant Borrower during such calendar month setting out the position of the inventory pledged under any Inventory Pledge Agreement Without Dispossession entered into by such Borrower; and”
- xii. replace clause 5.5.3 of the inventory Financing Facility Agreement with the following provisions:  
“The Borrowers shall permit the Escrow Agent to have access to the Warehouses in accordance with the terms of any Inventory Pledge Agreement With Dispossession and the Inventory Pledge Agreement Without Dispossession entered into by such Borrower.”;

- xiii. replace clause 5.7.3 of the Inventory Financing Facility Agreement with the following provisions:  
“On each date on which an Utilisation Request is delivered by a Borrower to the Agent, the Recalculated Net Orderly Liquidation Percentage applicable to the Loan to be made to such Borrower on the Utilisation Date of that Loan will be determined on the basis of the weighted average of the last Product Net Orderly Liquidation Percentages applicable to such Borrower, taking into account the repartition of the Pledged Inventory which is Eligible Inventory of such Borrower per type of products (raw material, slabs and billets, semi-finished goods and finished goods) as set out in the last available Escrow Agent Reports relating to such Borrower.”;
- xiv. replace clause 18.1.2 of the Inventory Financing Facility Agreement with the following provisions:  
“Powers, authorisations and consents: (i) it has full power and authority to enter into the Finance Documents to which it is a party, (ii) with respect to each Borrower only, it has full power and authority to own its assets pledged under either any Inventory Pledge Agreement With Dispossession or the Inventory Pledge Agreement Without Dispossession to which it is a party and (iii) and no governmental or regulatory consent is required in order for it to enter into the Finance Documents to which it is a party and it has taken all action necessary to authorise, and it maintains and complies with the term of any Authorisation required to enable, the execution and performance by it of the Finance Documents to which it is a party.”;
- xv. replace clause 19.5.2(e) of the Inventory Financing Facility Agreement with the following provisions:  
“promptly, upon request of the Agent, any agreement entered into between any Borrower and its suppliers to the extent that (i) the purpose of the relevant agreement is for a Borrower to acquire goods which are to be pledged under any Inventory Pledge Agreement With Dispossession or the Inventory Pledge Agreement Without Dispossession to which such Borrower is a party and (ii) the purchase price of such goods provided in the relevant agreement is equal or above EUR 2,000,000.”;
- xvi. replace clause 19.10 of the Inventory Financing Facility Agreement with the following provisions:  
“Warehouse: it shall remit to the Escrow Agent in the Warehouses goods intended to be pledged under any Inventory Pledge Agreement With Dispossession entered into by it and it shall not remit to the Escrow Agent any goods belonging to third parties.”;
- xvii. as provided for in clause 5.7.2 of the Inventory Financing Facility Agreement, agree to the modification by the Independent Appraiser of its methodology for the determination of the Product Net Orderly Liquidation Percentages and the Independent Appraiser Net Orderly Liquidation Percentage, as described in Annex 1 hereto; and
- xviii. agree to the signature by the Agent on behalf of the Finance Parties of a letter substantially in the form set out in Annex 2 hereto, under which, inter alia, the Finance Parties would agree to release partially the pledge granted under the Initial Constellium Issoire Pledge Agreement Without Dispossession in respect of the inventory located in the New With Dispossession Warehouses, so this inventory can now be pledged to the Finance Parties with dispossession.

This Amendment shall not constitute a novation of the Inventory Financing Facility Agreement.

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The Parent Company hereby confirms that the Guarantee created under clause 17 of the Inventory Financing Facility Agreement will:

- a) continue in full force and effect; and
- b) extend to the payment obligations of the Borrowers under the Finance Documents as amended under this Amendment.

Each Borrower hereby confirms that any security interest created under any Security Document to which it is a party will:

- a) continue in full force and effect; and
- b) extend to its obligations and liabilities under the Finance Documents as amended under this Amendment.

This Amendment is made in eight original copies.

The provisions of this Amendment shall be construed in accordance with and shall be governed by French law. All disputes arising out of or in connection with this Amendment and in particular with its validity, interpretation, performance or non-performance, shall be exclusively referred to the competent courts in the jurisdiction of the Paris Court of Appeal.

We would be grateful if you could confirm your agreement with the above by countersigning the enclosed copies of this letter and by returning us three original signed copies of this letter.

Yours faithfully,

---

**The Borrowers**

**CONSTELLIUM ISSOIRE**

By: /s/ Christel Sahyoun

Name: Christel Sahyoun

**CONSTELLIUM NEUF BRISACH**

By: /s/ Christel Sahyoun

Name: Christel Sahyoun

**The Parent Company**

**CONSTELLIUM HOLDCO II B.V.**

By: /s/ Christel Sahyoun

Name: Christel Sahyoun

/s/ Mark Kirkland

Mark Kirkland

Director B

/s/ D. Borgers

D. Borgers

Director A

---

**The Agent**

**FACTOFRANCE**

By: /s/ Christine Vadon  
Name: Christine Vadon

**The Original Lenders**

**FACTOFRANCE**

By: /s/ Christine Vadon  
Name: Christine Vadon

---

**CREDIT SUISSE INTERNATIONAL**

By: /s/ Brian Fitzgerald

Name: Brian Fitzgerald  
Authorised Signatory

By: /s/ Garrett Lynskey

Name: Garrett Lynskey  
Authorised Signatory

---

**BNP PARIBAS**

By: /s/ Alexis Flamant

Name: Alexis Flamant

By: /s/ B. Chiffert

Name: B. Chiffert

---

**DEUTSCHE BANK AG, LONDON BRANCH**

By: /s/ Mark Dixon  
Name: Mark Dixon

By: /s/ Ray Dukes  
Name: Ray Dukes  
Vice President



Paris 13909923.1



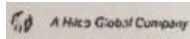
The change in methodology is a slight tweak upwards in the values attributed to the slab. We have continued to value the slab on the basis of the metal component only (the added value has not been factored into the valuation) however we have increased the realisation of the metal component as a result of market evidence provided by Constellium.

They are able to sell their slabs as is, without further processing. The market for the slabs is larger than we had previously realised, and therefore we felt able to increase the percentage recoveries on these products.

The other change with slabs is in the formatting of the report; they are no longer grouped within the standard work-in-progress category, and have been split out to better reflect the higher recoveries forecast on slab when compared to other WIP products.

J. Borall

22/03/2018



Paris 13909923.1

Paris 13909923.1

From: FACTOFRANCE  
Tower D2, 17 bis Place des Reflets, 92988 Paris la Defense Cedex, France  
In the capacity of agent acting in the name and on behalf of the Beneficiaries  
(the "Agent")

To: CONSTELLIUM ISSOIRE  
Rue Yves Lamourdedieu ZI les Listes, 83500 Issoire, France  
RCS Clermont-Ferrand 672 014 081  
(the "Consultant")

Paris, on March 29, 2018

Madams and Sirs,

Reference is made to the pledge agreement of movable property without dispossession entered into on June 13, 2017 between the Settlor, the Agent and the Initial Beneficiaries (as that term is defined in the said pledge agreement) represented by the Agent (the "Beneficiaries") (the "Pledge Agreement Without Dispossession").

Terms beginning with a capital letter and not otherwise defined in this letter have the same meaning as the one which is assigned to them in the Pledge Agreement Without Dispossession.

Reference is also made to the contract for pledge of movable property with dispossession concluded on June 13, 2017 between the Settlor, the Agent and the Beneficiaries (the "Pledge Agreement With Dispossession").

Since entering into the Pledge Agreement Without Dispossession and the Pledge Agreement With Dispossession, the Settlor has made changes to some of its stores in which pledge assets were located under the Pledge Agreement Without Dispossession. Due to these changes, the inventory items located in these stores cannot henceforth be subject to a pledge under the Pledge Agreement Without Dispossession but be pledged with dispossession to the benefit of the Beneficiaries.

Consequently, in order to allow the conclusion, today, by the Settlor, the Agent and the Beneficiaries, of a pledge agreement of movable property with dispossession relating to the inventory items located in the above-mentioned stores, the Beneficiaries, represented by the Agent, hereby agree that as of the date hereof:

- (a) to release the collateral provided under the Pledge Agreement Without Dispossession on the Settlor's inventory located in the Settlor's stores A (ATO Shipping Area) and B (Parc Eclatement Area);

(b) that said inventories will no longer be the subject of the pledge given to the Beneficiaries under the Pledge Agreement Without Dispossession; and

(c) that the definition of “Inventories” in Article 1.1 of the Pledge Agreement Without Dispossession will be replaced by the following definition:

“Inventories” means, at any time, all the inventories of tons of raw materials, work in process and finished products, composed of aluminum alloys and other additive metals in all their forms, belonging to the Settlor, which are not the subject of a pledge under the Pledge with Dispossession or under the pledge agreement with dispossession in the English language (*Inventory Pledge Agreement With Dispossession*) entered into on March 29, 2018 between the Parties (the Settlor’s inventories subject to such pledges being the Settlor’s inventories stored in the automatic warehouse MM101 and in stores A (ATO Shipping Area) and B (Parc Eclatement Area), located at Constellium Issoire, rue Lamourdedieu, 63500 Issoire, the Multilog warehouses located in Issoire and Clermont-Ferrand and the All warehouses located in Le Havre).”

without in any way jeopardizing the collateral provided under the Pledge Agreement Without Dispossession with respect to the other components of the Settlor’s inventory.

This letter does not constitute a renewal of the parties’ obligations under the Pledge Agreement Without Dispossession.

This letter is subject to, and will be interpreted in accordance with, French law.

Any dispute or other proceeding concerning this letter, or any other documents or acts relating thereto, shall be submitted to the exclusive jurisdiction of the Commercial Court of Paris.

The Beneficiaries

Represented by Factofrance as Agent

By:

Factofrance

As Agent

By:

---

We acknowledge receipt of this letter and endorse its terms

Constellium Issoire

As Settlor

By:

3

Paris 13909923.1

**FIFTH OMNIBUS AMENDMENT**

This FIFTH OMNIBUS AMENDMENT, dated as of October 22, 2018 (this “Amendment”) is:

(1) THE SIXTH AMENDMENT to the RECEIVABLES SALE AGREEMENT, between CONSTELLIUM MUSCLE SHOALS LLC (f/k/a WISE ALLOYS LLC), as seller (the “RSA Seller”) and CONSTELLIUM MUSCLE SHOALS FUNDING II LLC (f/k/a WISE ALLOYS FUNDING II LLC), as purchaser; and

(2) THE FIFTH AMENDMENT to the AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT, among CONSTELLIUM MUSCLE SHOALS FUNDING II LLC (f/k/a WISE ALLOYS FUNDING II LLC), as seller (the “RPA Seller”), CONSTELLIUM MUSCLE SHOALS LLC (f/k/a WISE ALLOYS LLC), as servicer (the “Servicer”), HITACHI CAPITAL AMERICA CORP. (together with its successors and permitted assigns) (“HCA”), as a purchaser, INTESA SANPAOLO S.P.A., NEW YORK BRANCH (together with its successors and permitted assigns), as a purchaser (and, together with HCA, in such capacity, the “Purchasers”), and GREENSILL CAPITAL (UK) LTD., as purchaser agent (the “Purchaser Agent”).

## RECITALS

**WHEREAS**, the RSA Seller and the RPA Seller have heretofore entered into the RECEIVABLES SALE AGREEMENT, dated as of March 16, 2016 (as amended, restated, supplemented, assigned or otherwise modified from time to time, the “Receivables Sales Agreement”);

**WHEREAS**, CONSTELLIUM INTERNATIONAL SAS (successor of CONSTELLIUM HOLDCO II B.V.) (the “Parent”) has heretofore entered into a PERFORMANCE UNDERTAKING, dated as of March 16, 2016, in favor of the RPA Seller with respect to obligations under the Receivables Sale Agreement (the “First Tier Parent Guarantee”);

**WHEREAS**, the RPA Seller, the Servicer, the Purchasers and the Purchaser Agent heretofore entered into the AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT, dated as of November 22, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Receivables Purchase Agreement”; together with the Receivables Sales Agreement, each an “Agreement” and collectively, the “Agreements”);

**WHEREAS**, the Parent has heretofore entered into an AMENDED AND RESTATED PERFORMANCE UNDERTAKING, dated as of November 22, 2016, in favor of the Purchasers with respect to obligations under the Receivables Purchase Agreement (the “Second Tier Parent Guarantee,” and together with the First Tier Parent Guarantee, the “Guarantees”); and

**WHEREAS**, the parties hereto seek to modify each of the Agreements upon the terms hereof.

**NOW, THEREFORE**, in exchange for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed), the parties hereto agree as follows:

SECTION 1. Definitions. Unless otherwise defined or provided herein, capitalized terms used herein have the meanings attributed thereto in (or by reference in) the Agreements, as applicable.

*Wise Alloys: Fifth Omnibus Amendment*

SECTION 2. Amendment to the Receivables Sale Agreement. The Receivables Sale Agreement is hereby amended as follows:

(a) Clause (iv) of the definition of “Eligible Receivable” set forth in Exhibit A of the Receivables Sale Agreement is hereby amended and restated in its entirety as follows:

“(iv) that by its terms has an Invoice Due Date that is no more than 135 days from the original invoice date and such Invoice Due Date has not occurred,”

SECTION 3. Amendment to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended as follows:

(a) Clause (iv) of the definition of “Eligible Receivable” set forth in Exhibit A of the Receivables Purchase Agreement is hereby amended and restated in its entirety as follows:

“(iv) that by its terms has an Invoice Due Date that is no more than 135 days from the original invoice date and such Invoice Due Date has not occurred,”

SECTION 4. Consent. The Parent hereby (a) consents to the RSA Seller and the RPA Seller entering into this Amendment, (b) consents to the increase to 135 days to the maximum receivables tenor set forth in the definition of “Eligible Receivable” as defined in each of the Receivables Sale Agreement and the Receivables Purchase Agreement as contemplated by Sections 2 and 3 of this Amendment, respectively, and (c) confirms and restates its obligations under the First Tier Parent Guarantee and the Second Tier Parent Guarantee with respect to (i) the effectiveness of the Receivables Sale Agreement and the Receivables Purchase Agreement, respectively, each of which may be amended from time to time; and (ii) the effectiveness of this Amendment and after giving effect thereto. The Parent further confirms and agrees that the First Tier Parent Guarantee and the Second Tier Parent Guarantee have not been annulled, revoked, rescinded or terminated prior to the date hereof.

SECTION 5. Condition to Effectiveness. This Amendment shall become effective on the date on which all of the following conditions have been satisfied:

(a) each of the parties hereto shall have received counterparts of this Amendment executed by each of the other parties hereto (including facsimile or e-mail signature pages); and

(b) the representations and warranties contained in each of the Agreements and in this Amendment shall be true and correct both as of the date hereof and immediately after giving effect to this Amendment.

SECTION 6. Representations and Warranties. Each of the RSA Seller, RPA Seller and the Parent, on and as of the date hereof, make the following representations and warranties:

(a) Authority. It has the requisite corporate power and authority to execute and deliver this Amendment and to perform its obligations hereunder and under the Agreements (as amended hereby) and the Guarantees, as the case may be. The execution and delivery and performance by it of this Amendment and the performance of the Agreements (as amended hereby) and the Guarantees, as the case may be, have been duly approved by all necessary corporate action, and no other corporate proceedings are necessary to consummate such transactions;



(b) Enforceability. This Amendment has been duly executed and delivered by it. Each of the Agreements (as amended hereby) and the Guarantees, as the case may be, is a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors and to general principles of equity, and is in full force and effect;

(c) Representations, Warranties and Covenants. Its representations, warranties and covenants contained in the Agreements and the Guarantees, as the case may be (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof), are correct on and as of the date hereof as though made on and as of the date hereof; and

(d) No Termination Event. No Termination Event has occurred and is continuing.

SECTION 7. Effect of Amendment; Ratification.

(a) Upon the effectiveness of this Amendment, (i) all references in the Receivables Sale Agreement or in any other Transaction Document to “the Receivables Sale Agreement,” “this Agreement,” “hereof,” “herein” or words of similar effect, in each case referring to the Receivables Sale Agreement, shall be deemed to be references to the Receivables Sale Agreement as amended by this Amendment and (ii) all references in the Receivables Purchase Agreement or in any other Transaction Document to “the Receivables Purchase Agreement,” “this Agreement,” “hereof,” “herein” or words of similar effect, in each case referring to the Receivables Purchase Agreement, shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment.

(b) Except as specifically amended hereby, the Agreements and all other Transaction Documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed in all respects.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Purchaser or any of its assignees under the Agreements or any other Transaction Document, instrument, or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein.

SECTION 8. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, and each counterpart shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 9. Governing Law. This Amendment shall be governed by the laws of the State of New York, without giving effect to conflict of laws principles that would require the application of the law of any other jurisdiction.

SECTION 10. Transaction Document. This Amendment shall be a Transaction Document under each of the Agreements.

SECTION 11. Section Headings. The various headings of the Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreements or any provision hereof or thereof.

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SECTION 12. Post-Closing Undertaking. On or prior to the date that is thirty calendar days from the date hereof, the Parent covenants and agrees to reaffirm its obligations under the First Tier Parent Guarantee and the Second Tier Parent Guarantee and to deliver to the Purchaser Agent and the Purchasers such corporate documentation and capacity and enforceability opinions for Constellium International SAS with respect to such reaffirmation of the First Tier Parent Guarantee and the Second Tier Parent Guarantee contained in Section 4 of the Amendment as may be reasonably requested by the Purchaser Agent (acting on behalf of and at the request of each Purchaser).

SECTION 13. Severability. If any one or more of the agreements, provisions or terms of this Amendment shall for any reason whatsoever be held invalid or unenforceable, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions and terms of this Amendment and shall in no way affect the validity or enforceability of the provisions of this Amendment.

[Signatures follow]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

CONSTELLIUM MUSCLE SHOALS LLC,  
as the RSA Seller and the Servicer

By: /s/ Rina E. Teran  
Name: Rina E. Teran  
Title: VP & Secretary

CONSTELLIUM MUSCLE SHOALS FUNDING II LLC, as  
the RPA Seller

By: /s/ Rina E. Teran  
Name: Rina E. Teran  
Title: VP & Secretary

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HITACHI CAPITAL AMERICA CORP.,  
as a Purchaser

By: /s/ Suzanne Santos  
Name: Suzanne Santos  
Title: Chief Risk Officer

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INTESA SANPAOLO S.P.A., NEW YORK BRANCH,  
as a Purchaser

By: /s/ Antonio Di Maggio                      /s/ Vamsi Potukuchi  
Name: Antonio Di Maggio                      Vamsi Potukuchi  
Title: First Vice President Head of Trade      Vice President Trade & FIs  
         & FIs

S-3

*Wise Alloys: Fifth Omnibus Amendment*

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GREENSILL CAPITAL (UK) LTD.,  
as the Purchaser Agent

By: /s/ Jonathan Lane

Name: Jonathan Lane

Title: General Counsel

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ACKNOWLEDGED AND AGREED:

CONSTELLIUM INTERNATIONAL SAS,  
as the Parent

By: /s/ SCHALTT  
Name: SCHALTT  
Title: General manager



**2018 Long Term Incentive Award Agreement**

Terms and Conditions

Effective as from May 25, 2018



## 1. BACKGROUND

This Award Agreement for the 2018 Long Term Incentive Plan is adopted under the Constellium N.V. 2013 Equity Incentive Plan, as amended and restated from time to time (the “**Plan**”). The Units awarded under this Award Agreement entitle the Participant to receive Constellium Shares or a cash equivalent, subject to the terms and conditions of the Plan, this Award Agreement and the Award Letter.

The Company’s shareholders have authorized the issuance of up to 14,292,291 Shares under the Plan (pursuant to corporate decisions taken on May 16, 2013, June 11, 2014 and May 24, 2018). This Award Agreement has been adopted by the Board of Directors of the Company pursuant to such authorization.

## 2. DEFINITIONS

The terms and conditions set forth in the Plan are incorporated by reference. Terms used herein shall have the meaning ascribed thereto in the Plan unless otherwise defined herein. Section references in this Award Agreement are to the respective section herein unless otherwise noted.

**Award Agreement:** This Long Term Incentive Award Agreement of the Company, as amended and restated from time to time.

**Award Letter:** A letter provided by the Company to the Participant in respect of each Grant, specifying the number of RSUs and/or PSUs granted, the Grant Date, the Index or Indices (if applicable), the Vesting Period and/or Performance Period (if applicable), the Vesting Date and any other terms and conditions applicable. Award Letters will be subject to modifications and additional provisions decided by the Board or the Committee in its discretion.

**Base Amount:** One Share for each Unit, unless otherwise specified in the Award Letter.

**Board:** The Board of Directors of the Company or, if delegated by the Board, the Human Resources and Remuneration Committee of the Board, any successor committee thereto, or any other committee or body appointed from time to time by the Board to administer awards under this Award Agreement.

**Change in Control:** Change in Control has the meaning defined in Section 10(b) of the Plan, except that for purposes of this Award Agreement to the extent permitted by applicable law:

- (a) the 50% threshold in Section 10(b)(i) of the Plan shall be replaced by 35%,
- (b) the 50% threshold in Section 10(b)(iii)(A) of the Plan shall be replaced by 65%,
- (c) the 50% threshold in Section 10(b)(iii)(B) of the Plan shall be replaced by 35%,
- (d) the majority threshold in Section 10(b)(iii)(C) of the Plan shall be replaced by 65%, and
- (e) and a new Section 10(b)(v) of the Plan shall be added:
  - (v) any Person with beneficial ownership of 5% or more of either the Outstanding Company Shares or Outstanding Company Voting Securities shall have nominated for election by the Company’s stockholders directors representing 35% or more of the Board and such persons shall have been elected, without the approval of at least a majority of the Incumbent Board.

**Company:** Constellium N.V. or any successor thereto.

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**Constellium Group:** The Company together with the companies in which the Company holds directly or indirectly more the 50% of the outstanding shares and which are included in the consolidated financial statements of the Company. References to the Constellium Group shall be to all such companies or any one or group of them, as the context requires.

**Continued Service Condition:** The condition referred to in Section 5.

**Converted RSUs:** Has the meaning set forth in Section 13.

**Converted PSUs:** Has the meaning set forth in Section 13.

**Converted Units:** Has the meaning set forth in Section 13.

**Delivery Date:** A day that is both a trading day on the New York Stock Exchange and a banking day in the city in which the Company has its headquarters, falling as soon as practicable after the Vesting Date, as determined by the Company, unless otherwise specified in the Award Letter.

**Grant:** The award of Units to a Participant in accordance with this Award Agreement.

**Grant Date:** The date on which a Grant of Units is made by the relevant corporate body of Constellium. The Grant Date applicable to each Unit will be specified in the Award Letter.

**Index or Indices:** The Index or Indices will be specified in the Award Letter.

**Participant:** An employee of the Constellium Group who has received a Grant of Units under this Award Agreement.

**Performance Condition:** Such performance condition or conditions as shall be specified in the Award Letter.

**Performance Period:** The period over which the Performance Condition shall be measured. For each PSU, this period will be specified in the Award Letter. The period will be of three years, unless otherwise specified in the Award Letter. The Performance Period is subject to earlier termination in the event of a Change in Control or the Participant's Disaffiliation.

**Performance Share Unit or PSU:** Each PSU shall be a "Performance Share Unit" within the meaning of Section 8 of the Plan and represents a conditional right to receive a certain number of Shares or, in the Company's discretion, their cash equivalent upon settlement, subject to the fulfillment of the Performance Condition, the Continued Service Condition and the other terms and conditions of this Award Agreement.

**Permanent Disability :** (i) For Participants covered by the long term disability plan of the Constellium Group, disability as defined in such plan, (ii) for French-resident Participants, a disability falling within the second and third categories of article L. 341-4 of the French Social Security Code and, (iii) for all other Participants, a physical or mental condition of the Participant resulting from bodily injury, disease or mental disorder which renders the Participant incapable of continuing the Participant's usual or customary employment with the Participant's employer for a period of not less than six consecutive months, as determined by the Board in its discretion. Notwithstanding the foregoing, for U.S. taxpayers, such occurrence must also constitute a disability within the meaning of Section 409A of the Internal Revenue Code (" **Section 409A** ").

**Plan:** Has the meaning set forth in Section 1.

**Restricted Stock Unit or RSU:** Each RSU shall be a "Restricted Stock Unit" within the meaning of Section 7 of the Plan and represents a conditional right to receive a certain number of Shares or, in the Company's discretion, their cash equivalent upon settlement, subject to the fulfillment of the Continued Service Condition and the other terms and conditions of this Award Agreement.

**Retirement:** Defined by the Participant's employer in accordance with applicable local law or, in the absence of such law, under the conditions provided for in the employer's retirement or early retirement plan, or in the absence of such a plan, at the minimum age of 65 (to the extent permitted by law).

**Termination:** A "Termination of Employment" as defined in the Plan which, for the avoidance of doubt, shall include any voluntary or involuntary ending of services (including garden leave or other periods of non-work / interruption of employment as defined in the discretion of the Company) with the Company or a Subsidiary.

**Total Shareholder Return or TSR :** With respect to any share or Index, the variation in stock price of such share or the value of such Index, as the case may be, measured by comparing the price or value at the beginning of the relevant Performance Period with the price or value at the end of such period plus, in the case of a share, dividends and distributions paid, declared or made in respect of such share during the Performance Period, which shall be deemed to have been reinvested, expressed as a percentage return, in each case expressed as a percentage of the beginning point. TSR will be measured as of the first and last day of the relevant Performance Period, in each case by reference to an average of the closing price of the relevant share or index on each of the 20 trading days immediately preceding, as applicable, the first day of the relevant Performance Period (the Grant Date unless otherwise provided in the Award Letter) and the last day of the relevant Performance Period (the Vesting Date unless otherwise provided in the Award Letter, or, if earlier, the occurrence of a Change in Control or the Participant's Disaffiliation).

**Units:** Performance Share Units and Restricted Stock Units.

**Vesting Date:** The Vesting Date of each Unit will be the third anniversary of the Grant Date, unless otherwise specified in the Award Letter, subject to the satisfaction of the Continued Service Condition and, in respect of the PSUs, the Performance Condition. On the Vesting Date, Participants become entitled to the delivery of Shares (or a cash payment) with respect to such Units.

**Vesting Period:** The period from the Grant Date through and including the Vesting Date. The period will be of three years, unless otherwise specified in the Award Letter.

**Voluntary Termination for Good Reason:** Has the meaning set forth in Section 13.

### 3. GRANT OF UNITS

Grants of Units will be made by decision of the Board or, to the extent permitted by applicable law, by the Committee acting under the authority granted to it under Section 2 of the Plan.

An Award Letter will be entered into with each Participant setting forth the specific terms and conditions of the Participant's Grant.

As a precondition for a valid Grant, the Participant must be employed by a company of the Constellium Group on the Grant Date.

The Participant will be required to accept the terms and conditions of the Grant and to provide such information as may be required by the Company and its service providers for the administration of the Grant.

For French-resident Participants, Grants will be made only with respect to those Shares approved on May 24, 2018 or at a later date.

#### 4. VESTING OF UNITS

The level of vesting of the Units and the resulting Share entitlement shall be determined as soon as practicable after the Vesting Date subject to the achievement of the Continued Service Condition as set forth under Section 5 and, in respect of the PSUs, based on the level of achievement of the Performance Condition as set forth under Section 6.

To the extent that vesting is achieved under these conditions, the Participant will be entitled to receive Shares in the numbers determined according to such conditions. Any Units that do not vest, will be cancelled without further notice, entitlement or right of indemnity.

Prior to the Delivery Date, the Participant does not have any legal ownership or any other rights relating to the Shares. The Participant shall not be entitled to any dividend or have any voting rights or any other rights as a shareholder to the Shares until and unless the Shares have been transferred to the Participant or, in certain limited cases, upon vesting of the Units.

If at any time any Participant forfeits any or all of such Participant's Units, due to the Continued Service Condition or the Performance Condition not being met or otherwise, all of such Participant's rights and interests in such Units and in Shares issuable thereunder shall terminate upon forfeiture without payment of any indemnity or consideration.

#### 5. CONTINUED SERVICE CONDITION

As a condition to the vesting of the Units, the Participant must remain an active employee of the Constellium Group from the Grant Date through the Vesting Date, without Termination, unless one of the exceptions listed below shall apply. A Termination that does not result from such an exception shall result in the immediate termination of any Units of such Participant that have not previously vested without further notice, entitlement or right of indemnity.

The Continued Service Condition shall not be deemed to be breached if the Participant's termination of employment within the Constellium Group results from one of the following exceptional events:

- (a) Permanent Disability, in which case the Participant retains the right to settlement and the original Vesting Date and conditions will continue to apply;
- (b) Death of the Participant, in which case outstanding Units will be settled with the Participant's heirs or representatives (for PSUs, at the Base Amount) as soon as practicable after the date of death, constituting full and final settlement of such Units; or
- (c) Retirement, in which case the Participant retains the right to settlement and the original Vesting Date and conditions will continue to apply, and the number of Shares to be delivered will be prorated by multiplying (i) the number of Shares the Participant would otherwise have received for the Vesting Period by (ii) a fraction, the numerator of which is the number of full months in the period that begins with the month that contains the Grant Date and ends with (and includes) the month in which the Participant's employment with the Constellium Group terminates due to the Participant's Retirement, and the denominator of which is the total number of full months in the period that begins with the month that contains the Grant Date and ends with the month that contains the Vesting Date.

If the Participant's last day of employment with the Constellium Group occurs before the last day of the Vesting Period for any reason other than those mentioned above, then, unless the Board or Committee determines otherwise in its sole discretion, any Units of such Participant that have not previously vested shall be immediately cancelled without further notice, entitlement or right of indemnity.

#### **6. PERFORMANCE CONDITION**

The vesting of the PSUs and the delivery of the related Shares shall be subject to the level of achievement of the Performance Condition in respect of the relevant Performance Period, as specified in the Award Letter.

#### **7. MEASUREMENT AND CALCULATION OF ACHIEVEMENT**

The measurement of the achievement of the Performance Condition shall be made as soon as practicable after the end of the relevant Performance Period. The number of PSUs to be settled as Shares or the equivalent amount of cash, in case applicable, shall be calculated by the Company based on this measurement.

The Company shall carry out the measurement and calculation in its discretion.

The Board may in its discretion decide to amend the targets initially set and/or the composition of the list of companies referred to if it reasonably believes that changes in the business of the Company and/or any of the listed companies have had an adverse effect on their comparability for purposes of measuring the Company's relative performance. Such changes may include a change in accounting method, a change in scope of consolidation following a merger, sale, acquisition, or the creation of a material new business entity or the discontinuation of an existing material business entity, or any other changes in circumstances that it shall deem material and pertinent.

The calculation of the number of Shares to be settled shall not result in fractional Shares. The number of Shares shall be rounded to the nearest whole Share.

#### **8. SETTLEMENT**

Following the Vesting Date, the Company will complete the settlement by transferring the applicable number of Shares or, in its discretion, their cash equivalent to the Participant's brokerage or other bank account, as applicable on the Delivery Date. Completion of settlement is dependent on the Participant's compliance with the terms and conditions of the Plan, this Award Agreement and the relevant Award Letter and providing all necessary instructions and actions to enable the Company to facilitate the settlement. If the Participant has not performed all necessary actions to enable the Company to complete the settlement, the Company may, in its sole discretion, sell the Shares on behalf of the Participant and remit the proceeds to the Participant.

The Company may, in its sole discretion, use one or more of the following instruments to settle Units: newly issued Shares, treasury Shares held by the Company, Shares purchased from the open market, or, in lieu of Shares, cash (without adjustment for change in tax or social treatment).

On each Delivery Date, the Company shall pay to the Participant a cash amount equal to the product of (x) any cash dividends or other distributions (other than cash dividends or other distributions pursuant to which the Units were adjusted pursuant to Section 3(c) of the Plan or Section 13(a)), if any, paid on a Share from the Grant Date to such Delivery Date and (y) the number of Shares delivered to the Participant on such Delivery Date (including for this purpose any Shares that would have been delivered on such Delivery Date but for being withheld to satisfy tax withholding obligations).

## 9. NO EFFECT ON TERMS OF EMPLOYMENT

The Grant or settlement of Units and/or Shares does not constitute a term or a condition of the Participant's employment with any company of the Constellium Group under applicable local laws and the rights and obligations arising from a Participant's employment with the Group are separate from, and are not affected by, the Participant's participation in this Award Agreement. The Units, the Shares or their cash equivalent do not form a part of the Participant's salary or benefit of any kind.

Nothing in this Award Agreement, any Award Letter or the Plan shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate a Participant's employment or service at any time, nor confer upon any Participant the right to continue in the employment of the Company, its Subsidiaries or its Affiliates.

The Grant or settlement of Units and/or Shares does not create any right for that Participant to be offered participation in the Plan in the future or to be granted any additional Units or Shares on any particular terms or in any particular amounts.

By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to and in accordance with such participation, including:

- (a) any loss or reduction of any rights or expectations under this Award Agreement and the Award Letter in any circumstances or for any reason;
- (b) any exercise of a discretion or a decision taken in relation to any Units or Shares, and/or to this Award Agreement or the Award Letter, or any failure to exercise a discretion or take a decision; and
- (c) the operation, suspension, termination or amendment of the Plan, this Award Agreement or the Award Letter.

## 10. TAXES AND OTHER OBLIGATIONS

The Participant is responsible for paying all personal taxes and personal social security charges associated with the Units and the Shares related thereto. This includes responsibility for any and all personal tax and personal social security charge liabilities in multiple countries, if the Participant has resided in more than one country during any period in which tax liabilities arise with respect to this Grant. Participants are advised to consult their own financial and tax advisers (at their own expense) before accepting the Grant in order to verify their tax position.

Units and Shares before delivery must not be used as security for any liability, be transferred or otherwise disposed of (except in the event of the Participant's death, to the Participant's personal representatives) and will lapse immediately on any attempt to do so.

Pursuant to applicable laws, the Constellium Group is or may be required or may deem it appropriate to withhold taxes, social security charges or fulfill employment related and other obligations upon Grant, vesting or settlement of Shares, or payment of any cash-equivalent, or when the Shares are disposed of by a Participant. The Constellium Group shall have the right to determine how such collection, withholding or other measures will be arranged or carried out, including but not limited to salary withholding, a settlement of a net amount remaining after the completion of such measures or a sale of the Shares on behalf of a Participant for the completion of such measures.

## 11. BREACH OF THESE TERMS AND CONDITIONS

The Participant shall comply with the terms and conditions set forth in this Award Agreement and in the Award Letter, as well as any administrative instructions given by the Company regarding the same from time to time. If the Participant breaches the terms and conditions set forth in the Plan, this Award Agreement and/or in the Award Letter and/or any administrative instructions given by the Company, the Company may in its discretion, at any time prior to the Delivery Date, cancel the Grant of Units.

## 12. AMENDMENTS

Amendments of this Award Agreement and of any Grant made hereunder shall be governed by Section 12 of the Plan.

## 13. RIGHTS OF PARTICIPANTS IN CORPORATE EVENTS

- (a) The Board may in its discretion choose to adjust the number of Shares underlying each Unit in accordance with applicable law in the event that it shall deem such adjustment to be necessary and equitable to protect the interests of the Participants following certain corporate transactions affecting the share capital of the Company. These events may include, and are not limited to, (i) capital reduction, (ii) modification of the means of sharing of profits, (iii) grants of free shares to all existing holders, (iv) a capital increase by incorporation of reserves, profits or issuance premiums, (v) distribution of reserves and (vi) any issuance of capital securities or financial instruments that give a right to the allocation of capital securities with preferential subscription rights reserved to shareholders. For the avoidance of doubt, the Company's decision to cancel existing shares held by the Company, to grant stock or stock options to employees or to issue shares to selected investors prior to the settlement of the Units will not give rise to such adjustments.
- (b) Subject to Section 13(d), should the Company, during the Vesting Period, resolve to merge with another existing company or merge with a company to be formed, or should the Company resolve to be demerged, the Board may determine, in its sole discretion, whether the Units may be settled prior to the merger or demerger. Any settlement will be within such period as resolved by the Board. The Board may determine, in its sole discretion, whether the Units should be converted into similar equity rights issued by the other company. In such circumstances, the Board shall determine the terms and the period applicable to the vesting of such new rights.
- (c) This Award Agreement and the Grants made hereunder shall not in any way infringe or limit the ability of the Company to register as a European Company ( *Societas Europaea* ), to register in or transfer to another member state in the European Economic Area or, after registration as a European Company, to register a transfer of its domicile into another member state. Such registration or transfer shall not have any impact on the rights and obligations of the Participants under this Award Agreement and in respect of any Grant, except to the extent resulting from a change in applicable law and/or as decided by the Board in its sole discretion.
- (d) In the event of a Change in Control occurring before the Vesting Date, in accordance with the provisions of Section 10(b) of the Plan, as well as the definition of Change in Control under Section 2:
  - (i) any RSUs that have not previously vested or lapsed will be converted into a cash-denominated right equal in value to (A) the number of Shares underlying such RSU immediately prior to such Change in Control *multiplied by* (B) the closing price of a Share on the date immediately preceding the date of such Change in Control (“ **Converted RSUs** ”);

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- (ii) any PSUs that have not previously vested or lapsed will be converted into a cash-denominated right equal in value to (A) the higher of (I) the Base Amount and (II) the number of Shares determined on the basis of the actual TSR, measured for such purposes as of the date immediately preceding the date of such Change in Control, which, for such purposes, will become the last day of the Performance Period *multiplied by* (B) the closing price of a Share on the date immediately preceding the date of such Change in Control (“ **Converted PSUs** ” and together with the Converted RSUs, the “ **Converted Units** ”); and
- (iii) the Converted Units will vest subject to the terms of, and at the same time as, the RSUs or PSUs from which the Converted Unit originated, provided that upon a Termination of Employment without Cause or Voluntary Termination for Good Reason of a Participant occurring upon such Change in Control or during any period thereafter that is prior to the last Vesting Date under this Award Agreement:
1. the date of such Termination of Employment will become the Vesting Date of any then outstanding Converted Units held by such Participant, and all outstanding Converted Units held by such Participant will fully vest and settle upon such Termination of Employment
  2. to the extent permitted by applicable law, the Delivery Date of the Converted Units that have vested in accordance with the foregoing will be accelerated to occur on or as soon as practicable after the occurrence of the Termination of Employment, provided that (A) for French-resident Participants and for Grants that are subject to Article L. 225-197-1 of the French Commercial Code, if the Termination of Employment occurs (x) before the first anniversary of the Grant Date, the Board may defer the Delivery Date until such first anniversary and thereafter impose a mandatory holding period until the second anniversary of the Grant Date and (y) after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, the Board may impose a mandatory holding period from the Delivery Date until the second anniversary of the Grant Date and (B) for Participants who are U.S. taxpayers, the originally scheduled Delivery Date will be maintained unless (x) a Change in Control occurs at the 50% threshold originally provided in Section 10(b) of the Plan or (y) the Board determines that the acceleration of the Delivery Date provided for above would be permissible under Section 409A and would not result in the imposition of any additional tax, penalty or surcharge on Participants under such Section 409A. For the avoidance of doubt, any limitation on the acceleration of delivery resulting from the foregoing clauses (A) or (B) shall have no effect on the acceleration of vesting provided for under clauses (i), (ii) and (iii) above, and
  3. For purposes of the foregoing, “ **Voluntary Termination for Good Reason** ” shall mean a termination of the Participant’s employment at the Participant’s initiative following the occurrence, without prior written consent, of one or more of the following events:
    - i. a material reduction in the Participant’s base salary or and/or the Participant’s target bonus or long-term



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- incentive target from that in place immediately prior to the Change in Control (but not including any diminution related to an across-the-board reduction that is not related to a particular employee occurring prior to such Change in Control);
  - ii. a material reduction in the Participant's duties or responsibilities or the assignment to the Participant of duties or responsibilities inconsistent with the Participant's position, in each case as in effect immediately prior to the Change in Control;
  - iii. a material adverse change in the Participant's titles or positions or the reporting structure applicable to the Participant from those in effect immediately prior to the Change in Control;
  - iv. the relocation of the Participant's office location as assigned to the Participant by the Company or its successor, to a location more than 75 kilometers from the location immediately prior to the Change in Control; or
  - v. the failure of the Company to obtain the assumption in writing of the Company's obligations to the Participant under this Agreement by any successor prior to or at the time of the merger, consolidation, disposition of all or substantially all of the assets of the Company or similar transaction, unless such assumption in writing was not legally required to maintain the effectiveness of such obligation.

For the avoidance of doubt, the Change in Control provisions described above shall apply only to Grants that are subject to this Award Agreement and shall not apply to any grants or awards made under earlier award agreements.

- (e) In the event of a Disaffiliation (as defined in Section 1 of the Plan) of a Subsidiary occurring before the Vesting Date, with respect to the Participants who are employees of the disaffiliated Subsidiary at the time of such occurrence:
  - (i) the date of such occurrence will become the Vesting Date of any then outstanding Units,
  - (ii) any RSUs that have not previously vested or lapsed will fully vest upon such occurrence,
  - (iii) any PSUs that have not previously vested or lapsed will vest (A) if such Disaffiliation is on or after a Change in Control, at the level determined in accordance with Section 13(d)(ii), or (B) if such Disaffiliation is before a Change in Control, at the higher of (I) the Base Amount and (II) the amount determined on the basis of the actual TSR, measured for such purposes as of the date of occurrence of such Disaffiliation which, for such purposes, will become the last day of the Performance Period, and
  - (iv) to the extent permitted by applicable law, the Delivery Date of the Units that have vested in accordance with the foregoing will be accelerated to occur on

or as soon as practicable after the occurrence of the Disaffiliation, provided that for French-resident Participants and for Grants that are subject to Article L. 225-197-1 of the French Commercial Code, if such Disaffiliation occurs (x) before the first anniversary of the Grant Date, the Board may defer the Delivery Date until such first anniversary and thereafter impose a mandatory holding period until the second anniversary of the Grant Date and (y) after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, the Board may impose a mandatory holding period from the Delivery Date until the second anniversary of the Grant Date.

- (f) In any situation described above providing for the delivery of Shares, the Board may in its discretion choose to cause Shares from other sources to be delivered or shall cause the Company to pay an equivalent value in cash (without adjustment for change in tax or social treatment). The amount to be paid out would be determined based on the number of Shares to be delivered to Participants concerned, valued on a given date or according to an average of share prices calculated over the course of a period preceding the payment date retained by the Board.

#### **14. GOVERNING LAW AND INTERPRETATION**

With respect to each Unit granted, the Plan, this Award Agreement and the Award Letter are governed by the corporate laws applicable to the Company on the Grant Date of such Unit. To the extent that any discretionary action or interpretation of the Plan, this Award Agreement and the Award Letter is taken or made by the Company or the Board, such action or interpretation shall be taken or made in good faith after consideration of the best interests of the affected Participants.

For Participants who are U.S. taxpayers, it is intended that the Grant meets the requirements of Section 409A and shall be interpreted accordingly. The Participants recognize that it may be necessary to modify the Plan and/or this Award Agreement to reflect guidance under Section 409A issued by the Internal Revenue Service. The Participant agrees that the Company shall have sole discretion in determining (i) whether any such modification is desirable or appropriate and (ii) the terms of any such modification.

For Participants who are French taxpayers, it is intended that the Grant meets the requirements of Article L. 225-197-1 et seq. of the French Commercial Code and related tax and social regulations and shall be interpreted accordingly. The Participants recognize that it may be necessary to modify the Plan and/or this Award Agreement to reflect guidance under such provision issued by the French tax and social administration. The Participant agrees that the Company shall have sole discretion in determining (i) whether any such modification is desirable or appropriate and (ii) the terms of any such modification.

#### **15. COLLECTING, PROCESSING AND TRANSFERRING OF PERSONAL DATA**

Personal data required for the administration of Plan, this Award Agreement, the Award Letter and the settlement of the Units shall be collected, processed and transferred by the Constellium Group or its authorized agent(s) fairly and in accordance with the governing applicable data protection principles and conditions. The Participant is entitled to request access, rectification and objection of the personal data concerning the Participant as per applicable laws, statutes or regulation. In order to exercise this right, the Participant must contact the local data privacy/human resources contact in the Participant's location.



June 6, 2018

**2018 Long Term Incentive Award Letter**

Dear First Name,

I am pleased to inform you that you have received a Grant of Units under the Constellium 2018 Long Term Incentive Award Agreement in the amounts set forth below. These Units entitle you to receive Constellium Shares (or a cash equivalent, at Constellium’s discretion), subject to the terms and conditions set forth in this Award Letter, in the Constellium 2018 Long Term Incentive Award Agreement (the “**Award Agreement**”) and the 2013 Constellium Equity Incentive Plan (the “**Plan**”). Capitalized Terms used in this Award Letter, unless so defined herein, shall have the meanings found in the Award Agreement or Plan.

<b>Grant Date</b>	<b>May 25, 2018</b>
<b>Award Value</b>	<b>\$XX,XXX</b>
<b>Restricted Stock Units (RSUs)</b>	<b>Y,YYY</b>
<b>Vesting Date</b>	<b>May 25, 2021</b>
<b>Vesting Period</b>	<b>From the Grant Date through the Vesting Date</b>

Please note that the vesting of the RSUs and the delivery of Shares (or a cash equivalent in respect of such RSUs) is subject to the satisfaction of the Continued Service Condition.

You acknowledge that you have received a copy of, or have online access to, the Award Agreement and the Plan, and hereby accept the Units granted, subject to all the terms and provisions of this Award Letter, the Award Agreement and the Plan. The Board or the Committee shall determine whether an event has occurred resulting in the forfeiture of your Units and any Shares issuable thereunder and all such determinations shall be final and conclusive. You also acknowledge that this award and similar awards are made on a selective basis and are, therefore, to be kept confidential.

Very truly yours

Agreed and Accepted

/s/ Ryan Jurkovic  
 Ryan Jurkovic  
 Senior Vice President  
 Chief Human Resources Officer

\_\_\_\_\_  
 First Name, Last Name  
 Date (mm/dd/yyyy):

2018 LTIP Award Letter

Last Name, First Name



June 6, 2018

**2018 Long Term Incentive Award Letter**

Dear First Name,

I am pleased to inform you that you have received a Grant of Units under the Constellium 2018 Long Term Incentive Award Agreement in the amounts set forth below. These Units entitle you to receive Constellium Shares (or a cash equivalent, at Constellium's discretion), subject to the terms and conditions set forth in this Award Letter, in the Constellium 2018 Long Term Incentive Award Agreement (the "**Award Agreement**") and the 2013 Constellium Equity Incentive Plan (the "**Plan**"). Capitalized Terms used in this Award Letter, unless so defined herein, shall have the meanings found in the Award Agreement or Plan.

<b>Grant Date</b>	<b>May 25, 2018</b>
<b>Award Value</b>	<b>\$X,XXX,XXX</b>
<b>Total Units Granted</b>	<b>TOTAL (= YYY,YYY + ZZZ,ZZZ)</b>
<b>Restricted Stock Units (RSUs)</b>	<b>YYY,YYY</b>
<b>Performance Share Units (PSUs) – Base Amount</b>	<b>ZZZ,ZZZ</b>
<b>Indices</b>	<b>S&amp;P MidCap 400 Index; S&amp;P SmallCap 600 Index</b>
<b>Initial price on the Grant Date</b>	<b>CSTM share price: \$11.70 (20-day average)</b>
<b>Vesting Date</b>	<b>May 25, 2021</b>
<b>Vesting Period / Performance Period</b>	<b>From the Grant Date through the Vesting Date</b>

Please note that the vesting of the RSUs and PSUs and the delivery of Shares (or a cash equivalent in respect of such RSUs and PSUs) is subject to the satisfaction of the Continued Service Condition. The vesting of the PSUs is, in addition, subject to the satisfaction of the Performance Condition. The level of achievement of the Performance Condition shall be determined by comparing the Constellium TSR to the average of the TSRs of the two Indices at the end of the relevant Performance Period as follows:

<b>Performance Condition Achievement Level</b>	<b>Number of Shares underlying PSUs</b>
The Constellium TSR is below the average of the two median TSRs	PSU Base Amount x 0%
The Constellium TSR is at the average of the two median TSRs	PSU Base Amount x 100%
The Constellium TSR is between the average of the two median TSRs and the average of the two 75th percentile TSRs	PSU Base Amount x (linear interpolation between 100% and 200%)
The Constellium TSR is at or above the average of the two 75th percentile TSRs	PSU Base Amount x 200%

Notwithstanding the foregoing, if the Constellium TSR is negative, the number of Shares (or a cash equivalent) eligible to be delivered in respect of the PSUs shall be capped at 100% of the Base Amount.

You acknowledge that you have received a copy of, or have online access to, the Award Agreement and the Plan, and hereby accept the Units granted, subject to all the terms and provisions of this Award Letter, the Award Agreement and the Plan. The Board or the Committee shall determine whether an event has occurred resulting in the forfeiture of your Units and any Shares issuable thereunder and all such determinations shall be final and conclusive. You also acknowledge that this award and similar awards are made on a selective basis and are, therefore, to be kept confidential.

Very truly yours

Agreed and Accepted

/s/ Ryan Jurkovic  
 Ryan Jurkovic  
 Senior Vice President  
 Chief Human Resources Officer

\_\_\_\_\_  
 First Name, Last Name

Date (mm/dd/yyyy):

2018 LTIP Award Letter

Last Name, First Name



June 26, 2018

**2018 Long Term Incentive Award Letter – Clarification**

Dear PSU participant,

You recently received your 2018 Long Term Incentive Award Letter dated June 6, 2018. In order to avoid any misunderstanding, we would like to make this amending clarification.

Consistent with 2017, the two indices for the determination of the achievement level of the Performance Condition shall be:

- S&P MidCap 400 Materials Index, and
- S&P SmallCap 600 Materials Index.

All else in the original Award Letter remains unchanged.

Thank you for taking note.

Corporate Human Resources

2018 LTIP Award Letter - Clarification

**Exhibit 10.32**

AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2018,  
2017 and 2016

**CONSTELLIUM-UACJ ABS LLC**

*Index to Financial Statements*

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<a href="#">Balance Sheets</a>	1
<a href="#">Statements of Comprehensive Loss</a>	2
<a href="#">Statements of Members' Equity (Deficit)</a>	3
<a href="#">Statements of Cash Flows</a>	4
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## Report of Independent Auditors

To the Management of Constellium Bowling Green LLC

We have audited the accompanying 2017 financial statements of Constellium-UACJ ABS LLC, which comprise the balance sheet as of December 31, 2017 and the related statements of comprehensive loss, members' equity (deficit) and cash flows for the year then ended.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Constellium-UACJ ABS LLC as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

The accompanying balance sheet of Constellium-UACJ ABS LLC as of December 31, 2018, and the related statements of comprehensive loss, members' equity (deficit) and cash flows for the years ended December 31, 2018 and 2016 are presented for purposes of complying with Rule 3-09 of SEC Regulation S-X; however, Rule 3-09 does not require the 2018 and 2016 financial statements to be audited and they are therefore not covered by this report.

/s/ PricewaterhouseCoopers LLP  
McLean, Virginia  
February 15, 2018



**CONSTELLIUM-UACJ ABS LLC**  
**BALANCE SHEETS**  
*(In thousands)*

	<b>December 31,</b>	<b>December 31,</b>
	<b>2018*</b>	<b>2017</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 8,964	\$ 5,772
Accounts receivable, less allowance for doubtful accounts of \$0 in 2018 and 2017	55,677	41,815
Inventories	78,152	68,225
Prepaid and other current assets	484	265
Total current assets	143,277	116,077
Property and equipment, net	190,140	194,261
<b>Total assets</b>	<b>\$ 333,417</b>	<b>\$ 310,338</b>
<b>LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$ 88,716	\$ 27,302
Accrued expenses and other current liabilities	6,417	16,663
Current maturities of capital lease obligations and other long-term debt	11,900	6,903
Borrowings under asset-backed loans	24,718	12,743
Total current liabilities	131,751	63,611
Loans from members	279,000	224,000
Capital lease obligations and other long-term debt, less current maturities	44,369	56,268
Total liabilities	455,120	343,879
Commitments and contingencies (Note 11)		
Members' equity (deficit):		
Contributed capital	70,000	70,000
Accumulated other comprehensive loss	(210)	(30)
Retained deficit	(191,493)	(103,511)
Total members' deficit	(121,703)	(33,541)
<b>Total liabilities and members' deficit</b>	<b>\$ 333,417</b>	<b>\$ 310,338</b>

\* Not covered by the auditor's report

*The accompanying notes are an integral part of these financial statements.*

**CONSTELLIUM-UACJ ABS LLC**  
**STATEMENTS OF COMPREHENSIVE LOSS**  
*(In thousands)*

	Years Ended December 31,		
	2018*	2017	2016*
Net sales	\$ 308,540	\$ 138,997	\$ 11,833
Cost of sales	354,728	171,667	25,846
Gross loss	(46,188)	(32,670)	(14,013)
Operating expenses			
Selling, general, and administrative expenses	18,844	16,318	8,662
<b>Operating loss</b>	<b>(65,032)</b>	<b>(48,988)</b>	<b>(22,675)</b>
Other expense (income)			
Interest expense	20,504	17,338	6,937
Loss on derivative instruments, net	2,357	—	—
Other (income) expense, net	89	(743)	(38)
Total other expense (income)	22,950	16,595	6,899
<b>Net loss</b>	<b>\$ (87,982)</b>	<b>\$ (65,583)</b>	<b>\$ (29,574)</b>
Other comprehensive loss			
Foreign currency translation adjustments	(180)	(30)	—
Total other comprehensive loss	(180)	(30)	—
<b>Comprehensive loss</b>	<b>\$ (88,162)</b>	<b>\$ (65,613)</b>	<b>\$ (29,574)</b>

\* Not covered by the auditor's report

*The accompanying notes are an integral part of these financial statements.*

**CONSTELLIUM-UACJ ABS LLC**  
**STATEMENTS OF MEMBERS' EQUITY (DEFICIT)**  
*(In thousands)*

	Retained Deficit	Accumulated Other Comprehensive Loss	Contributed Capital	Total Members' Equity (Deficit)
<b>Balance at December 31, 2015 *</b>	<b>\$ (8,354)</b>	<b>\$ —</b>	<b>\$ 70,000</b>	<b>\$ 61,646</b>
Net loss	(29,574)	—	—	(29,574)
<b>Balance at December 31, 2016*</b>	<b>\$ (37,928)</b>	<b>\$ —</b>	<b>\$ 70,000</b>	<b>\$ 32,072</b>
Net loss	(65,583)	—	—	(65,583)
Foreign currency translation adjustments	—	(30)	—	(30)
<b>Balance at December 31, 2017</b>	<b>\$(103,511)</b>	<b>\$ (30)</b>	<b>\$ 70,000</b>	<b>\$ (33,541)</b>
Net loss	(87,982)	—	—	(87,982)
Foreign currency translation adjustments	—	(180)	—	(180)
<b>Balance at December 31, 2018 *</b>	<b><u>\$(191,493)</u></b>	<b><u>\$ (210)</u></b>	<b><u>\$ 70,000</u></b>	<b><u>\$(121,703)</u></b>

\* The statement of members' equity (deficit) for the year ended December 31, 2017 is audited. The statements of members' equity (deficit) for the years ended December 31, 2018, 2016 and 2015 are unaudited.

*The accompanying notes are an integral part of these financial statements.*

**CONSTELLIUM-UACJ ABS LLC**  
**STATEMENTS OF CASH FLOWS**  
*(In thousands)*

	Years Ended December 31,		
	2018*	2017	2016*
<b>Operating activities:</b>			
<b>Net loss</b>	<b>\$ (87,982)</b>	<b>\$ (65,583)</b>	<b>\$ (29,574)</b>
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation, depletion, and amortization	10,167	9,647	4,618
Loss on disposal of assets	89	—	—
Changes in cash from operating assets and liabilities:			
Accounts receivable	(13,862)	(34,426)	(7,039)
Inventories	(9,927)	(38,222)	(28,192)
Prepaid and other current assets	(219)	136	(181)
Accounts payable	60,798	3,671	4,664
Accrued expenses and other current liabilities	(11,270)	10,646	4,771
<b>Net cash used in operating activities</b>	<b>(52,206)</b>	<b>(114,131)</b>	<b>(50,933)</b>
<b>Investing activities:</b>			
Purchases of property and equipment	(4,720)	(3,199)	(59,107)
Proceeds from disposals of property and equipment	45	—	—
<b>Net cash used in investing activities</b>	<b>(4,675)</b>	<b>(3,199)</b>	<b>(59,107)</b>
<b>Financing activities:</b>			
Short-term borrowings under asset-backed loans	11,975	12,743	—
Proceeds from loans from members	55,000	90,000	80,500
Capital leases and other long-term debt borrowings	—	20,965	35,804
Payments on capital leases and other long-term debt	(6,902)	(6,395)	(2,499)
<b>Net cash provided by financing activities</b>	<b>60,073</b>	<b>117,313</b>	<b>113,805</b>
Net (decrease) increase in cash and cash equivalents	3,192	(17)	3,765
Cash and cash equivalents at beginning of period	5,772	5,789	2,024
<b>Cash and cash equivalents at end of period</b>	<b>\$ 8,964</b>	<b>\$ 5,772</b>	<b>\$ 5,789</b>
<b>Supplemental disclosures of cash flow information:</b>			
Interest payments	\$ 19,891	\$ 15,182	\$ 10,266
Capitalized interest	\$ —	\$ —	\$ 3,666

\* Not covered by the auditor's report

*The accompanying notes are an integral part of these financial statements.*

**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018\*, 2017 and 2016\***

**1. Description of Business and Basis of Presentation**

As of December 31, 2018, Constellium-UACJ ABS LLC was a joint venture between Constellium U.S. Holdings I LLC (“Constellium U.S.”), an indirect wholly-owned U.S.-based subsidiary of Constellium N.V. (collectively, with its subsidiaries, “Constellium”) and Tri-Arrows Aluminum Holding Inc. (“Tri-Arrows”), a U.S.-based subsidiary of UACJ Corporation (collectively, with its subsidiaries, “UACJ”), Sumitomo Corporation, Itochu Corporation, and Itochu Metals Corporation, to produce automotive body-in-white/aluminum flat-rolled sheet (“BiW”) in the United States and serve the growing North American automotive body sheet market. As of December 31, 2018, Constellium U.S. owned 51% of the joint venture, and Tri-Arrows owned the remaining 49%. Certain key decisions required joint approval by the Company’s Board of Managers, which is organized by designees of Constellium U.S. and Tri-Arrows. The Company is operated from one combined manufacturing and administrative facility in Bowling Green, Kentucky, USA.

On December 11, 2018, Constellium, Constellium U.S., UACJ, and Tri-Arrows entered into an agreement for the purchase and transference of all interests held by Tri-Arrows to Constellium U.S. (the “Member Interest Purchase Agreement” or “MIPA”). On January 10, 2019, Constellium completed the acquisition of Tri-Arrows’ 49% ownership interest in the Company, pursuant to which the Company became a wholly-owned subsidiary of Constellium (the “CUA Acquisition”). See Footnote 14 – Subsequent Events.

The parties to the joint venture executed the agreement to incorporate the Company in May 2014 (the “JV Agreement”). Construction of the manufacturing facility with a continuous annealing line with pre-treatment (“CALP line”) was completed in 2016, and operations commenced in June 2016.

Unless otherwise noted, references to the “Company,” “Joint Venture” and “CUA” relate to Constellium-UACJ ABS LLC.

The Company’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Amounts reported as of and for the year ended December 31, 2017 were audited by the Company’s independent auditor. All other years within these financial statements and notes are unaudited and not covered by the auditor’s report.

At December 31, 2018, the Company had a net asset deficiency of \$121.7 million, which included related party loans of \$279.0 million. However, Constellium has pledged its ability and intent to financially support the Company unconditionally, and, as a result, the Company is expected to be in a position to meet its financial obligations for the foreseeable future. With the purchase of UACJ’s interest by Constellium in January 2019, the Company became a wholly-owned indirect subsidiary of Constellium with the operational and financial support of the parent company. See Note 14 – Subsequent Events for more information on this transaction.

**Significant Accounting Policies**

***Use of Estimates***

The preparation of these financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ materially from these estimates.

***Concentrations of Risk***

**Purchases and Sales**

The Company purchases flat-rolled aluminum from the joint venture partners and certain of their affiliates in the United States, Europe, and Japan and sells auto body sheet to U.S. based customers in the automotive industry. The loss of any of these large aluminum producers or automotive customers could have a significant impact on the Company’s operations and cash flows.

For the years ended December 31, 2018, 2017 and 2016, the Company purchased approximately 98%, 97% and 96%, respectively, of its raw materials from its five largest suppliers.

\* *Not covered by the auditor’s report*

**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018\*, 2017 and 2016\***

During the years ended December 31, 2018, 2017 and 2016, the Company earned approximately 86%, 82% and 77%, respectively, of its revenue from its four largest customers. In 2018, two of the Company's customers represented approximately 44% and 26%, respectively, of its revenue. In 2017, two of the Company's customers represented approximately 59% and 17%, respectively, of its revenue. Three customers accounted for 10% or more of the Company's revenue in 2016, comprising approximately 39%, 17%, and 14%, respectively, of its revenue. The Company's four largest customers accounted for approximately 78% and 83% of the trade receivable balances as of December 31, 2018 and 2017, respectively.

Credit Risk

The Company currently does not require collateral from its customers. For certain of its larger customers, the Company mitigates the risk of payment default through financial instruments designed to reduce risks, including but not limited to credit insurance. At December 31, 2018, accounts receivables of up to \$26.0 million were covered by these contractual arrangements. In the event of a credit default, depending on the customer, the Company's maximum out of pocket costs are limited to \$1.6 million annually. Based on the Company's historical experience with customers covered by these contractual arrangements, the Company does not anticipate a payment default at this time. The Company expects these or similar arrangements to remain in effect for 2019.

Employment Related

As of December 31, 2018, the Company employed 175 full-time and part-time employees and utilized the services of an additional nine contractors at its Bowling Green facility. None of the Company's employees are covered under collective bargaining agreements.

*Cash and Cash Equivalents*

Cash and cash equivalents include all highly liquid instruments with a maturity date of three months or less when purchased. Cash and cash equivalents are maintained at financial institutions and balances may exceed federally insured limits at times.

*Accounts Receivable and Allowance for Doubtful Accounts*

Accounts receivable consists of amounts due from customers located throughout the United States. Collateral is generally not required to be posted by the Company's customers.

The Company provides an allowance for doubtful accounts by a charge to the statements of comprehensive loss in amounts equal to the estimated losses expected to be incurred. The estimated losses are based on the contractual terms of the receivables, historical collection experience, and a review of the current status of the existing receivables and customer creditworthiness. Customer accounts are written off against the allowance for doubtful accounts when an account is determined to be uncollectible. Management determined that no allowance for doubtful accounts was necessary as of December 31, 2018 and 2017; however, there can be no assurance that unanticipated future business conditions of customers will not have a negative impact in excess of amounts reserved on the Company's results of operations.

The Company sells certain of its accounts receivable to a third party financial institution under the terms of a factoring arrangement with recourse. Under the recourse terms of the factoring arrangement, the Company is obligated to repurchase any accounts receivable that the third party financial institution is unable to collect or becomes past due. At the time of the transfer, the Company does not derecognize the accounts receivable from its balance sheet due to the lack of transfer of effective control of the accounts receivable. Therefore, the Company reports its accounts receivable, including accounts transferred to the third party financial institution, and corresponding secured debt on a gross basis in the balance sheets.

*Derivatives and Hedging Activity*

The Company has entered into long-term agreements to supply auto body sheet to its largest customers. To reduce the risk of changing prices for purchases and sales of aluminum, including firm commitments under these supply agreements, the Company uses commodity futures and option contracts.

The Company recognizes all derivative instruments as either assets or liabilities in the balance sheet at fair value. The Company's derivatives do not qualify for hedge accounting treatment and are not designated as cash flow hedges. Accordingly, these instruments are adjusted to fair value each reporting period with corresponding gains and losses recognized in the statements of comprehensive loss.

\* Not covered by the auditor's report

**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018\*, 2017 and 2016\***

The Company from time to time enters into natural gas forward price lock contracts to reduce the risks associated with utility cost volatility. Natural gas acquired under these types of contracts is accounted for as a normal purchase with expenses recognized in the period incurred.

***Inventory Valuation***

Manufacturing inventories are valued at the lower of cost or net realizable value using the weighted average method of accounting. Supplies inventory is valued on an average cost basis, with periodic evaluation of diminished utility through a depletion and obsolescence reserve. Certain items in inventory may be considered impaired, obsolete, or in excess quantities, and, as such, the Company may reduce the carrying value of these items to their net realizable value. Based on certain assumptions and judgments made from the information available, the Company recognizes the amounts of these inventory adjustments as charges to Cost of sales in the statements of comprehensive loss. If these estimates and related assumptions or the market changes, the Company may be required to record additional write-downs.

***Property and Equipment, Net***

Property and equipment are stated at cost. Major additions are capitalized as assets, while maintenance and repairs, which do not improve or extend the lives of assets, are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Interest costs incurred to bring an intended capital project to its intended use are capitalized as a component of the asset under construction. Upon retirement or disposition of property and equipment, the cost and accumulated depreciation are removed from the asset accounts, and any resulting gain or loss is included in the statements of comprehensive loss.

***Impairments***

The Company evaluates long-lived assets subject to amortization for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. Triggering events include a significant change in the extent or manner in which long-lived assets are being used, in the physical condition of the assets, in legal factors, or in the business and regulatory climate that could affect the value of the long-lived assets. The interpretation of such events requires judgment from management as to whether such an event has occurred. When factors indicate that an asset should be evaluated for possible impairment, the Company reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. If undiscounted cash flows are greater than carrying value, no impairments are recognized. Impairments are recognized in the statements of comprehensive loss to the extent that the carrying value exceeds fair value. Fair value is based on discounted estimated cash flows from the future use of the assets.

***Revenue Recognition***

The Company records revenue when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the Company's price to the customer is fixed or determinable, and collectability is reasonably assured. Delivery is not considered to have occurred until the customer assumes the risks and rewards of ownership. Customers take delivery at the time of shipment for sales designated free on board shipping point. For sales designated free on board destination, customers take delivery when the product is received at the customer's designated site. Sales are recorded net of provisions for returns, discounts, and allowances, including customer specific discounts based on contractual obligations.

The Company's standard sales terms and conditions allow for the return of certain products within a specified period from the date of shipment. At the time revenue is recognized, the Company considers the recognition of a provision for the estimated amount of future returns, primarily based on historical experience, specific notification of pending returns, or contractual terms with the respective customers.

***Aluminum Scrap Sales***

Aluminum scrap is produced during the normal manufacturing process or determined as unusable product at later points in the supply chain. Scrap on-hand is sold at contractual or prevailing market prices to market participants, including subsidiaries and affiliates of the parent companies. Sales of scrap and scrap products are recognized at the agreed upon selling price with the buyer and recorded as a reduction to Cost of sales in the statements of comprehensive loss.

\* Not covered by the auditor's report

**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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***Shipping and Handling Costs***

Shipping and handling costs incurred by the Company totaled \$21.7 million, \$11.2 million and \$1.7 million for the years ended December 31, 2018, 2017 and 2016, respectively, and are included as a component of Cost of sales in the statements of comprehensive loss. Amounts billed to customers related to shipping and handling are included in Net sales in the statements of comprehensive loss.

***Grants and Incentives***

The Company is provided certain government grants and other incentives through programs offered by the Commonwealth of Kentucky, local agencies, and regulated service providers. The programs vary by requirements and conditions – including capital investments, minimum headcount and average employee wage and benefit levels, training programs for state residents, location and capacity of the manufacturing facility, and energy usage, among other criteria – and incentives provided, such as cash refunds, tax abatements, and energy credits. Depending on the nature of the programs and the form of consideration given, the Company recognizes the benefits upon compliance with the relevant program requirements and assurance of receipt. Most consideration received is netted against the applicable expense (e.g., utilities, property taxes, employee costs, etc.) in the statements of comprehensive loss, except for cash grants received during 2016 attributable to the development of the property and equipment, which were deducted from the carrying value of the related assets within Property and equipment, net.

***Interest Expense***

Interest expense includes interest associated with interest bearing debt from owners and capital leases, factoring discount fees, bank fees, and other interest charges. Interest expense excludes the amount of interest costs incurred to finance the long-term construction projects, which costs are capitalized as a component of property and equipment.

***Foreign Currency Translation***

Certain supplier and customer transactions are denominated in Euros based on the terms of the respective contracts. The translation of these Euro-denominated transactions into U.S. dollars is performed for balance sheet accounts using exchange rates in effect at each balance sheet date and for revenue and expense accounts using an average exchange rate each month during the year. The gains or losses resulting from the balance sheet translation are included in Foreign currency translation adjustments in the statements of comprehensive loss and are excluded from net income.

***Income Taxes***

The Company is taxed as a partnership under Subchapter K of the Internal Revenue Code. Therefore, the results of the Company's operations are included in the taxable income of the individual members. As a result, no provisions for federal or state income taxes are included in the Company's financial statements.

**2. Recent Accounting Pronouncements**

In September 2017, the Financial Accounting Standards Board ("FASB") issued ASU No. 2017-13, "Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (SEC Update): ("ASU 2017-13"), which allows entities that otherwise would not meet the definition of a public business entity except for a requirement to include its financial statements or financial information in another entity's filing with the Securities and Exchange Commission ("SEC") to adopt the new guidance on revenue recognition and leases at the later effective dates specified for all other entities. As of December 31, 2018, the Company is considered a public business entity based solely on the requirement that these financial statements be included in Constellium's 2018 Annual Report on Form 20-F. Accordingly, the effective dates discussed below are those specified for non-public entities.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses – Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), as subsequently amended by ASU 2018-19, "Codification Improvements to Topic 26, Financial Instruments-Credit Losses," issued in November 2018. This standard, as amended, changes the methodology used to estimate losses on financial instruments (e.g., trade receivables, loans, debt securities, off-balance sheet credit exposures, etc.) from an incurred loss impairment model to an expected credit loss model. Therefore, ASU 2016-13 replaces the current approach that delays recognition until a probable loss has been incurred with a new approach that estimates an allowance for anticipated credit losses on the basis of an entity's own expectations. The objective of the new approach for estimating

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credit losses is to require consideration of a broader range of forward-looking information, which is expected to result in earlier recognition of credit losses on financial instruments. ASU 2016-13 will be effective for the Company for fiscal year 2021 and interim periods within fiscal year 2022. Early adoption is permitted for fiscal years and interim periods beginning after December 15, 2018. The Company is currently in the process of evaluating the impact adoption of this standard will have on its financial statements.

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, “Leases”, as codified in Accounting Standards Codification (“ASC”) Topic 842 – Leases (“ASC 842”). This standard, as amended, requires lessees to recognize right-of-use assets, representing their right to use the underlying asset for the lease term, and lease liabilities on the balance sheet for all leases with terms greater than 12 months. The guidance also modifies the classification criteria and the accounting for sales-type and direct financing leases by lessors. Additionally, the guidance requires qualitative and quantitative disclosures designed to assess the amount, timing and uncertainty of cash flows arising from leases. This standard will be effective for the Company for the annual reporting period beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is in the process of determining the adoption method for ASU 2016-02, and is still evaluating the effects the adoption will have on its financial statements. However, the Company expects the updated standard will result initially in relatively small increases to reported non-current assets and liabilities. Management will monitor any new operating leases as it prepares to implement ASU 2016-02, as these could have a more pronounced impact on long-term assets and liabilities than currently anticipated.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers” (“ASU 2014-09”), which outlines a comprehensive revenue recognition model and supersedes most current revenue recognition guidance. The new standard requires a company to recognize revenue upon transfer of goods or services to a customer at an amount that reflects the expected consideration to be received in exchange for those goods or services. ASU 2014-09 defines a five-step approach for recognizing revenue, which may require a company to use more judgment and make more estimates than under the current guidance. With the issuance of ASU No. 2015-14, “Revenue from Contracts with Customers – Deferral of the Effective Date” and ASU 2017-13, the Company expects to adopt the standard and all related updates for the annual reporting period beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019. The new standard and related updates allow for two methods of adoption: (a) full retrospective adoption, meaning the standard is applied to all periods presented; or (b) modified retrospective adoption, meaning the cumulative effect of applying the new standard is recognized as an adjustment to the opening retained earnings balance in the year of adoption. The Company is in the process of determining the adoption method to be applied; however, the Company does not expect the adoption of this standard to have a material impact on its financial statements.

In addition, the FASB-IASB Joint Transition Resource Group for Revenue Recognition (“TRG”) continues to inform the FASB of potential implementation issues related to ASU 2014-09. The FASB has issued a number of technical improvements, practical expedients, and clarifications since 2014. None of the additional ASUs related to contracts with customers are expected to have a material impact on the Company’s adoption of ASU 2014-09.

In August 2018, the FASB issued ASU No. 2018-13, “Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement” (“ASU 2018-13”). The standard update removes, modifies, and adds certain disclosure requirements in ASC 820 – Fair Value Measurements (“ASC 820”) on the basis of the concepts in the FASB Concepts Statement Conceptual Framework for Financial Reporting – Chapter 8: Notes to Financial Statements, which explains the information to be considered for inclusion in the notes to the financial statements by describing the purpose of the notes, the nature of appropriate content, and general limitations, as well as consideration specific to interim reporting disclosure requirements. In addition to the changes prescribed by the guidance, ASU 2018-13 eliminates the concept of minimum disclosures under the fair value measurements guidance in order to promote discretion and proper use of materiality by entities in determining appropriate disclosures.

ASU 2018-13 is effective for all organizations for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years with some amendments applicable prospectively and others retrospectively for all periods presented. Early adoption is permitted. The Company is currently assessing the impact of adoption of ASU 2018-13 and expects any effect(s) to be limited to disclosures only.

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**3. Inventories**

Inventories consisted of the following (in thousands):

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Manufacturing inventories:		
Raw materials	\$ 29,789	\$ 36,176
Work in progress	20,397	19,018
Finished goods	24,179	12,000
Total manufacturing inventories	<u>74,365</u>	<u>67,194</u>
Supplies inventory	3,787	1,031
Total inventories	<u>\$ 78,152</u>	<u>\$ 68,225</u>

Manufacturing inventories are stated at the lower of cost or net realizable value based on the weighted average cost method. Adjustments for obsolete inventory on-hand were recorded for inventory designated or expected to be sold as scrap. At December 31, 2018 and 2017, the Company recorded obsolete and scrap inventory write-downs totalling \$0.6 million and \$1.7 million, respectively.

Supplies inventory includes spare parts and consumable products required to support the manufacturing operations, and is valued on an average cost basis, with the effects of periodic evaluations of diminished utility recorded through a depletion writedown or adjustment. Increases to the depletion reserve balance have a corresponding increase on Cost of sales in the statements of comprehensive loss. Based on the utilization of supplies inventory and current stocks, no write-downs were recorded during the years ended December 31, 2018 and 2017.

**4. Property and Equipment, Net**

Property and equipment, net consisted of the following as of December 31, 2018 and 2017 (in thousands):

	<u>Estimated Useful</u> <u>Lives in Years</u> <u>(a)</u>	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Land, buildings and improvements	20 to 40	\$ 53,936	\$ 53,305
Machinery and equipment	3 to 20	152,930	149,932
Furniture, fixtures and other	3 to 10	3,313	2,857
Construction in progress		4,411	2,450
Total cost		<u>214,590</u>	<u>208,544</u>
Less: Accumulated depreciation		<u>(24,450)</u>	<u>(14,283)</u>
Property and equipment, net		<u>\$ 190,140</u>	<u>\$ 194,261</u>

(a) reflects range of majority of assets per category

Depreciation expense was \$10.2 million for the year ended December 31, 2018, \$9.3 million of which is included in Cost of sales and \$0.9 million of which is included in Selling, general and administrative expenses in the statements of comprehensive loss. Depreciation expense was \$9.6 million and \$4.6 million for the years ended December 31, 2017 and 2016, respectively, and is included in Cost of sales in the statements of comprehensive loss.

Equipment capitalized under capital leases was \$74.2 million at cost as of December 31, 2018 and 2017, respectively. The associated accumulated depreciation was \$9.3 million and \$5.6 million as of December 31, 2018 and 2017, respectively.

Accounts payable and Accrued expenses and other current liabilities included \$0.7 million and \$0.8 million, respectively, for amounts due for capital expenditures for the year ended December 31, 2018. No amounts were accrued or payable for capital expenditures at December 31, 2017 and 2016.

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Capitalized interest was not material for the years ended December 31, 2018 and 2017.

**5. Derivatives and Hedging Activity**

The Company has entered into long-term contracts to supply auto body sheet to its largest customers. To reduce the risk of changing prices for purchases and sales of metal, the Company uses commodity futures contracts and options to manage its price exposure with respect to firm commitments to purchase or sell aluminum. In 2018, the Company entered into derivative contracts administered through Constellium N.V.'s global hedging program.

The Company recognizes all derivative instruments as either current assets or current liabilities in the balance sheets at fair value. Derivatives that do not qualify or are not designated as cash flow hedges pursuant to the applicable accounting guidance are adjusted to fair value through the statements of comprehensive loss. The Company has elected not to designate any of its derivative instruments as cash flow hedges.

Changes in the fair value of derivative instruments are recorded as gains and losses in earnings. For the year ended December 31, 2018, net realized and unrealized losses on aluminum futures and options were \$2.4 million, which are included in Loss on derivative instruments, net in the statements of comprehensive loss.

As of December 31, 2018, the Company had futures contracts for 15.1 million pounds of aluminum. At December 31, 2018, all of the Company's derivative instruments totaled a \$0.7 million net liability position.

The Company from time to time enters into natural gas forward purchases to reduce the risks associated with utility cost volatility. As of December 31, 2018, the Company had forward price lock contracts to purchase 0.2 million MMBtu of natural gas. Natural gas purchases under these forward price lock contracts are accounted for as normal purchases, and expenses are recognized as incurred.

**6. Fair Value of Financial Instruments**

Current accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It requires all assets and liabilities that are measured and carried on a fair value basis to be classified and disclosed in one of the following three categories based upon the inputs used to determine fair value measurements (hierarchy based on quality and reliability of inputs):

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data; or

Level 3 – Unobservable inputs that are not corroborated by market data.

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, derivative instruments (metal and natural gas forward contracts), short-term borrowings, fixed rate long-term debt, and capital lease obligations. The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company utilizes valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of "exit price" and the fair value hierarchy. All valuation methods and assumptions are validated at least quarterly to ensure the accuracy and relevance of the fair values. There were no material changes to the valuation methods or assumptions used to determine fair values during 2018.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and short-term borrowings approximate their fair value because of the short-term maturity and highly liquid nature of these instruments and are considered Level 1. The Company values its aluminum futures contracts using market prices as published by the LME, which is an active market. As such, these derivative instruments are included in Level 1.

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The following table summarizes the valuation of the Company's financial instruments, that are required to be measured at fair value on a recurring basis, based on the appropriate level of the fair value hierarchy as of December 31, 2018 (in thousands):

Description	Fair Value Measurements at December 31, 2018			Total
	Level 1	Level 2	Level 3	
Derivative liability				
Aluminum option contracts	\$ 663	\$ —	\$ —	\$663

There were no Level 3 financial assets or liabilities or transfers into or out of Level 1, Level 2, and Level 3 during the years ended December 31, 2018 and 2017.

**7. Employee Benefit Plans**

**Defined Contribution Plans – 401K**

The Company maintains defined contribution plans for all of its employees. The Company matches 50% of the employee's elected deferral up to the first 6% of the employee's pay. Additionally, the Company makes an annual contribution to the plan based on a defined formula. The Company's contributions to the plans amounted to \$0.5 million, \$0.3 million and \$0.2 million for the years ended December 31, 2018, 2017 and 2016, respectively. These contributions were recorded in Cost of Sales and Selling, general, and administrative expenses in the statements of comprehensive loss.

**8. Short-Term Borrowings**

**Factoring Arrangement**

On September 6, 2017, the Company (the "Seller") entered into a receivables purchase agreement (the "Recourse Factoring Agreement") with Wells Fargo Bank, NA (the "Purchaser" or "Factor") providing for the recourse sale of certain customer accounts receivable owed to the Seller. The terms of the Recourse Factoring Agreement extend through September 6, 2019, with annual renewals based on certain criteria. The Seller may terminate the agreement by means of written notice of termination 60 days prior to any annual renewal date. Any uncollected receivables are repurchased from the Factor by the Company at the gross amount of the outstanding receivable. Substantially all of the risks and rewards related to these outstanding receivables are not transferred at the time of each transaction. Hence, the transfer of accounts receivable to the Purchaser does not meet the requirements of a sale, and the cash consideration received is considered borrowings secured by collateral assets (i.e., accounts receivable).

The Company pays the Purchaser an annual facility fee of \$62,500 payable on the effective date of the agreement and on each anniversary date.

The Recourse Factoring Agreement provides for a number of termination events, the occurrence of which permits the Purchaser to terminate its obligation to purchase receivables under the Recourse Factoring Agreement. As of December 31, 2018, no termination events had occurred. In January 2019, the Company determined that it was not in technical compliance with one of the covenants related to Net Cash Flow at December 31, 2018, as defined under the terms of the Recourse Factoring Agreement. The Purchaser granted a waiver of this covenant violation to the Company in the same month of determination. As of December 31, 2018, no changes in accounting or reporting of the Recourse Factoring Agreement was required in response to the covenant violation and subsequent waiver granted, and no impact to the Company's results of operations, financial position, or cash flows occurred. With the execution of this Recourse Factoring Agreement, Constellium U.S. and Tri-Arrows, as lenders to the Company, agreed to subordinate their loans to the obligations payable to the Factor.

At December 31, 2018, the maximum outstanding accounts receivable that can be sold to the Factor was \$25.0 million per the terms of the Recourse Factoring Agreement. The outstanding amounts of receivables sold to the Factor were \$24.7 million and \$12.7 million at December 31, 2018 and 2017, respectively, which represent amounts still due from the customers to the Purchaser. Control related to these outstanding receivables was not transferred to the Purchaser due to the continuing involvement with the assets, including the Seller's right to repurchase any uncollected accounts with one-day prior notice. Under the terms of the Recourse Factoring Agreement, the gross amount of the receivables transferred is discounted by an amount based on LIBOR plus 2.75%. As of December 31, 2018, the contract rate was 5.27%.

Accounts receivable sold with recourse under the Recourse Factoring Agreement totaled approximately \$295.6 million and \$41.9 million during the years ended December 31, 2018 and 2017, respectively. This amount represents the aggregate value of receivables transferred to the Purchasers for cash consideration. No historical experience of uncollectible receivables has occurred since the inception of the agreement, and no liability for possible repurchases was necessary at December 31, 2018.

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Discount and other fees incurred during the years ended December 31, 2018 and 2017 under the terms of the Recourse Factoring Agreement totaled \$0.6 million and \$0.2 million, respectively, and are included in Interest expense in the statements of comprehensive loss.

**9. Debt**

Borrowings consisted of the following as of December 31, 2018 and 2017 (in thousands):

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>Debt Principal Amount</b>	<b>Debt Principal Amount</b>
Constellium U.S. committed loan facility	\$ 142,290	\$ 114,240
Tri-Arrows committed loan facility	136,710	109,760
Capital lease obligations	56,269	63,171
Total debt obligations	335,269	287,171
Less current maturities:		
Current portion of capital leases	(11,900)	(6,903)
Total long-term debt	<u>\$ 323,369</u>	<u>\$ 280,268</u>

***Loans from Members***

The Company's debt obligations consist of fixed rate committed loan facilities from Constellium U.S. and Tri-Arrows (collectively, the "Issuers") ("Member Loans"). In accordance with the JV Agreement, the Member Loans were issued to the Company by the parties to the joint venture and include an interest rate of 8.0%, payable in arrears to each of the Issuers on the maturity date for each unpaid draw. On February 8, 2018, the Company and the Issuers amended the agreements to extend the maturity date of the Member Loans to March 31, 2023, with a five year extension thereafter upon written confirmation from the Issuers. Additionally, the annual interest rate on Member Loans was modified to 6.5% of the outstanding principal balance beginning on February 1, 2018. In March and November 2018, the Member Loans were amended to increase the maximum borrowing amount to \$270.0 million and \$286.0 million, respectively under terms similar to those in effect under the previous facility agreements and amendments. As of December 31, 2018, the Company classified the Member Loans as noncurrent liabilities in the balance sheets.

In certain cases, the Issuers can elect to increase the principal amount of the borrowings for any outstanding interest payments due and not received by the maturity date(s). A quarterly commitment fee of 1% is payable to the Issuers on amounts below the maximum principal amount of borrowings permitted.

The Member Loans were executed by the Issuers and the Company on September 30, 2015 for an initial aggregate draw of \$30.0 million, which was subsequently increased to \$90.0 million by the end of 2015. The initial draw matured on December 31, 2015; however, the Member Loans were renewed for another year. A one-time non-refundable signing fee was paid in the amount of \$450,000 to the Issuers, ratably by the individual amounts loaned. Subsequent principal increases to the committed facilities were facilitated through amendments to the Member Loans, which allowed for additional borrowings by the Company.

During 2016, the Issuers increased the maximum amount of the Member Loans to \$164.0 million under the same terms of the previous facility agreements and amendments.

On April 18, 2017 and November 27, 2017, the Member Loans were amended to increase the maximum borrowing amount to \$184.0 million and \$204.0 million, respectively, under similar terms and conditions. On December 28, 2017, the Issuers agreed to increase the maximum amount of the Member Loans to \$224.0 million with a maturity date of March 31, 2018, under terms similar to those in effect under the previous facility agreements and amendments. In March and November 2018, the Member Loans were amended to increase the maximum borrowing amount to \$270.0 million and \$286.0 million, respectively under terms similar to those in effect under the previous facility agreements and amendments.

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As of December 31, 2018, the Company had availability of \$7.0 million to borrow under the Member Loans. As of December 31, 2017, the Company had no availability to borrow under the Member Loans, as all committed availability had been drawn.

The effective interest rate on the Member Loans was 6.5% for 2018 and 8.0% for 2017 and 2016, respectively. All outstanding principal will be payable to the Issuers on March 31, 2023, unless the extension option is elected.

Tri-Arrows' Member Loan was extinguished in full as a result of the CUA Acquisition. Additionally, on January 10, 2019, Constellium U.S.'s Member Loan was repaid in full, and the Company and Constellium entered into various new loan agreements. See Note 14 – Subsequent Events.

***Covenants***

As of December 31, 2018, the Company was in compliance with all of the covenants related to the Member Loans. Any failure to comply with the covenants could result in an event of default, which if not cured or waived, could have a material adverse effect on the Company's business, financial condition, and results of operations. Additionally, if one or both of the Issuers become incapable of holding the Member Loans or decide to no longer fund the Company, these events could have a material adverse effect on the Company's liquidity, financial condition, and results of operations.

The Member Loans were fully and unconditionally guaranteed by Constellium and UACJ at December 31, 2018.

***Minimum Principal Payments***

Minimum principal payments due on total long-term debt and capital lease obligations as of December 31, 2018 are as follows for the years indicated (in thousands):

2019	\$ 11,900
2020	16,670
2021	17,413
2022	8,239
2023	<u>281,047</u>
Total	<u>\$335,269</u>

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**10. Leases**

The Company leases certain equipment used in its manufacturing and office facility. These leases are designated as either capital or operating leases. Future minimum lease payments as of December 31, 2018 for those leases having an initial or remaining non-cancelable lease term in excess of one year are as follows for the years indicated (in thousands):

	<b>Operating Leases</b>	<b>Capital Leases</b>
2019	\$ 131	\$ 14,739
2020	106	18,783
2021	104	18,567
2022	99	8,606
2023	78	2,076
Total minimum future payments	<u>\$ 518</u>	<u>\$ 62,771</u>
Less: imputed interest		(6,502)
Less: current maturities		(11,900)
Long-term capital lease obligations		<u>\$ 44,369</u>

***Mitsubishi Equipment Financing Agreement***

On April 29, 2015, the Company entered into a non-cancellable lease agreement with Mitsubishi UFJ Lease & Finance (U.S.A.) Inc. (“Mitsubishi Finance”) for equipment acquired by the Company and ownership of which was transferred to Mitsubishi Finance in exchange for cash consideration equal to the value of the equipment purchased (the “Mitsubishi direct financing agreement”). Rights of ownership were transferred to Mitsubishi Finance at the inception of the lease agreement, but control and certain risks of ownership (e.g., responsibility for taxes, repairs and maintenance costs, risk of loss, etc.) of the leased equipment remained with the Company. The Mitsubishi direct financing agreement was for maximum equipment purchases up to \$21.1 million and with an original term of five years upon installation of the equipment. The Company is obligated to repurchase all of the leased equipment on an as-is basis for \$1.00 at the end of the lease period. The Mitsubishi direct financing agreement provides for a number of termination events, the occurrence of which would require the Company to return all equipment to Mitsubishi Finance. As of December 31, 2018, the Company was in discussions with Mitsubishi Finance regarding termination and settlement of the lease in connection with the CUA Acquisition. See Note 13 – Related Party Transactions and Note 14 – Subsequent Events.

On January 10, 2019, the Company terminated the Mitsubishi Equipment Financing Agreement. The Company repaid principal and interest due of \$11.7 million, termination fees of \$0.6 million, and purchased all equipment covered by the lease agreement.

***Tokyo Century Equipment Financing Agreement***

On March 31, 2016, the Company entered into a non-cancellable lease agreement with Tokyo Century (U.S.A.) Inc. (“Tokyo Century”) for equipment acquired by the Company and ownership of which was transferred to Tokyo Century in exchange for cash consideration equal to the value of the equipment purchased (the “Tokyo Century master lease agreement”). Rights of ownership were transferred to Tokyo Century at the inception of the lease agreement, but control and certain risks of ownership (e.g., responsibility for taxes, repairs and maintenance costs, risk of loss, etc.) of the leased equipment were retained by the Company. Under separate borrowing tranches executed on April 5, 2016 and June 20, 2017, the Company entered into equipment financing leases for \$30.0 million and \$13.0 million, respectively, with terms of six years upon installation of the equipment (collectively, the “Tokyo Century direct financing agreements”). The terms and conditions of the Tokyo Century master lease agreement were incorporated by reference into the Tokyo Century direct financing agreements. The Company has the option to repurchase all of the leased equipment on an as-is basis for \$1.00 for each tranche at the end of the respective lease periods. The Tokyo Century master lease and direct financing agreements provide for a number of termination events, the occurrence of which would require the Company to return all equipment to Tokyo Century. As of December 31, 2018, the Company was in discussions with Tokyo Century regarding termination and settlement of the lease in connection with the CUA Acquisition. See Note 13 – Related Party Transactions and Note 14 – Subsequent Events.

On January 10, 2019, the Company terminated the Tokyo Century Equipment Financing Agreement. The Company repaid principal and interest due of \$37.9 million, termination fees of \$4.7 million, and purchased all equipment covered by the lease agreement.

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***Sumitomo Equipment Financing Agreement***

On February 28, 2017, the Company entered into a non-cancellable lease agreement with Sumitomo Mitsui Finance and Leasing Company Limited (“Sumitomo”), an affiliate and subsidiary of Sumitomo Corporation as well as a related party of the Company (see Notes 1 and 13 ), for equipment acquired by the Company and ownership of which was transferred to Sumitomo in exchange for cash consideration equal to the value of the equipment purchased (the “Sumitomo direct financing agreement”). Rights of ownership were transferred to Sumitomo at the inception of the lease agreement, but control and certain risks of ownership (e.g., responsibility for taxes, repairs and maintenance costs, risk of loss, etc.) of the leased equipment were retained by the Company. The Sumitomo direct financing agreement was for equipment purchases of \$8.0 million and had a term of six years. The Company has the option to repurchase all of the leased equipment on an as-is basis for \$1.00 at the end of the lease period. The Sumitomo direct financing agreement provides for a number of termination events, the occurrence of which would require the Company to return all equipment to Sumitomo. As of December 31, 2018, the Company was in discussions with Sumitomo regarding termination and settlement of the lease in connection with the CUA Acquisition. See Note 13 – Related Party Transactions and Note 14 – Subsequent Events.

On January 10, 2019, the Company terminated the Sumitomo Equipment Financing Agreement. The Company repaid principal and interest due of \$6.8 million, termination fees of \$1.1 million, and purchased all equipment covered by the lease agreement.

***Operating Leases***

Rent expense under operating leases, including short-term rentals, is included in both Cost of sales and Selling, general and administrative expenses in the statements of comprehensive loss for the years ended December 31, 2018, 2017 and 2016 as follows (in thousands):

	Years Ended December 31,		
	2018	2017	2016
Cost of sales	\$ 188	\$ 9	\$ 90
Selling, general, and administrative expenses	90	107	33
Total rent expense	<u>\$278</u>	<u>\$116</u>	<u>\$123</u>

**11. Commitments and Contingencies**

***Commitments***

***Capital expenditure and purchase commitments***

As of December 31, 2018, the Company had future commitments for purchases of capital equipment of \$0.2 million and commitments for unconditional product purchases of approximately 47.9 million pounds of aluminum.

***Contingencies***

Future environmental regulations, including those under the Clean Air Act and Clean Water Act, or more aggressive enforcement of existing regulations, may result in stricter compliance requirements for the Company and for the aluminum industry in general.

At December 31, 2018, the Company had no events or circumstances that required material provisions to be recorded. During 2018, the Company entered into discussions with another party about various legal matters during which both parties requested payment from the other due to estimated losses. The Company is in continued discussions with the other party and because there are offsetting amounts, a reasonable estimate of a potential loss provision was not reliably possible at December 31, 2018. In addition, the Company has evaluated the matter and does not believe it is probable that a loss or present obligation has been incurred in connection with the other party’s assertion. Accordingly, the Company has not recorded a loss or related liability for this contingency in the Statement of Comprehensive Loss or Balance Sheet.

\* Not covered by the auditor’s report



**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018\*, 2017 and 2016\***

The Company is a party from time to time in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

***Standby Letters of Credit***

The Company provides certain third parties with irrevocable letters of credit in the normal course of business to secure its obligations to pay or perform pursuant to the requirements of an underlying agreement or the provision of goods and services. These standby letters of credit are cancelable only at the option of the beneficiary who is authorized to draw drafts on the issuing bank up to the face amount of the standby letter of credit in accordance with its terms. At December 31, 2018 and 2017, the Company had letters of credit of \$2.1 million and \$0.8 million, respectively, for which no draws were outstanding. These letters of credit supported incentive grants received by the Company and are contingent on the Company meeting certain equity requirements and employment thresholds. The standby letters of credit renew annually.

**12. Capital Contributions and Related Matters**

On January 10, 2019, Constellium acquired Tri-Arrows' 49% ownership interest in the Company, pursuant to which the Company became a wholly-owned subsidiary of Constellium. See Note 14 – Subsequent Events.

In accordance with the JV Agreement in force at December 31, 2018, Constellium U.S. and Tri-Arrows are required to maintain the proportionate agreed upon ownership percentages in the Company of 51% and 49%, respectively, through equity cash contributions and loans. Any future contributed capital or additional Member Loans will require a corresponding transaction from the other partner in the joint venture to maintain this structure.

In December 2014, Constellium U.S. and Tri-Arrows contributed \$25.5 million and \$24.5 million, respectively, of cash to capitalize the Company. In February and March 2015, Constellium U.S. made cash contributions to the Company totaling \$5.1 million in each month, and Tri-Arrows contributed \$4.9 million of cash to the Company in each of these months as well. The aggregate of these equity infusions constitutes Contributed capital on the balance sheets.

**13. Related Party Transactions**

***Constellium Hedging Program***

The Company transitioned the execution of substantially all of its hedging activity to Constellium Switzerland AG, a wholly-owned subsidiary of Constellium N.V., during 2018. All of the Company's derivative instruments at December 31, 2018 are administered through Constellium N.V.'s global hedging program. The fair value of outstanding derivative contracts is presented in Accrued expenses and other current liabilities in the balance sheets. Gains and losses (both realized and unrealized) are included in Loss on derivative instruments, net in the statements of comprehensive loss.

Net amounts outstanding and due to Constellium Switzerland AG related to the derivative purchase and settlement activity described above was \$0.7 million as of December 31, 2018. This amount is included in Accrued expenses and other current liabilities at December 31, 2018.

***Purchase and Services Agreements***

On September 15, 2016, Tri-Arrows, UACJ, Wise Alloys LLC, and Constellium Neuf-Brisach SAS (the two latter companies are indirect wholly-owned subsidiaries of Constellium) executed a metal supply agreement with the Company to purchase cold rolled coils for auto body sheet products (the "Metal Supply Agreement"). The Metal Supply Agreement is effective for a term of 15 years. On February 8, 2018, the Company, Tri-Arrows, UACJ, Constellium Muscle Shoals LLC (formerly known as Wise Alloys LLC), and Constellium Neuf Brisach SAS agreed to amend the Metal Supply Agreement. Effective retroactively to January 1, 2018, the amendment changes the metal and conversion pricing formula and extends the payment terms under the Metal Supply Agreement. Additionally, a review of the new conversion price and payment terms for purchased materials shall be performed to determine the applicable provisions to be effective after January 1, 2020. The original 15-year term of the agreement remains unchanged.

\* Not covered by the auditor's report

**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018\*, 2017 and 2016\***

The Company procures raw materials and certain support services from Constellium and its subsidiaries. During the years ended December 31, 2018, 2017 and 2016, the Company had related party purchases from Constellium of \$108.4 million, \$86.9 million and \$18.8 million, respectively, included in Inventories in the balance sheets and, when consumed, in Cost of sales in the statements of comprehensive loss. As of December 31, 2018, and 2017, outstanding related party accounts payable balances due to Constellium totaled \$50.2 million and \$19.0 million, respectively, which are included in Accounts payable in the balance sheets.

The Company procures raw materials and certain support services from UACJ and its affiliated companies. During the years ended December 31, 2018, 2017 and 2016, the Company had related party purchases from UACJ and its affiliated companies of \$73.6 million, \$108.7 million and \$26.3 million, respectively, included in Inventories in the balance sheets and, when consumed, in Cost of sales in the statements of comprehensive loss. As of December 31, 2018, and 2017, outstanding related party accounts payable balances due to UACJ totaled \$30.9 million and \$2.1 million, respectively, which are included in Accounts payable in the balance sheets. Amounts outstanding as of the date of the CUA Acquisition will be settled in the ordinary course of business.

During the year ended December 31, 2018 and 2017, the Company also incurred \$0.9 million, respectively, in leasing costs related to its lease agreement with Sumitomo.

The Company sells aluminum scrap to Constellium and Tri-Arrows as a means of disposition of unusable materials resulting from the normal manufacturing process and damaged or returned products without an alternative best use. On February 8, 2018, the parties to the joint venture amended the joint venture agreement to define terms for the sale of aluminum scrap by the Company to Constellium and Tri-Arrows. The amendment, which is effective as of January 1, 2018, outlines pricing and payment terms for the sale of scrap for an initial term of two years. Constellium Muscle Shoals LLC and Tri-Arrows possess a right of first refusal to purchase any scrap material produced by the Company during the manufacture of BiW products. The Company is allowed to sell aluminum scrap to a third party willing to pay a price greater than the stated price in the amendment if Constellium Muscle Shoals LLC and Tri-Arrows elect not to match the third party offer.

The Company sold \$23.6 million of aluminum scrap to Constellium during 2018, which are included as a reduction to Cost of sales in the statements of comprehensive loss. There were no scrap sales to Constellium in 2017 and 2016. As of December 31, 2018, accounts receivable balances due from Constellium for scrap sold totaled \$4.1 million, which are included in Accounts receivable in the balance sheets. The Company sold \$31.5 million, \$30.6 million and \$9.3 million of aluminum scrap to Tri-Arrows during 2018, 2017 and 2016, respectively, included as a reduction to Cost of sales in the statements of comprehensive loss. As of December 31, 2018, and 2017, accounts receivable balances due from Tri-Arrows for scrap sold totaled \$4.4 million and \$2.4 million, respectively, which are included in Accounts receivable in the balance sheets.

#### **14. Subsequent Events**

The Company has evaluated subsequent events through February 20, 2019, the date that these financial statements were available to be issued.

On December 11, 2018, Constellium, Constellium U.S., UACJ, and Tri-Arrows entered into an agreement for the purchase and transference of all interests held by Tri-Arrows to Constellium U.S. (the "Member Interest Purchase Agreement" or "MIPA"). On January 10, 2019, Constellium completed the acquisition of Tri-Arrows' 49% ownership interest in the Company, pursuant to which the Company became a wholly-owned subsidiary of Constellium and changed its name to Constellium Bowling Green LLC. The consideration transferred in exchange for the ownership interest was \$100.0 million in cash and the assumption of Tri-Arrows' portion of the Member Loans and Tri-Arrows' share of other outstanding debt. Amounts outstanding under the Tri-Arrows' Member Loan in excess of \$100.0 million were contributed to the Company as a capital contribution prior to and contingent upon the close of the CUA Acquisition.

On January 10, 2019, Constellium and the Company entered into a term loan agreement (the "Term Loan Agreement") in the principal amount of \$142.5 million, the proceeds of which were used to refinance all obligations outstanding under the Constellium U.S.'s Member Loan. The Term Loan has an effective annual interest rate of 6.5% and a maturity date of January 10, 2024.

\* *Not covered by the auditor's report*

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**CONSTELLIUM-UACJ ABS LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018\*, 2017 and 2016\***

On January 10, 2019, Constellium and the Company entered into an intergroup loan agreement (the “Intergroup Loan Agreement”) in the principal amount of \$63.0 million to finance the Company’s general corporate and business activities. The Intergroup Loan Agreement has a maturity date of April 10, 2019, and bears interest at the 3-month LIBOR USD rate plus 2.5%.

On January 10, 2019, Constellium and the Company entered into a revolving credit facility for drawdowns up to a maximum aggregate outstanding principal amount of \$20.0 million at any one time for the purpose of meeting the Company’s general financing requirements. The revolving credit facility matures on January 10, 2020 and may be extended by successive one year periods unless otherwise terminated under the terms of the agreement. The facility bears interest at the 3-month LIBOR USD rate plus 2.35%.

On January 10, 2019, Tri-Arrows and the Company executed a new metal supply agreement to purchase cold rolled coils for auto body sheet products (the “New Metal Supply Agreement”). The New Metal Supply Agreement shall continue in effect through December 31, 2023.

In January 2019, the Company terminated and repaid all outstanding amounts related to the Mitsubishi Direct Financing Agreement, the Tokyo Century Direct Financing Agreements, and the Sumitomo Direct Financing Agreement. See NOTE 10 – Leases for details.

\* *Not covered by the auditor’s report*

**CONSTELLIUM US HOLDINGS I, LLC**  
**U.S. NONQUALIFIED DEFERRED COMPENSATION AND**  
**RESTORATION PLAN**

Effective as of January 1, 2019.



CONSTELLIUM US HOLDINGS I, LLC

U.S. NONQUALIFIED DEFERRED COMPENSATION AND RESTORATION PLAN

**ARTICLE I - PURPOSE; EFFECTIVE DATE**

- 1.1. **Purpose.** The purpose of this U.S. NONQUALIFIED DEFERRED COMPENSATION AND RESTORATION PLAN (hereinafter, the "Plan") is to permit a select group of highly compensated employees of C ONSTELLIUM US H OLDINGS I, LLC (and its selected subsidiaries and/or affiliates) to defer the receipt of income which would otherwise become payable to them. It is intended that this Plan, by providing these eligible individuals an opportunity to defer the receipt of income, will assist in retaining and attracting individuals of exceptional ability.
- 1.2. **Effective Date.** It is the intent that all of the amounts deferred, and benefits provided under, this Plan will be subject to the terms of Section 409A of the Code, and shall be effective as of January 1, 2019.
- 1.3. **Plan Type.** For purposes of §409A of the Code, the portion of the amounts deferred by the Participants and benefits attributable thereto shall be considered an elective account balance plan as defined in United States Department of the Treasury ("Treasury") Regulation §1.409A - l(c)(2)(i)(A), or as otherwise provided by the Code; the portion of the amounts deferred as employer contributions and benefits attributable thereto shall be considered a non-elective account balance plan as defined in Treas. Reg. §1.409A -l(c)(2)(i)(B), or as otherwise provided by the Code.

**ARTICLE II - DEFINITIONS**

For the purpose of this Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise:

- 2.1. **Account(s).** "Account(s)" means the account or accounts maintained on the books of the Company used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund of assets. Account(s) shall be deemed to exist from the time amounts are first credited to such Account(s) until such time that the entire Account balance has been distributed in accordance with this Plan. The Accounts available for each Participant shall be identified as:
  - a) Company Contribution Account;
  - b) Retirement Account; and,
  - c) In-Service Account- Each Participant may maintain up to three (3) In-Service Accounts based on selecting different times and/or forms of payment as selected under Article 5, below.

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- 2.2. **Beneficiary.** “Beneficiary” means the person, persons or entity as designated by the Participant entitled under Article VI to receive any Plan benefits payable after the Participant’s death.
  - 2.3. **Change in Control.** A “Change in Control” means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined and determined under Section 409A(a)(2)(A)(v) of the Code (or its successor provisions), Treasury Notice 2005-1 and any further guidance published with respect to such term.
  - 2.4. **Code.** “Code” means the Internal Revenue Code of 1986, as may be amended from time to time. Any reference in this Plan to “applicable guidance”, “further guidance” or other similar term shall include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to or in connection with Section 409A by the U.S. Department of the Treasury or the Internal Revenue Service.
  - 2.5. **Committee.** “Committee” means the Committee appointed by the Company to administer the Plan pursuant to Article VII. The initial Committee so designated by the Company shall consist of the Vice President of Global Rewards (or similar designation if this position no longer exists) and those individuals designated by such person, and the full Committee once designated to be ratified by the Company.
  - 2.6. **Company.** “Company” means C ONSTELLIUM US H OLDINGS I, LLC, a Delaware limited liability company, and any successor to the business thereof.
  - 2.7. **Compensation.** “Compensation” means the base salary payable to and bonus or incentive compensation (excluding long-term incentive bonuses) earned by a Participant with respect to employment services performed for the Company by the Participant and considered to be “wages” for purposes of federal income tax withholding. For purposes of this Plan only, Compensation shall be calculated before reduction for any amounts deferred by the Participant pursuant to the Company’s tax qualified plans which may be maintained under Section 401 (k) or Section 125 of the Code, or pursuant to this Plan or any other non-qualified plan which permits the voluntary deferral of compensation. Inclusion of any other forms of compensation is subject to Committee approval.
  - 2.8. **Deferral Commitment.** “Deferral Commitment” means a commitment made by a Participant to defer a portion of Compensation as set forth in Article III, and as permitted by the Committee in its sole discretion. The Deferral Commitment shall apply to each payment of Compensation payable to a Participant, and the Committee is empowered to group the various types of Compensation together for purposes of effecting the election to defer. By way of example: the Committee may apply the election to defer “salary” to salary, commissions, and any other regularly occurring form of compensation; or the Committee may apply the election to defer “bonus” to annual bonuses, short-term bonus, and other forms of incentive-based compensation. The Deferral Commitment shall specify the Account or Accounts to which the Compensation deferred shall be credited. Such designation shall be made in the form of a whole percentage, or as may otherwise be permitted by the Committee. Any Deferral Commitment shall be made in a form and at a time deemed acceptable to the Committee.

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- 2.9. **Deferral Period.** “Deferral Period” means each calendar year, except that if a Participant first becomes eligible after the beginning of a calendar year as provided under Section 3.1(c), the initial Deferral Period shall be the date the Participant first becomes eligible to participate in this Plan through and including December 31<sup>st</sup> of that calendar year.
- 2.10. **Determination Date.** “Determination Date” means each business day.
- 2.11. **Distribution Election.** “Distribution Election” means the form prescribed by the Committee and completed by the Participant, indicating the chosen form of payment for benefits payable from each Account under this Plan, as elected by the Participant.
- 2.12. **Discretionary Contribution.** “Discretionary Contribution” means the Company contribution credited to a Participant’s Account(s) under Section 4.5, below.
- 2.13. **Financial Hardship.** “Financial Hardship” means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.
- 2.14. **401(k) Plan.** “401(k) Plan” means the “Constellium Rolled Products Ravenswood, LLC Salaried Defined Contribution Plan 401 (k)”, the Constellium Automotive USA 401(k) Retirement Plan, the Wise Metals Group Savings & Investment Plan for Salaried Employees, as may be applicable to a particular Participant, or any other successor defined contribution plan maintained by the Company or affiliated company that qualifies under Section 401(a) of the Code and satisfies the requirements of Section 401(k) of the Code.
- 2.15. **401(k) Restoration Contribution.** “401(k) Restoration Contribution” means the Company contribution credited to a Participant’s Account(s) under Section 4.4, below, as determined by the Committee in its sole discretion.
- 2.16. **Interest.** “Interest” means the amount credited to or charged against a Participant’s Account(s) on each Determination Date, which shall be based on the Valuation Funds chosen by the Participant as provided in Section 2.22, below and in a manner consistent with Section 4.3, below. Such credits or charges to a Participant’s Account may be either positive or negative to reflect the increase or decrease in value of the Account in accordance with the provisions of this Plan.
- 2.17. **Participant.** “Participant” means any individual who is eligible, pursuant to Section 3.1, below, to participate in this Plan, and who either has elected to defer Compensation under this Plan in accordance with Article III, below, or who is determined by the Committee in its sole discretion as being eligible to receive a Restoration Contribution or a Discretionary Contribution. Such individual shall remain a Participant in this Plan for the period of deferral, or credit, and until such time as all benefits payable under this Plan have been paid in accordance with the provisions hereof.

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- 2.18. **Plan**. “Plan” means this Constellium US Holdings I, LLC U.S. NONQUALIFIED DEFERRED COMPENSATION AND RESTORATION PLAN as amended from time to time.
- 2.19. **Retirement**. “Retirement” means the termination of a Participant’s employment with the Company, for reasons other than death, on or after attainment of age fifty-five (55).
- 2.20. **Specified Employees**. “Specified Employees” means a Participant who is determined by the Committee to be a “specified employee” under the provisions of Treas. Reg. §1.409A-1(i) and other applicable guidance, provided that the Company (or a member of the same group of controlled entities as the Company) is publicly traded on an established stock exchange.
- 2.21. **Termination**. “Termination”, “terminates employment” or any other similar such phrase means a Participant’s “separation from service” with the Company, for any reason, within the meaning of Section 409A of the Code, Treas. Reg. §1.409A-1(h) and other applicable guidance.
- 2.22. **Valuation Funds**. “Valuation Funds” means one or more of the independently-established funds or indices that are identified and listed by the Committee. It is the intent that these Valuation Funds be identical or substantially similar to those investment alternatives then currently available under the 401(k) Plan, as determined by the Committee in its sole discretion. These Valuation Funds are used solely to calculate the Interest that is credited to each Participant’s Account(s) in accordance with Article IV, below, and does not represent, nor should it be interpreted to convey any beneficial interest on the part of the Participant in any asset or other property of the Company. The determination of the increase or decrease in the value of each Valuation Fund based on its performance shall be made by the Committee in its reasonable discretion. The Committee shall select the various Valuation Funds available to the Participants with respect to this Plan and shall set forth a list of these Valuation Funds attached hereto as Exhibit A, which may be amended from time to time in the discretion of the Committee.

### **ARTICLE III - ELIGIBILITY AND PARTICIPATION**

- 3.1. **Eligibility and Participation**.
- a) **Eligibility**. Eligibility to participate in the Plan shall be limited to those select key employees of the Company, or employees of a related or affiliated company designated by the Company, who are designated by the Committee from time to time and approved by the Committee. The Committee may indicate that a Participant is eligible for some, but not all, provisions of this Plan. By way of example: A Participant may be named eligible to receive a Restoration or Discretionary Contribution, but not eligible to voluntarily defer Compensation under the terms of this Plan, or eligible to voluntarily defer Compensation but not receive a Restoration or Discretionary Contribution.
- b) **Participation**. An individual’s participation in the Plan shall be effective upon the individual first becoming eligible to participate, and the earlier of a contribution under this Plan being made on behalf of the Participant by the Company or the completion and submission of a Deferral Commitment, a Distribution Election (if applicable), and an Allocation Form to the Committee at a time and in a form determined by the Committee.



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- c) **First-Year Participation.** Generally, all Participants will initially become eligible for participation in this Plan as of each January 1. However, if specifically permitted by the Committee, an individual may first become eligible to participate in this Plan on a date specified by the Committee, provided that the Participant is not eligible to participate in another plan sponsored by the Company which is considered to be of a similar type as defined in Treas. Reg. §1.409A -l(c)(2)(i)(A) or (B), or as otherwise provided by the Code, in which case, a Deferral Commitment may be submitted to the Committee within thirty (30) days after the individual becomes eligible to participate. Such Deferral Commitment will be effective only with regard to Compensation earned and paid with respect to services performed following submission of the Deferral Commitment to the Committee.
- 3.2. **Form of Deferral Commitment.** A Participant may elect to make a Deferral Commitment at such other time and in such form as determined by the Committee, but in no event later than the date on which the election is required to become irrevocable as set forth in this Article or otherwise required by Section 409A of the Code and applicable guidance. The Deferral Commitment shall specify the following:
- a) **Timing of Deferral Election.** The Participant shall make an election to defer Compensation by filing a Deferral Commitment with the Committee, and such election shall become irrevocable no later than the last day of the calendar year prior to the Deferral Period, except as provided in Section 3.1(c), above.
- b) **Deferral Amounts; Accounts.** A Deferral Commitment shall be made with respect to each payment and/or type of Compensation payable by the Company to a Participant during the Deferral Period and shall designate the portion of each deferral that shall be allocated among the various Retirement or In-Service Accounts. In addition, no amounts shall be deferred into an In-Service Account during a Deferral Period when amounts are scheduled to be made from such Account and until such time as that entire Account balance has been completely distributed. Notwithstanding anything to the contrary herein, for purposes of this Plan only, base salary attributable to the final pay period of any calendar year shall be deemed to be earned in the subsequent calendar year, provided the amounts are in fact paid (or payable) in the subsequent calendar year under the Company's normal compensation practices. The Participant shall set forth the amount to be deferred in the manner provided by the Committee.
- c) **Allocation to Valuation Funds.** The Participant shall specify in a separate form ("Allocation Form") filed with the Committee the Participant's initial allocation of the amounts deferred into each Account among the various available Valuation Funds.
- d) **Maximum Deferral.** The maximum amount of salary that may be deferred shall be fifty percent (50%); the maximum amount of bonus or incentive compensation that may be deferred shall be eighty-five percent (85%).
- 3.3. **Period of Commitment.** Any Deferral Commitment made by a Participant with respect to Compensation shall remain in effect for the next Deferral Period, except that if a Participant terminates employment with Company prior to the end of the Deferral Period, the Deferral Period shall end as of the date of termination.

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- 3.4. **Irrevocability of Deferral Commitment.** Except as provided in Sections 3.3, above, a Deferral Commitment shall become irrevocable by the Participant as of the last day on which an election may be made under the terms of this Plan and during the following Deferral Period.
- 3.5. **Change in Status.** If the Committee determines that a Participant's employment performance is no longer at a level that warrants reward through participation in this Plan, but does not terminate the Participant's employment with Company, the Participant's existing Deferral Commitment shall terminate at the end of the Deferral Period, and no new Deferral Commitment may be made by such Participant after notice of such determination is given by the Committee, unless the Participant later satisfies the requirements of Section 3.1.
- 3.6. **Defaults in Event of Incomplete or Inaccurate Deferral Documentation.** In the event that a Participant submits a Deferral Commitment, Allocation Form or Distribution Election to the Committee that contains information necessary to the efficient operation of this Plan which, in the sole discretion of the Committee, is missing, incomplete or inaccurate, the Committee shall be authorized to treat such form as if the following elections had been made by the Participant, and such information shall be communicated to the Participant:
- a) If no Account is listed – treat as if the Retirement Account was elected;
  - b) If Accounts listed equal less than 100% - treat as if the balance was deferred into Retirement Account;
  - c) If Accounts listed equal more than 100% – proportionately reduce each Account to equal 100%;
  - d) If In-Service Account is listed, but no deferrals can be made into that Account due to the fact that benefits are scheduled to be paid or are being paid from that In-Service Account, then the amounts elected to be deferred shall be credited to another In-Service Account, if such other In-Service Account is available for deferral, and if not, then to the Retirement Account during such period of payment, after which time the balance of the amounts elected to be deferred shall be credited to a subsequent In-Service Account with a distribution date as elected or as provided in sub-section (i), below;
  - e) If no Valuation Fund is selected – treat as if the Money Market Fund was elected;
  - f) If Valuation Fund(s) selected equal less than 100% - treat as if the Money Market Fund was elected for the remaining balance;
  - g) If Valuation Fund(s) selected equal more than 100% - proportionately reduce each Valuation Fund to equal 100%;
  - h) If no Distribution Election is chosen –treat as if a lump sum was elected for In-Service Account and treat as if three (3) year was elected for Retirement Account and/or Company Contribution Account; and,
  - i) If no time of payment is chosen for In-Service Account –treat as if the earliest possible date available under the provisions of Section 5.3, below, was elected.

#### ARTICLE IV - DEFERRED COMPENSATION ACCOUNT

- 4.1. **Accounts.** The Compensation deferred by a Participant under the Plan, any Restoration or Discretionary Contributions and Interest shall be credited to the Participant's Account(s) as selected by the Participant, or as otherwise provided in this Article. Separate accounts may be maintained on the books of the Company to reflect the different Accounts chosen by the Participant, and the Participant shall designate the portion of each deferral that will be credited to each Account as set forth in this Plan. These Accounts shall be used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund of assets.
- 4.2. **Timing of Credits; Withholding.** A Participant's deferred Compensation shall be credited to each Account designated by the Participant as soon as practical after the date the Compensation deferred would have otherwise been payable to the Participant, or at a date that is specified by the Committee. Any Restoration and Discretionary Contributions shall be credited to the appropriate Account(s) as provided by the Committee. Any withholding of taxes or other amounts with respect to deferred Compensation or other amounts credited under this Plan that is required by local, state or federal law shall be withheld from the Participant's corresponding non-deferred portion of the Compensation to the maximum extent possible, and any remaining amount shall reduce the amount credited to the Participant's Account in a manner specified by the Committee.
- 4.3. **Valuation Funds.** A Participant shall designate, at a time and in a manner acceptable to the Committee, one or more Valuation Funds for each Account for the sole purpose of determining the amount of Interest to be credited or debited to such Account. Such election shall designate the portion of each deferral of Compensation made into each Account that shall be allocated among the available Valuation Fund(s), and such election shall apply to each succeeding deferral of Compensation until such time as the Participant shall file a new election with the Committee. Upon notice to the Committee, Participants shall also be permitted to reallocate the balance in each Valuation Fund among the other available Valuation Funds as determined by the Committee. The manner in which such elections shall be made, the frequency with which such elections may be changed and the manner in which such elections shall become effective shall be determined in accordance with the procedures to be adopted by the Committee or its delegates from time to time. As of the Effective Date, such elections may be made on a daily basis electronically, and such elections shall become effective on the date made or the next available Determination Date.
- 4.4. **401(k) Restoration Contributions.** In the sole discretion of the Committee, subject to applicable law and any requisite internal procedures and/or required approvals, a 401 (k) Restoration Contribution may be made to the Account of any Participant designated by the Committee. Unless otherwise provided, the 401(k) Restoration Contribution shall be equal to a) multiplied by b) where:
  - a) Equals the maximum matching and non-elective contribution percentages applicable for the 401(k) Plan for the prior calendar year; and,
  - b) Equals the sum of: (1) the amount of Compensation deferred in the prior calendar year under

this Plan, and (2) the excess, if any, of the Participant's eligible compensation for the prior calendar year as determined under the terms of the 401(k) Plan (calculated without regard to the limitations of Section 401(a)(17) of the Code) over the Section 401(a)(17) compensation limit applicable for that calendar year.

The 401(k) Restoration Contribution shall be credited to the Participant's Company Contribution Account as soon as practical after the end of the Deferral Period, but in no event later than 90 days after the close of such year, provided that the Participant was not terminated For Cause, as that term may be defined by Company policy or in an employment contract applicable to that Participant.

- 4.5. **Discretionary Contributions.** In its sole discretion, subject to applicable law and any requisite internal procedures and/or required approvals, the Committee may make Discretionary Contributions to a Participant's Account. Discretionary Contributions shall be credited at such times and in such amounts as recommended by the Committee. Unless the Committee specifies otherwise, such Discretionary Contribution shall be allocated to the Company Contribution Account.
- 4.6. **Determination of Accounts.** Each Participant's Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, adjusted as follows:
  - a) **New Deferrals.** Each Account shall be increased by any deferred Compensation credited since such prior Determination Date in the proportion chosen by the Participant, except that no amount of new deferrals shall be credited to an Account at the same time that a distribution is to be made from that Account.
  - b) **Company Contributions.** Each Account shall be increased by any Discretionary and/or Restoration Contributions credited since such prior Determination as set forth above in Sections 4.4 and 4.5 or as otherwise directed by the Committee.
  - c) **Distributions.** Each Account shall be reduced by the amount of each benefit payment made from that Account since the prior Determination Date. Distributions shall be deemed to have been made proportionally from each of the Valuation Funds maintained within such Account based on the proportion that such Valuation Fund bears to the sum of all Valuation Funds maintained within such Account for that Participant as of the Determination Date immediately preceding the date of payment.
  - d) **Interest.** Each Account shall be increased or decreased by the Interest credited to such Account since such Determination Date as though the balance of that Account had been invested in the applicable Valuation Funds chosen by the Participant.
- 4.7. **Vesting of Accounts.** Each Participant shall be vested in the amounts credited to such Participant's Account and Interest thereon as follows:
  - a) **Amounts Deferred.** A Participant shall be one hundred percent (100%) vested at all times in the amount of Compensation elected to be deferred under this Plan, including any Interest thereon.

- b) **Company Contributions** . A Participant shall be one hundred percent (100%) vested at all times in the amount of Restoration Contributions credited under this Plan, including any Interest thereon.
- c) **Discretionary Contributions** . A Participant's Discretionary Contributions and Interest thereon shall become vested as determined by the Committee.

#### **ARTICLE V - PLAN BENEFITS**

- 5.1. **Company Contribution Account** . The vested portion of a Participant's Company Contribution Account shall be distributed to the Participant upon the termination of employment with the Company.
  - a) **Timing of Payment** . Subject to Section 5.7, benefits payable from the Company Contribution Account shall commence as soon as practical after July 1<sup>st</sup> of the calendar year immediately following the year of termination.
  - b) **Form of Payment** . The form of benefit payment shall be that form selected by the Participant in the first Distribution Election coincident with the initial crediting of amounts into the Company Contribution Account, and as permitted pursuant to Section 5.8 below, except that if the Participant terminates employment prior to Retirement, then the Company Contribution Account shall be paid in the form of a lump sum payment. If the Form of Payment selected provides for subsequent payments, subsequent payments shall be made on or about the anniversary of the initial payment.
- 5.2. **Retirement Account** . The vested portion of a Participant's Retirement Account shall be distributed to the Participant upon the termination of employment with the Company.
  - a) **Timing of Payment** . Subject to Section 5.7, benefits payable from the Retirement Account shall commence as soon as practical after July 1<sup>st</sup> of the calendar year immediately following the year of termination.
  - b) **Form of Payment** . The form of benefit payment shall be that form selected by the Participant in the first Deferral Commitment which designated a portion of the Compensation deferred be allocated to the Retirement Account, and as permitted pursuant to Section 5.8 below, except that if the Participant terminates employment prior to Retirement, then the Retirement Account shall be paid in the form of a lump sum payment. If the Form of Payment selected provides for subsequent payments, subsequent payments shall be made on or about the anniversary of the initial payment.
- 5.3. **In-Service Account** . The vested portion of a Participant's In-Service Account shall generally be distributed to the Participant upon the date specified by the Participant.
  - a) **Timing of Payment** . Subject to Section 5.7, benefits payable from the In-Service Account shall commence on or about July 1st of the year specified in the first Deferral Commitment which designated a portion of the Compensation deferred be allocated to the In-Service Account. In no event shall the date selected be earlier than the first day of the fourth calendar year following the initial filing of the Deferral Commitment with respect to that In-Service

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Account. In the event that the Participant terminates employment with the Company prior to the year so specified, the benefits under this section shall commence on July 1<sup>st</sup> of the calendar year immediately following the year of termination.

- b) **Form of Payment.** The form of benefit payment from the In-Service Account shall be that form selected by the Participant pursuant to Section 5.8, below, except that if the Participant terminates employment with the Company prior to the year so specified, then the In-Service Account shall be paid in the form of a lump sum payment. If the Form of Payment selected provides for subsequent payments, subsequent payments shall be made on or about the anniversary of the initial payment.
  - c) **Change of Time and/or Form of Payment.** The Participant may subsequently amend the form of payment or the intended date of payment to a date later than that date of payment in force immediately prior to the filing of such request, by filing such amendment with the Committee no later than twelve (12) months prior to the current date of payment. The Participant may file this amendment, provided that each amendment must provide for a payout as otherwise permitted under this paragraph at a date no earlier than five (5) years after the date of payment in force immediately prior to the filing of such request, and the amendment may not take effect for twelve (12) months after the request is made. For purposes of this Article, a payment of amounts under this Plan, including the payment of annual installments over a number of years, shall be treated as a single payment, as provided in Treas. Reg. §1-409A-2(b)(2)(iii).
- 5.4. **Death Benefit.** Upon the death of a Participant prior to the complete payment of benefits under this Plan from any particular Account, the Company shall pay to the Participant's Beneficiary an amount equal to the vested Account balance in that Account in the form of a lump sum payment as soon as administratively possible.
- 5.5. **Financial Hardship Distributions.** Upon a finding that a Participant has suffered a Financial Hardship, the Committee may, in its sole discretion, terminate the existing Deferral Commitment, and/or make distributions from any or all of the Participant's Accounts. The amount of such distribution shall be limited to the amount reasonably necessary to meet the Participant's needs resulting from the Financial Hardship plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such Financial Hardship is or may be relieved through the reimbursement or compensation by insurance, or otherwise or by liquidation of the Participant's assets (to the extent that liquidation of such assets would not itself cause severe financial hardship). The amount of such distribution will not exceed the Participant's vested Account balances. If payment is made due to Financial Hardship, the Participant's deferrals under this Plan shall cease for the period of the Financial Hardship and for twelve (12) months thereafter. If the Participant is again eligible to participate, any resumption of the Participant's deferrals under the Plan after such twelve (12) month period shall be made only at the election of the Participant in accordance with Article III herein.
- 5.6. **Distributions upon Termination after Change in Control.** Notwithstanding anything else to the contrary in this Article, in the event of a termination of employment within two (2) years following a Change in Control, any amounts due under this Plan as a result of such termination shall be paid in the form of a lump sum and such payment shall be made as soon as practical, but in no event more than ninety (90) days following the termination.

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- 5.7. **Payment to Specified Employees** . Notwithstanding anything else to the contrary, payments of benefits from the Retirement Account, the Company Contribution Account and benefits payable from an In-Service Account caused by the termination of employment (other than by reason of death) of a Participant who is determined to meet the definition of Specified Employee at the time of termination shall be payable as otherwise provided, except that the initial payment shall be made no earlier than the six (6) months following the termination of employment with the Company.
- 5.8. **Form of Payment** . Unless otherwise specified in this Article, the benefits payable from any Account under this Plan shall be paid in the form of benefit as provided below, and specified by the Participant in the Distribution Election applicable to that Account at the time of the initial deferral or credit to that Account. The permitted forms of benefit payments are:
- a) A lump sum amount which is equal to the vested Account balance; and
  - b) Annual installments for a period of up to ten (10) years (or in the event of payment of the In-Service Account, a maximum of four (4) years) where the annual payment shall be equal to the balance of the Account immediately prior to the payment, multiplied by a fraction, the numerator of which is one (1) and the denominator of which commences at the number of annual payment initially chosen and is reduced by one (1) in each succeeding year. Interest on the unpaid balance shall be based on the most recent allocation among the available Valuation Funds chosen by the Participant, made in accordance with Section 4.3, above.
- 5.9. **Small Account** . Notwithstanding any election by the Participant to the contrary, if the Participant's vested Plan balance in all Accounts as of the first scheduled payment date following a termination of employment is less than \$50,000, the vested Plan balance shall be paid in a lump sum, except that any In-Service Account with scheduled payments commencing prior to the date of termination will continue to be paid per the Participant's election. [ GC 1 ]
- 5.10. **Withholding: Payroll Taxes** . The Company shall withhold from any payment made pursuant to this Plan any taxes required to be withheld from such payments under local, state or federal law. A Beneficiary, however, may elect not to have withholding of federal income tax pursuant to Section 3405(a)(2) of the Code, or any successor provision thereto.
- 5.11. **Payments in Connection with a Domestic Relations Order** . Notwithstanding anything to the contrary herein, the Company may make distributions to someone other than the Participant if such payment is necessary to comply with a domestic relations order, as defined in §414(p)(1)(B) of the Code, involving the Participant. Where the domestic relations order permits discretion on the part of the non-Participant spouse and such discretion has not been exercised, the Company shall distribute to the non-Participant spouse the amounts subject to the order as soon as practical.
- 5.12. **Payment to Guardian** . If a Plan benefit is payable to a minor or a person declared

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incompetent or to a person incapable of handling the disposition of the property, the Committee may direct payment to the guardian, legal representative or person having the care and custody of such minor, incompetent person or person incapable of handling the disposition of the property. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution. Such distribution shall completely discharge the Committee and Company from all liability with respect to such benefit.

- 5.13. **Effect of Payment.** The full payment of the applicable benefit under this Article V shall completely discharge all obligations on the part of the Company to the Participant (and the Participant's Beneficiary) with respect to the operation of this Plan, and the Participant's (and Participant's Beneficiary's) rights under this Plan shall terminate.

#### **ARTICLE VI - BENEFICIARY DESIGNATION**

- 6.1. **Beneficiary Designation.** Each Participant shall have the right, at any time, to designate one (1) or more persons or entity as Beneficiary (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of Participant's death prior to complete distribution of the Participant's vested Account balance. Each Beneficiary designation shall be in a written form prescribed by the Committee and shall be effective only when filed with the Committee during the Participant's lifetime.
- 6.2. **Changing Beneficiary.** Any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new Beneficiary designation with the Committee.
- 6.3. **No Beneficiary Designation.** If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the person in the first of the following classes in which there is a survivor:
- a) The Participant's surviving spouse;
  - b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves surviving issue, then such issue shall take by right of representation the share the deceased child would have taken if living; or
  - c) The Participant's estate.
- 6.4. **Effect of Payment.** Payment to the Beneficiary shall completely discharge the Company's obligations under this Plan.



## ARTICLE VII - ADMINISTRATION

- 7.1. **Committee; Duties**. This Plan shall be administered by the Committee, which shall consist of those individuals named by the Company, except in the event of a Change in Control as provided in Section 7.6 below. The Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as they may arise in such administration. A majority vote of the Committee members shall control any decision. Members of the Committee may be Participants under this Plan.
- 7.2. **Compliance with Section 409A of the Code**. It is intended that the Plan comply with the provisions of Section 409A of the Code, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or Beneficiaries. This Plan shall be construed, administered, and governed in a manner that effects such intent, and the Committee shall not take any action that would be inconsistent with such intent. Although the Committee shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of deferrals under this Plan is not warranted or guaranteed. Neither the Company, any director, officer, employee and advisor, nor the Committee (nor its designee) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant, Beneficiary or other taxpayer as a result of or relating to the Plan or any actions or inactions of the Committee (or its designee) with respect hereto (including, without limitation, the administration, interpretation and application of the Plan). For purposes of the Plan, the phrase "permitted by Section 409A of the Code," or words or phrases of similar import, shall mean that the event or circumstance shall only be permitted to the extent it would not cause an amount deferred or payable under the Plan to be includible in the gross income of a Participant or Beneficiary under Section 409A(a)(1) of the Code.
- 7.3. **Agents**. The Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.
- 7.4. **Binding Effect of Decisions**. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.
- 7.5. **Indemnity of Committee**. The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan on account of such member's service on the Committee, except in the case of gross negligence or willful misconduct. Any amendment to the Plan which impairs such members' rights hereunder shall only have prospective effect.

- 7.6. **Election of Committee After Change in Control** . After a Change in Control, vacancies on the Committee shall be filled by majority vote of the remaining Committee members and Committee members may be removed only by such a vote. If no Committee members remain, a new Committee shall be elected by majority vote of the Participants in the Plan immediately preceding such Change in Control. After a Change in Control, no amendment shall be made to Article VII or other Plan provisions regarding Committee authority with respect to the Plan without prior approval by the Committee.

#### **ARTICLE VIII - CLAIMS PROCEDURE**

- 8.1. **Claim** . Any person or entity claiming a benefit, requesting an interpretation or ruling under the Plan (hereinafter referred to as "Claimant"), or requesting information under the Plan shall present the request in writing to the Committee, which shall respond in writing as soon as practical, but in no event later than ninety (90) days after receiving the initial claim.
- 8.2. **Denial of Claim** . If the claim or request is denied, the written notice of denial shall state:
- a) The reasons for denial, with specific reference to the Plan provisions on which the denial is based;
  - b) A description of any additional material or information required and an explanation of why it is necessary, in which event the time frame listed in Section 8.1 shall be one hundred and eighty (180) days from the date of the initial claim; and
  - c) An explanation of the Plan's claim review procedure.
- 8.3. **Review of Claim** . Any Claimant whose claim or request is denied or who has not received a response within sixty (60) days may request a review by notice given in writing to the Committee. Such request must be made within sixty (60) days after receipt by the Claimant of the written notice of denial, or in the event Claimant has not received a response sixty (60) days after receipt by the Committee of Claimant's claim or request. The claim or request shall be reviewed by the Committee which may, but shall not be required to, grant the Claimant a hearing. On review, the Claimant may have representation, examine pertinent documents, and submit issues and comments in writing.
- 8.4. **Final Decision** . The decision on review shall normally be made within sixty (60) days after the Committee's receipt of Claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the Claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

## **ARTICLE IX - AMENDMENT AND TERMINATION OF PLAN**

- 9.1. **Amendment**. The Company may at any time amend the Plan by written instrument, notice of which is given to all Participants and to Beneficiaries receiving installment payments, except that no amendment shall reduce the amount vested or accrued in any Account as of the date the amendment is adopted. In addition, any amendment which adds a distribution event to the Plan shall not be effective with respect to Accounts already established as of the time of such amendment.
- 9.2. **Company's Right to Terminate**. The Company may, in its sole discretion, terminate the entire Plan, or terminate a portion of the Plan that is identified as an elective account balance plan as defined in Treas. Reg. §1.409A -1(c)(2)(i)(A), or as a non-elective account balance plan as defined in Treas. Reg. §1.409A -1(c)(2)(i)(B), and require distribution of all benefits due under the Plan or portion thereof, provided that:
- a) The termination of the Plan does not occur proximate to a downturn in the financial health, as determined by the Committee, of the Company;
  - b) The Company also terminates all other plans or arrangements which are considered to be of a similar type as defined in Treas. Reg. §1.409A -1(c)(2)(i), or as otherwise provided by the Code, as the portion of the Plan which has been terminated;
  - c) No payments made in connection with the termination of the Plan occur earlier than 12 months following the Plan termination date other than payments the Plan would have made irrespective of Plan termination;
  - d) All payments made in connection with the termination of the Plan are completed within 24 months following the Plan termination date;
  - e) The Company does not establish a new plan of a similar type as defined in Treas. Reg. §1.409A -1(c)(2)(i), within 3 years following the Plan termination date of the portion of the Plan which has been terminated; and,
  - f) The Company meets any other requirements necessary to comply with provisions of the Code and applicable regulations which permit the acceleration of the time and form of payment made in connection with plan terminations and liquidations.

## **ARTICLE X - MISCELLANEOUS**

- 10.1. **Unfunded Plan**. This Plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA.
- 10.2. **Unsecured General Creditor**. Notwithstanding any other provision of this Plan, Participants and Participants' Beneficiaries shall be unsecured general creditors, with no secured or preferential rights to any assets of the Company or any other party for payment of benefits under this Plan. Any property held by the Company for the purpose of generating the cash flow for benefit payments shall remain its general, unpledged and unrestricted assets. The Company's obligation under the Plan shall be an unfunded and unsecured promise to pay money in the future.

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- 10.3. **Trust Fund**. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one (1) or more trusts, with such trustees as the Company may approve, for the purpose of assisting in the payment of such benefits. The assets of any such trust shall be held for payment of all of the Company's general creditors in the event of insolvency. To the extent any benefits provided under the Plan are paid from any such trust, the Company shall have no further obligation to pay them. If not paid from the trust, such benefits shall remain the obligation of the Company.
- 10.4. **Nonassignability**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgements, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.
- 10.5. **Not a Contract of Employment**. This Plan shall not constitute a contract of employment between the Company and the Participant. Nothing in this Plan shall give a Participant the right to be retained in the service of the Company or to interfere with the right of the Company to discipline or discharge a Participant at any time.
- 10.6. **Protective Provisions**. A Participant will cooperate with the Company by furnishing any and all information requested by the Company, in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Company may deem necessary and taking such other action as may be requested by the Company.
- 10.7. **Governing Law**. The provisions of this Plan shall be construed and interpreted according to the laws of the State of Maryland, without regard for conflict of laws provisions, except as preempted by federal law.
- 10.8. **Validity**. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.
- 10.9. **Notice**. Any notice required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to: Constellium US Holdings I, LLC, 300 East Lombard Street, Suite 1710, Baltimore, MD 21202, attention: Vice President of Global Rewards. Mailed notice to a Participant or Beneficiary shall be directed to the individual's last known address in the Company's records.

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10.10. **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

CONSTELLIUM US HOLDINGS I, LLC

BY: /s/ Rina E Teran

NAME: Rina E Teran

ITS: VP & President

DATED: As of JAN 1, 2019

**Exhibit A  
VALUATION FUNDS**

<b>Fund Type</b>	<b>Fund Name</b>	<b>Asset Class</b>
Cash	American Funds US Government Money Market Fund*	Money Market
Fixed Income	American Funds US Government Securities	Intermediate Government
	American Funds Bond Fund of America	Intermediate Bond
	American Funds American High Income Trust	High Yield Bond
Equity	American Funds Capital Income Builder	Mixed Asset Class
	American Funds EuroPacific Growth	Non-US Equity
	American Funds Growth Fund of America	US Large Cap
	American Funds New Perspective	Global Equity
	Allianz NFJ Mid-Cap Value	US Mid Cap Value
	American Funds Washington Mutual	US Large Cap Value
	Federated Max-Cap Index	US Large Cap Passive
	Invesco American Franchise	US Large Cap Growth
	Invesco Comstock	US Large Cap Value
	Janus Henderson Triton	US Small Cap Growth
	Putnam Sustainable Leaders	US All Cap Growth
	Diversified	American Funds 2010 Target Date Fund
American Funds 2015 Target Date Fund		Target Date
American Funds 2020 Target Date Fund		Target Date
American Funds 2025 Target Date Fund		Target Date
American Funds 2030 Target Date Fund		Target Date
American Funds 2035 Target Date Fund		Target Date
American Funds 2040 Target Date Fund		Target Date
American Funds 2045 Target Date Fund		Target Date
American Funds 2050 Target Date Fund		Target Date
American Funds 2055 Target Date Fund		Target Date
American Funds 2060 Target Date Fund	Target Date	
Default option if no fund election is made		

**Certification by the Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jean-Marc Germain, certify that:

1. I have reviewed this annual report on Form 20-F of Constellium N.V. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting;
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: March 11, 2019

By: /s/ Jean-Marc Germain

Name: Jean-Marc Germain

Title: *Chief Executive Officer*

**Certification by the Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Peter R. Matt, certify that:

1. I have reviewed this annual report on Form 20-F of Constellium N.V. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting;
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: March 11, 2019

By: /s/ Peter R. Matt

Name: Peter R. Matt

Title: *Executive Vice President and Chief Financial  
Officer*



**Certification by the Chief Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Constellium N.V. (the "Company") on Form 20-F for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jean-Marc Germain, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2019

By: /s/ Jean-Marc Germain

Name: Jean-Marc Germain

Title: *Chief Executive Officer*

**Certification by the Chief Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Constellium N.V. (the "Company") on Form 20-F for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter R. Matt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11 , 2019

By: /s/ Peter R. Matt

Name: Peter R. Matt

Title: *Executive Vice President and Chief Financial Officer*

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-191905, 333-201141 and 333-225926), Form F-3 (No. 333-211378) and Form F-3ASR (No. 333-221221) of Constellium N.V. of our report dated March 11, 2019 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

Neuilly-sur-Seine, France

PricewaterhouseCoopers Audit

/s/ Cédric Le Gal

Cédric Le Gal

Partner

March 11, 2019

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-191905, 333-201141 and 333-225926), Form F-3 (No. 333-211378) and Form F-3ASR (No. 333-221221) of Constellium N.V. of our report dated February 15, 2018 relating to the financial statements of Constellium-UACJ ABS LLC, which appears in this Annual Report on Form 20-F.

/s/ PricewaterhouseCoopers LLP  
McLean, Virginia  
March 11, 2019

Subsidiaries of Constellium N.V. as of December 31, 2018

<b>Subsidiary</b>	<b>Jurisdiction</b>
Alcan International Network (Thailand) Co. Ltd.	Thailand
Alcan International Network México S.A. de C.V.	Mexico
AluInfra Services SA	Switzerland
Astrex Inc.	Canada
Constellium Automotive México, S. DE R.L. DE C.V	Mexico
Constellium Automotive México Trading, S. DE R.L. DE C.V.	Mexico
Constellium Automotive (Nanjing) Co., Ltd.	China
Constellium Automotive Spain, S.L.	Spain
Constellium Automotive USA, LLC	Delaware
Constellium Automotive Žilina, s.r.o.	Slovak Republic
Constellium China	China
Constellium Deutschland GmbH	Germany
Constellium Engley (Changchun) Automotive Structures Co Ltd.	China
Constellium Extrusions Burg GmbH	Germany
Constellium Extrusions Decin s.r.o.	Czech Republic
Constellium Extrusions Deutschland GmbH	Germany
Constellium Extrusions France	France
Constellium Extrusions Landau GmbH	Germany
Constellium Extrusions Levice S.r.o.	Slovak Republic
Constellium Finance	France
Constellium France III	France
Constellium France Holdco	France
Constellium Germany Holdco GmbH & Co. KG	Germany
Constellium Germany Verwaltungs GmbH	Germany
Constellium Holdings Muscle Shoals (f/k/a Wise Metals Group LLC)	Delaware
Constellium International	France
Constellium Issoire	France
Constellium Japan KK	Japan
Constellium Metal Procurement LLC	Delaware
Constellium Montreuil Juigné	France
Constellium Muscle Shoals LLC (f/k/a Wise Alloys LLC)	Delaware
Constellium Muscle Shoals Funding II LLC (f/k/a Wise Alloys Funding II LLC)	Delaware
Constellium Neuf Brisach	France
Constellium Paris	France
Constellium Property and Equipment Company, LLC	Delaware
Constellium Rolled Products Ravenswood, LLC	Delaware
Constellium Rolled Products Singen GmbH & Co. KG	Germany
Constellium Singen GmbH	Germany
Constellium Southeast Asia PTE. LTD.	Singapore
Constellium Switzerland AG	Switzerland
Constellium-UACJ ABS LLC (renamed into Constellium Bowling Green LLC in 2018)	Delaware
Constellium Treuhand UG (haftungsbeschränkt)	Germany
Constellium UK Limited	United Kingdom
Constellium US Holdings I, LLC	Delaware
Constellium Ussel	France
Constellium Valais SA	Switzerland
Constellium W	France
C-TEC Constellium Technology Center	France
Engineered Products International SAS	France
Listerhill Total Maintenance Center LLC	Delaware